

MEETING NOTES REGARDING SONGS REPLACEMENT RFP

7/19/04 Ed Guiles, Bill Reed, Jim Avery, et al

RFP for replacement of our potential SONGS capacity reduction is necessary for CPUC approval of SDG&E's non-participation in SGRP via Operating Impairment. Otherwise we may be ordered to participate or we may be found to be unreasonable for having accepted the ownership reduction.

The RFP to replace our 430MW will generation about 2000MW worth of bids. This could be used in our 12/6/04 SGRP testimony to rebut SCE's Ve. RFP results won't be available in time for use in the Ve/Vop arbitration.

The RFP may also serve to delay the SGRP proceeding if it doesn't produce results in time for our 12/6/04 testimony. We could request a delay in the hearing so provide more time for RFP results.

Bids for replacement in 2010 may have a lot of qualifiers, but the SGRP economics would need to make similar assumptions.