

Briefing on Summer 2013 Outlook – Update on SONGS Mitigation Planning

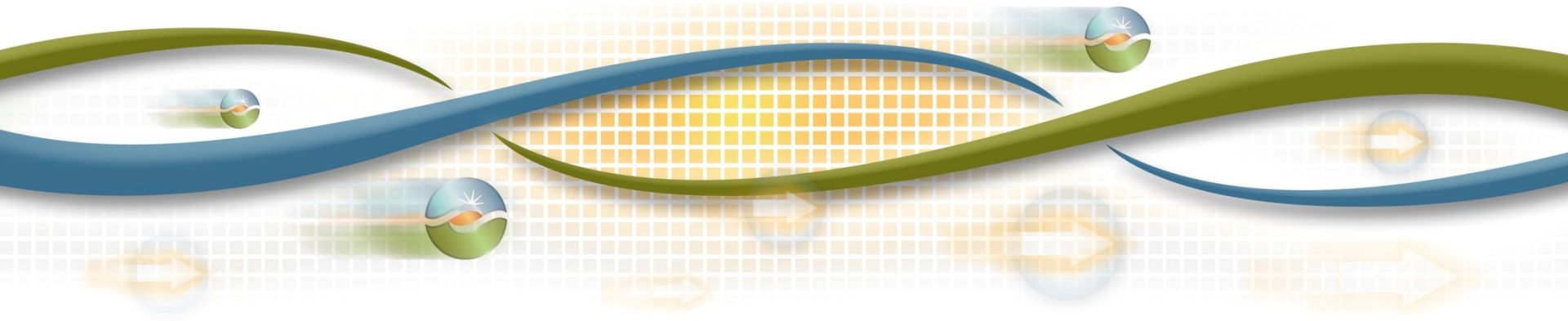
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Board of Governors Meeting

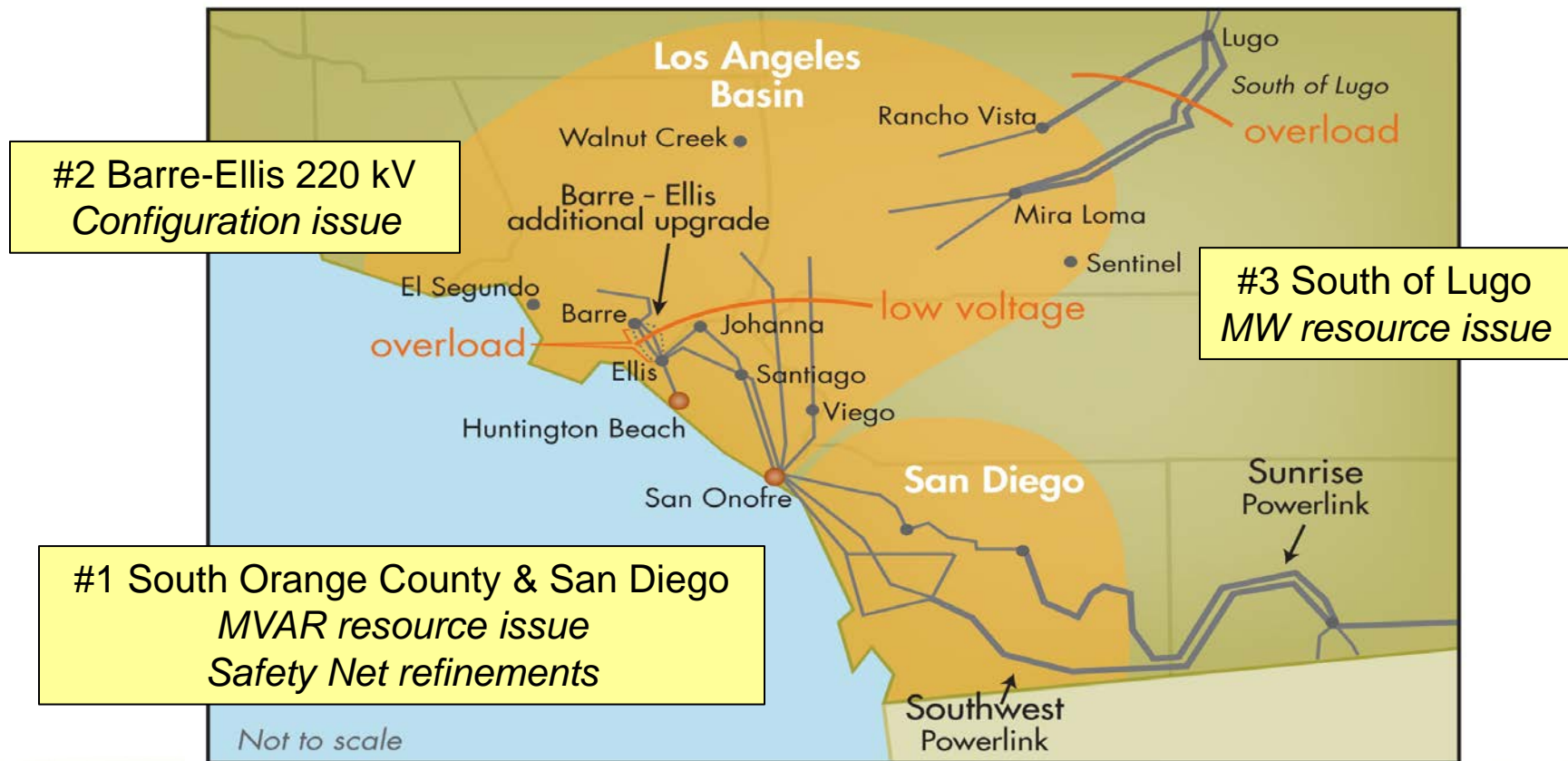
General Session

February 7, 2013



Meeting CEC forecast demand without SONGS or Huntington Beach presents reliability challenges.

Focus is on non-generation alternatives to mitigate load shed risk for multiple-contingency events



The solutions being pursued address reliability needs without excessive reliance on load-dropping schemes:

1. Convert Huntington Beach units 3 & 4 into synchronous condensers
 - FERC approved reliability must-run agreement on January 4
 - Project on a viable schedule for June operation
 - Contractual issues remain, despite recent FERC rulings
 - Alternatives for 2014 being considered
2. Install capacitors (80 MVAR each at Santiago and Johanna, 160 MVAR at Viejo)
 - Management approval after September Board of Governors meeting
 - SCE on track for July 1 completion
3. Split Barre-Ellis 220 kV circuits (from 2 to 4 lines)
 - Completion advanced to target mid-July 2013

The solutions... (continued):

4. Confirm new resources South of Lugo

- Walnut Creek Energy Center (500 MW)
 - Scheduled completion and start of commercial operation on 5/1/2013
 - Huntington Beach Units 3 & 4 retired as generation (452 MW)
- El Segundo Power Redevelopment (560 MW)
 - Scheduled commercial operation is targeted for 6/1/2013
 - El Segundo Unit 3 (335 MW) retired as generation
- Sentinel Energy Project (850 MW)
 - Scheduled commercial operation is targeted for 8/1/2013

5. Refinements to load curtailment safety nets

- SDG&E received WECC Reliability Subcommittee approval for the remedial action scheme

6. Continue to explore demand response that is feasible and applicable for mitigating local reliability

Mid-term (2018) mitigation alternatives were identified for loss of SONGS at December 2012 meeting:

Continue use of synchronous condensers

Construct an 11-mile 230 kV line from Sycamore to Penasquitos

820 MW new or replaced

+

300 MW new generation

+

650 MVAR SVC support
• SONGS and Talega

965 MW new or replaced in northwest San Diego, and 1460 MVAR SVC support

- SONGS, Talega, Penasquitos, San Luis Rey, Mission

OR

Next Steps

- Continue to press forward for Huntington Beach Synchronous Condensers
- Complete transmission improvements
 - Split Barre-Ellis 220 kV circuits
 - Install capacitors at Santiago, Johanna, and Viejo
- Consider seeking Board approval in March for additional mitigation:
 - South Orange County SVC (400 to 500 MVAR) for 2014
 - Sycamore – Penasquitos 230 kV transmission line
 - Talega area SVC (or equivalent)
- Continued analysis and support regarding demand side management