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06-BAP-1	
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June 29, 2007

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 06-BAP-1
1516 Ninth Street
Sacramento, CA 95814-5512

Dear Commissioners:

Re: Docket No. 06-BAP-1, Bioenergy Action Plan

Southern California Edison Co. ("SCE") appreciates the opportunity to provide comments following a workshop held by the California Energy Commission ("CEC") on June 11, 2007. At the workshop, various state authorities presented an update concerning the State's efforts to carry out the Governor's Executive Order S-06-06, which seeks to promote the development of bioenergy resources.

SCE is contributing to these efforts by voluntarily initiating a Biomass Program to work towards the goals of the Governor's Executive Order S-06-06. SCE has recognized that small biomass facilities have either been unable to participate in SCE's competitive solicitations due to size restrictions or have dropped out of solicitations because they found the process too time consuming and expensive. Therefore, on May 14, 2007, SCE announced that it is offering standardized contracts for new and existing bioenergy projects or existing facilities that are 20 MW or less.

Three separate forms of standard contract are available depending on the size of the proposed facility. Any facility that meets the biomass certification criteria established by the CEC is eligible to participate in the program. However, SCE reserves the right to accept or reject any contract submitted to SCE for its approval and execution. This contracting option will remain open until December 31, 2007 or the date on which SCE has signed contracts totaling 250 MW, whichever comes first.

Materials describing the program in greater detail are attached. More information concerning the program can be found at <http://www.scc.com/EnergyProcurement/bsc.htm>

Sincerely,

Manuel Alvarez
Manager, Regulatory Policy & Affairs
Southern California Edison

ATTACHMENT 1
Biomass Standard Contracts
Press Release

Southern California Edison Offers New Type of Renewable Energy Contract to Expand Biomass Generation

May 14, 2007

Special offer in response to governor's call for accelerated use of biomass energy

ROSEMEAD, Calif., May 14, 2007—Southern California Edison (SCE), the nation's leading purchaser of renewable energy, today issued a new power contracting option called a "Biomass Standard Contract," designed to help smaller biomass generators contribute to reaching California's aggressive renewable energy and environmental goals.

"Governor Schwarzenegger asked our industry to find ways to step up the use of the state's renewable biomass resources to generate electricity," said Pedro Pizarro, SCE's senior vice president of power procurement. "We believe this innovative approach will do just that, prompting many small biomass generators to join California's growing renewable energy industry."

Prior to SCE's new initiative, California biomass projects with generating capacities between 100 kilowatts and 1 megawatt (MW1) had limited opportunities to sell their energy. SCE's new Biomass Standard Contract opens the door for these projects, and provides a faster, simpler way for biomass projects under 20 MW to sell their power to utility customers.

SCE is offering three new biomass contract options for projects with less than 1 MW of generating capacity, 1 MW to 5 MW, and greater than 5 MW to 20 MW. Contract terms of 10, 15, or 20 years will be accepted. The utility plans to accept up to 250 MW of new biomass capacity through the new program. Final agreements are subject to review and approval by the California Public Utilities Commission.

"Meeting California's aggressive renewable energy and environmental goals will require bold, innovative ideas," said Stuart Hemphill, SCE director of renewable and alternative power. "Long before there was a California renewable portfolio standard or state legislation reducing greenhouse gas emissions, SCE committed itself to pursuing such innovations, beginning with the company's pledge in 1980, 'to devote our resources to the accelerated development of renewable power sources.'"

Additional information is available at www.sce.com/energyprocurement where biomass project developers can complete an online application by clicking on "SCE's Biomass Program." The application will be reviewed by the utility and, if qualified, finalized. SCE's new contracts will be available until Dec. 31, 2007, and may be withdrawn after a total of 250 MW are enrolled.

One MW is enough power to serve approximately 650 average homes at one point in time.

Background Facts

- The governor's executive order – S-06-06, issued in April 2006 – stated, "...abundant biomass resources from agriculture, forestry, and urban wastes can be tapped to provide transportation fuels and electricity to satisfy California's fuel and energy needs...biofuels offer greenhouse gas reduction benefits...." The order set a target of acquiring a sizeable part of the state's total renewable generation goal from biomass energy.

- Biomass projects eligible for SCE's new standard contracts include landfill gas, municipal solid waste, wood, fuel cell, digester gas, and sewer gas.

- According to the California Energy Commission's Biomass Resource Assessment draft report, issued in April 2005, the state has 4,700 MW of potential biofuel energy, enough power to serve 3 million average homes.

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An Edison International (NYSE:EIX) company, Southern California Edison is one of the nation's largest electric utilities, serving a population of more than 13 million via 4.8 million customer accounts in a 50,000-square-mile service area within central, coastal and Southern California.

ATTACHMENT 2
Biomass Standard Contracts
Frequently Asked Questions

SOUTHERN CALIFORNIA EDISON COMPANY

Biomass Program

Introduction

As of May 14, 2007, Southern California Edison Company (“SCE”) is offering to contract with biomass projects of 20 MW or less. This new power contracting initiative (“SCE Biomass Program”) is designed to help smaller biomass facilities contribute to California’s renewable energy program and to help support California Governor Arnold Schwarzenegger’s goal to promote energy production from biomass fuel sources. Three separate forms of standard contracts are available depending on the size of the proposed facility. This contracting option will remain open until December 31, 2007 or the date on which SCE has signed contracts totaling 250 MW, whichever comes first.

SCE Biomass Program Details

1. What technologies are eligible for the SCE Biomass Program?

Any facility that meets the biomass certification criteria established by the California Energy Commission (“CEC”) is eligible to participate in the program. However, SCE reserves the right to accept or reject any contract submitted to SCE for its approval and execution. The current list of biomass fuel resources that can be certified can be found in the Renewables Portfolio Standard Eligibility Guidebook currently located on the CEC website at the following address:

<http://www.energy.ca.gov/2007publications/CEC-300-2007-006/CEC-300-2007-006-CMF.PDF>

2. Is a generating facility using biodiesel as a fuel resource eligible to participate in the SCE Biomass Program?

SCE will review each biodiesel proposal using biomass fuel resources on a case-by-case basis. The specifics of any proposed biodiesel generating facility must be provided in writing to SCE to permit a determination of whether the proposed project is acceptable to SCE. However, both the facility and the contract remain subject to CEC certification and Commission approval, respectively. Each submission should be sent by email to:

BiomassStandardContracts@sce.com

3. What is the size limitation for biomass facilities participating in this program?

SCE is offering 3 different contracts which vary depending on the size of the generating facility. These contracts are available to facilities with capacities of (a) less than 1 MW, (b) 1 MW through 5 MW or (c) greater than 5 MW through 20 MW. The offer is not available to facilities with capacities greater than 20 MW.

4. What are the major differences among the 3 contracts?

The contract for facilities with capacities greater than 5 MW has greater performance and collateral requirements than the contracts available to smaller facilities. The smallest contract is structured as an “As Available” contract. Some key differences between the three contracts are listed in the table below.

Comparison of Biomass Standard Offer Terms

	Less than 1 MW	1 MW through 5 MW	>5 MW through 20 MW
Location Restrictions	Must be within SCE service territory	Must be within CAISO control area	Must be within CAISO control area
Startup Deadline	Within five years of contract signing	Within five years of contract signing	Seller provides date
Required Capacity Factor	As available	70%	80%
Development Security	None	None	\$20/kW
Credit and Collateral	None	None	Six (6) months of revenue

5. What is the term of these contracts?

The seller may select a term of 10, 15 or 20 years.

6. Do project developers need to submit bids?

No. This is a form contract offered by SCE to the public for execution and return to SCE for approval and execution. Bidding is not a part of the process.

7. Are there any limits on the timing for this offer?

Yes. This program will remain open through the earlier of December

31, 2007 or the date on which SCE has signed contracts totaling 250 MW in aggregate. However, SCE reserves the right to terminate the program at any time or to extend the program, in its sole discretion.

8. Where does the project have to be located to be eligible?

Generating facilities that are 1 MW or larger can be located anywhere in the control area of the California Independent System Operator. The contract for facilities sized under 1 MW is available only to facilities that will be connected directly to the SCE distribution or transmission system(s).

9. Why is Southern California Edison offering these contracts?

On April 25, 2006, Governor Arnold Schwarzenegger issued Executive Order S-06-06, which sets goals for energy produced by biomass resources ("Governor's Executive Order"). In accordance with the Governor's Executive Order, SCE is voluntarily initiating a program to offer a standardized contract to biomass facilities with capacities of 20 MW or less. In addition, prior to SCE's new offer, California biomass projects with generating capacities between 100 kilowatts and 1 MW had limited opportunities to sell their energy.

10. Why is this offering limited to biomass and not to all renewable technologies?

The SCE Biomass Program is targeted to promote the objectives of the Governor's Executive Order, which specifically focuses on promoting biomass projects.

11. Why are biomass projects over 20 MW not eligible for a biomass standard contract?

The Small Generating Interconnection Procedure ("SGIP") is available only to facilities sized 20 MW or less. The SGIP, sanctioned by the Federal Energy Regulatory Commission, facilitates studying

interconnection for small generating facilities. Biomass facilities larger than 20 MW are ineligible for the SGIP and should submit proposals in SCE's Renewable Portfolio Standard ("RPS") solicitations.

12. Why are contract payments limited to the Market Price Referent at the time of signing for the actual on-line date of the project?

Pursuant to the RPS legislation, the Commission has stated that contract payments at or below the MPR are per se reasonable.

13. Will there be a regulatory approval process for these contracts?

SCE is likely to submit batches of signed contracts to the Commission for approval once every few months. Therefore, contracts that are executed earlier in the program are likely to receive regulatory approval sooner. SCE may also file an application with the Commission seeking approval of the standard forms of contract in order to expedite subsequent applications for regulatory approval.

14. Where can I find more information on SCE's Biomass Standard Contracts?

The Biomass Standard Contracts information package can be found on SCE's website at:

www.sce.com/energyprocurement

15. How can I contact SCE if I have any additional questions?

Please send your questions via e-mail to:

BiomassStandardContracts@sce.com