

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



January 2, 2008

Advice Letter 2117-E-A

Akbar Jazayeri  
Vice President, Regulatory Operations  
Southern California Edison Company  
P O Box 800  
Rosemead, CA 91770

Subject: Modification of Preliminary Statement, Part ZZ,  
Energy Resource Recovery Account (ERRA)

Dear Mr. Jazayeri:

Advice Letter 2117-E-A is effective December 20, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director  
Energy Division

**ADVICE LETTER (AL) SUSPENSION NOTICE**  
**ENERGY DIVISION**

Utility Name: Southern California Edison    Date Utility Notified: 06-27-2007 (**via: e-mail**)  
Utility No./Type U 338-E    [ X ] E-Mail to: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com);  
[James.Yee@sce.com](mailto:James.Yee@sce.com); Karyn.Gansecki@sce.com

Advice Letter No.2117-E-A    Fax No.: N/A  
Date AL filed: 06-18-2007    ED Staff Contact: Sean Simon  
Utility Contact Person: James Yee  
Utility Phone No. (626) 302-2509

**For Internal Purposes Only:**

Date Calendar Clerk Notified: \_\_\_\_/\_\_\_\_/\_\_\_\_  
Date Commissioners/Advisors Notified: \_\_/\_\_/\_\_

**[ X ] INITIAL SUSPENSION (up to 120 DAYS)**

This is to notify that the above-indicated AL is suspended for up to 120 days beginning June 27, 2007 for the following reason(s) below. If the AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division extends beyond the expiration of the initial suspension period, the advice letter will be automatically suspended for up to 180 days beyond the initial suspension period.

- [ ] Section 455 Hearing is Required.
- [ ] Advice Letter Requests a Commission Order.
- [ X ] Advice Letter Requires Staff Review

Expected duration of initial suspension period: 120 days.

**[ ] FURTHER SUSPENSION (up to 180 DAYS beyond initial suspension period)**

The AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division has extended beyond the expiration of the initial suspension period. The advice letter is suspended for up to 180 days beyond the initial suspension period.

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If you have any questions regarding this matter, please contact **Sean Simon** at (415) 703-3791 or via e-mail at [svn@cpuc.ca.gov](mailto:svn@cpuc.ca.gov).

cc: Sean Gallagher  
Judith Ikle  
Paul Douglas  
Maria Salinas  
Honesto Gatchalian

Protestants to the advice letter: [None]

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June 18, 2007

**ADVICE 2117-E-A**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Modification of Preliminary Statement, Part ZZ,  
Energy Resource Recovery Account (ERRA)

Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariff schedules. The revised tariff sheets are listed on Attachment A and are attached hereto.

**PURPOSE**

The purpose of this advice filing is to modify Preliminary Statement, Part ZZ, ERRA, in order to record the costs associated with the requirement to participate in the Western Renewable Energy Generation Information System (WREGIS).

Pursuant to Energy Division's June 4, 2007 letter, SCE submits this supplemental filing to include additional information to that previously provided in Advice 2117-E. This advice filing replaces Advice 2117-E in its entirety.

**BACKGROUND**

Pursuant to Senate Bill 1078 and Public Utilities Code Section 399.13, the California Energy Commission (CEC) is responsible for developing a tracking system to verify compliance with the Renewables Portfolio Standard (RPS) by retail sellers. To meet this requirement, the CEC is currently developing an electronic tracking system, known as WREGIS. This system is expected to become operational in June 2007. Once WREGIS is in place, the CEC will require all renewable suppliers and retail sellers, including SCE, to participate in WREGIS as part of RPS compliance.<sup>1</sup>

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<sup>1</sup> CEC: Renewables Portfolio Standard Eligibility Guidebook; April 2006, CEC – 300-2006-007-F, page 35-37.

WREGIS is a voluntary, independent renewable energy registry and tracking system for the Western Interconnect region. According to WREGIS, benefits of the tracking system include: 1) provision of data to facilitate verification of compliance with state, provincial and voluntary policies and programs; 2) protection against double-counting of renewable energy certificates; and 3) increased credibility and consumer confidence. The system also facilitates commercial trading of renewable energy certificates and fosters economies of scale. WREGIS achieves these results using independent, verifiable and reliable data while staying policy neutral.

### **COST RECOVERY**

SCE is required to participate in WREGIS subject to the compliance requirements of the CEC and the California Public Utilities Commission (CPUC or Commission). The costs associated with participation in WREGIS consist of account fees and volumetric fees for renewable power tracked in the WREGIS system. WREGIS fees will be recovered through the ERRA. The ERRA was established by Decision (D.) 02-10-062 dated October 24, 2002, which contained the CPUC's requirements for cost recovery mechanisms for generation procurement and renewable resource development. WREGIS proposes per kWh fees to issue and retire each unit of RPS energy. These actions are envisioned by WREGIS as mechanisms to validate compliance and eliminate the potential for double counting within the jurisdiction of the Western Electricity Coordinating Council. Because these fees are volumetric and associated with the procurement and certification of renewable energy for the RPS program, SCE requests that they be recorded in the ERRA. All costs recorded in the ERRA are subject to Commission review in SCE's ERRA Reasonableness proceedings filed on April 1<sup>st</sup> of each year.

Currently, SCE does not have any specific costs associated with RPS compliance. Current costs associated with compliance are additional labor costs encompassed in normal operational activities that are considered general and administrative and are therefore recovered through the general rate case. The fees associated with WREGIS are additional specific costs which SCE will incur as required by mandatory participation in the WREGIS program.

The exact fee structure and levels recently approved by the WREGIS Committee are as follows:

<b>FEE TYPE</b>	<b>ANNUAL FEE</b>	<b>ISSUANCE FEE</b>	<b>TRANSFER FEE</b>	<b>RETIREMENT FEE</b>
<b>DESCRIPTION</b>	Paid by WREGIS users each year	Paid each time a certificate is issued	Paid when a certificate is transferred from one account to another	Paid when a certificate is used to satisfy a state RPS requirement
<b>AMOUNT</b>	\$1500	\$0.005/Certificate	\$0.005/Certificate	\$0.01/Certificate

At these fee levels, it is estimated that participation will result in costs to SCE's customers of approximately \$196,500 in 2008. Future costs to SCE will depend mainly on the volume of renewable power tracked by WREGIS and fee levels to be determined by WREGIS. This amount is expected to increase as SCE's procurement of renewable resources increases. SCE is not aware of any expected future costs associated with RPS compliance other than those associated with WREGIS.

### **TARIFF MODIFICATION**

SCE requests approval to modify Preliminary Statement, Part ZZ, ERRA, in order to record the costs associated with the requirement to participate in WREGIS as discussed above.

### **PROTESTS**

In accordance with D.05-01-032,<sup>2</sup> "The filing of a supplement, or of additional information at the request of the reviewing Industry Division, does not automatically continue or reopen the protest period or delay the effective date of the advice letter."

### **EFFECTIVE DATE**

SCE requests that this advice filing become effective on May 10, 2007, the effective date originally requested in Advice 2117-E.

### **NOTICE**

In accordance with Section III, Paragraph G, of General Order No. 96-A, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-A and A.07-04-001 service lists. Address change requests to the attached GO 96-A service list should be directed by electronic mail to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-2930. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters/>.

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<sup>2</sup> Third Interim Opinion Adopting Certain Requirements Regarding Advice Letter Filing, Service, Suspension, and Disposition.

For questions, please contact Gary Allen at (626) 302-9612 or by electronic mail at [Gary.Allen@sce.com](mailto:Gary.Allen@sce.com).

**Southern California Edison Company**

Akbar Jazayeri

AJ:ga:sq  
Enclosures

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

ELC       GAS  
 PLC       HEAT     WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: James.Yee@sce.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
PLC = Pipeline      HEAT = Heat    WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2117-E-A

Subject of AL: Modification of Preliminary Statement, Part ZZ, Energy Resource Recovery Account (ERRA)

Keywords (choose from CPUC listing): Compliance, Balancing Account

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: \_\_\_\_\_

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>:

Resolution Required?  Yes  No

Requested effective date: 5/10/07      No. of tariff sheets: -3-

Estimated system annual revenue effect: (%): \_\_\_\_\_

Estimated system average rate effect (%): \_\_\_\_\_

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Preliminary Statement Part ZZ and Table of Contents

Service affected and changes proposed<sup>1</sup>: \_\_\_\_\_

Pending advice letters that revise the same tariff sheets: 2089-E and 2133-E

<sup>1</sup> Discuss in AL if more space is needed.

**All correspondence regarding this AL shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
[jinj@cpuc.ca.gov](mailto:jinj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

Akbar Jazayeri  
Vice President, Revenue and Tariffs  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Bruce Foster  
Senior Vice President of Regulatory Operations  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102  
Facsimile: (415) 673-1116  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 42743-E	Preliminary Statement Part ZZ	Revised 42424-E
Revised 42744-E	Table of Contents	Revised 42524-E
Revised 42745-E	Table of Contents	Revised 42331-E

PRELIMINARY STATEMENT

Sheet 4

(Continued)

ZZ. ENERGY RESOURCE RECOVERY ACCOUNT (Continued)  
3. Operation of the ERRA

Entries to the ERRA shall be made on a monthly basis as follows:

- a. Credit entry equal to the recorded ERRA Revenue;
- b. A debit entry equal to recorded URG Fuel and Fuel-related expenses;
- c. A debit entry equal to recorded Qualifying Facilities (QF) contracts expenses (including contract restructuring expenses), net of recorded revenues, refunds, or other credits;
- d. A debit entry equal to recorded Interutility contracts expenses, net of recorded revenues, refunds or other credits;
- e. A debit entry equal to recorded Bilateral contracts expenses;
- f. A debit entry equal to recorded Residual Net Short Requirement expenses;
- g. A debit entry equal to other expenses associated with SCE's purchased power activities to the extent not recovered elsewhere (such as the costs associated with purchasing Firm Transmission Rights, and payments made in support of the Lower Colorado River Multi-Species Conservation Program);
- h. A debit entry equal to recorded ISO expenses;
- i. A credit entry equal to Excess Energy Sales Revenues allocated to SCE;
- j. A credit entry equal to recorded Reliability Must Run (RMR) contracts and ancillary services revenue<sup>iii</sup>;
- k. A debit entry equal to the incentive payments to customers participating in the Statewide Pricing Pilot (SPP) program authorized in Phase 1 of Decision 03-03-036, Advanced Metering, Demand Response, and Dynamic Pricing Proceeding;
- l. A credit entry equal to proceeds received from the sale or exercise of hedging instruments;
- m. A credit entry equal to recorded revenues billed under Schedule PC-TBS, Procurement Charge Transitional Bundled Service;
- n. A credit entry equal to any litigation settlement proceeds as authorized by the Commission; and
- o. A debit entry equal to the recorded costs associated with the subscription, retention and disposition of turned-back capacity on The El Paso Interstate Pipeline (net of recorded proceeds realized from the short-term release of capacity to another party);
- p. A debit entry equal to recorded Mountainview PPA costs including:
  - i. O&M Costs – both pre-authorized changes and fixed variable O&M
  - ii. Capital Costs – including all applicable return, depreciation, and taxes both the initial Mountainview plant investment and any subsequent Commission-approved capital additions
  - iii. Availability incentives; and
  - iv. Heat Rate Incentives;
- q. A debit entry equal to recorded 20/20 Rebate Program Costs including:
  - i. 20/20 Rebate amount included on customers' bills increased for FF&U
  - ii. Incremental O&M Costs incurred to implement the Summer 2004 and 2005 20/20 programs.
- r. A credit entry equal to the payment made by a CCA to compensate SCE for incremental purchased power costs as the result of the CCA causing a delay in the "CCA cut-over date" pursuant to D.05-12-041.
- s. Transfers, up to a maximum of 10 million, to the Energy Assistance Fund Tracking Account Associated with the Energy Assistance Fund Rate Relief Program.
- t. A debit entry equal to recorded independent evaluator costs
- u. A debit entry equal to the fees associated with participation in Western Renewable Energy Generation Information System.

(N)  
(N)  
(T)

The sum of (a) through (u) equals the activity recorded in the ERRA each month.

Interest shall accrue monthly to the ERRA by applying the Interest Rate to the average of the beginning and ending monthly ERRA balances.

<sup>iii</sup> Generation-related Other Operating Revenue (OOR) is recorded in the Native Load Balancing Account.

(Continued)

(To be inserted by utility)

Advice 2117-E-A  
Decision \_\_\_\_\_

Issued by

Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)

Date Filed Jun 18, 2007  
Effective Dec 20, 2007  
Resolution E-4139



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(To be inserted by utility)  
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Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)  
 Date Filed Jun 18, 2007  
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