



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**FILED**  
3/20/14  
10:01 AM

Order Instituting Rulemaking to Consider  
Electric Procurement Policy Refinements  
pursuant to the Joint Reliability Plan

Rulemaking 14-02-001  
(Filed February 5, 2014)

## **SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER**

### **1. Summary**

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),<sup>1</sup> this Scoping Memo and Ruling sets forth the procedural schedule, assigns the presiding officers, and addresses the scope of this proceeding and other procedural matters following the prehearing conference held on April 17, 2014.

### **2. Background**

Rulemaking (R.) 14-02-001 originated from the Commission's commitment in adopting the Joint Reliability Plan to consider certain issues, which the Commission will take up under the three tracks in this proceeding.<sup>2</sup> These issues are:

1. Two- and/or three-year forward-looking resource adequacy procurement requirements.

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<sup>1</sup> All references to rules are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website at

[http://docs.cpuc.ca.gov/WORD\\_PDF/RULES\\_PRAC\\_PROC/136861.pdf](http://docs.cpuc.ca.gov/WORD_PDF/RULES_PRAC_PROC/136861.pdf).

<sup>2</sup> See Appendix A, The Joint Reliability Plan adopted on Nov. 14, 2013, available at <http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=81666376>.

2. Implementing a long term joint reliability planning assessment with the California Independent System Operator Corporation's (CAISO) and California Energy Commission (CEC).
3. Determining rules and Commission policy positions with respect to the CAISO's development of a market-based backstop procurement mechanism to succeed its existing Capacity Procurement Mechanism which expires in 2016.

The Joint Reliability Plan resulted from extensive cooperation between Commission and CAISO staff following a long-term resource adequacy summit jointly hosted by the Commission and the CAISO in February 2013.<sup>4</sup> The overall objective for this proceeding is to ensure that California's electric reliability framework continues to adapt as needed to meet the changing requirements of the electric grid while facilitating the achievement of California's environmental policies at just and reasonable rates.

In the discussions leading to the development of the Joint Reliability Plan's three initiatives, the Commission and CAISO staff agreed that establishing three-year forward capacity procurement obligations may provide a number of benefits if properly designed.<sup>5</sup> The Commission has previously considered but rejected proposals to require Load Serving Entities (LSEs) to demonstrate commitments with supply resources multiple years in advance of the resource

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<sup>4</sup> California Public Utilities Commission and CAISO Long-Term Resource Adequacy Summit, February 26, 2013, briefing documents and presentations available at <http://www.caiso.com/Documents/Public%20forums%20archive/Long-term%20resource%20adequacy%20summit%20-%20Feb%2026,%202013>.

<sup>5</sup> See Joint Reliability Framework to Develop Multi-Year Resource Adequacy Obligations with a Market-Based ISO Backstop Capacity Procurement Mechanism at 8-9.

adequacy delivery year.<sup>6</sup> The Commission found that the proposals presented did not conform to its stated metrics for resource adequacy and determined that the Resource Adequacy (RA) program should continue as a year-ahead procurement framework. Although the Commission was not ready to implement such a feature at the time, it remained open to considering the issue in the future and directed the Energy Division to study and report on the potential of a forward procurement obligation.<sup>7</sup>

### **3. Scope of Proceeding**

Through comments and replies on the Preliminary Scoping Memo contained in R. 14-02-001 *Order Instituting Rulemaking to Consider Electric Procurement Policy Refinements pursuant to the Joint Reliability Plan* and discussions during the PHC on April 17, 2014, the scope of the Order Instituting Rulemaking (OIR) as described in the three tracks is revised as follows.

Within the scope of all three tracks, this proceeding will adhere to guiding principles adopted in the Joint Reliability Plan; the Energy Action Plan II (EAP II);<sup>8</sup> the Commission's Loading Order policies which prioritize certain preferred resources;<sup>9</sup> other state energy procurement laws and policies, such as

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<sup>6</sup> D.10-06-018 at 68.

<sup>7</sup> *Id.*

<sup>8</sup> EAP I was issued jointly on May 8, 2003, by the Commission, the CEC and the California Consumer Power and Conservation Financing Authority. EAP I was updated with the adoption of EAP II, as a joint policy plan of the Commission and the CEC, in October 2005, and was also updated again in 2008.

<sup>9</sup> As articulated in EAP I and II, preferred resources include energy efficiency, demand response, and distributed generation including combined heat and power.

Assembly Bill 32 greenhouse gas policies,<sup>10</sup> once-through-cooling policies<sup>11</sup> and Commission decisions issued from other procurement-related proceedings such as the Long Term Procurement Planning,<sup>12</sup> Resource Adequacy,<sup>13</sup> Demand Response,<sup>14</sup> Energy Efficiency,<sup>15</sup> and Energy Storage proceedings.<sup>16</sup> Any new policies will be adopted to ensure reliability, at reasonable cost, and with equitable cost allocation.

### **3.1 Multi-year Resource Adequacy Requirements**

Under Track 1 of the proceeding the Commission will consider expanding the Commission's current RA program (currently R.11-10-023) by adopting procurement requirements for LSEs to demonstrate that they have acquired (through ownership or contract) resources to meet a certain percentage of forecasted system, local, and/or flexible capacity needs two- and three-years prior to the resource adequacy compliance delivery year. The RA program requires LSEs to demonstrate that they have acquired such resources one year ahead. In addition, the Commission's Long-Term Procurement Plans (LTPP) proceeding (currently R.13-12-010) considers whether additional resources

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<sup>10</sup> Stats. 2006, Chapter 488.

<sup>11</sup> Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters Used for Power Plant Cooling.

<sup>12</sup> R.12-03-014 and successors.

<sup>13</sup> R.05-12-013, R.11-10-023 and successors.

<sup>14</sup> R.13-09-011.

<sup>15</sup> R.13-11-005.

<sup>16</sup> R.10-12-007.

should be acquired to meet projections of local and/or system (and possibly flexible) capacity need 10 years into the future.

The following issues are within the scope of Track 1:

**1. Determining need for proposed new policy.**

- a. Are there reliability needs that are not being adequately addressed through the LTPP and RA proceedings, and if so, what are they?
- b. What data should be relied upon in determining whether valid reliability concerns exist that could be addressed through multi-year forward resource adequacy requirements?
- c. Do safety considerations justify adopting forward resource adequacy obligations? As safety is a top priority for the Commission, we may consider how our commitment to public safety and health weighs in our consideration of forward procurement requirements.
- d. How do existing procurement requirements, such as rules on customer risk tolerance and risk management, influence forward procurement and reliability?

**2. Review of costs and benefits of proposed new policy.**

- a. Do reliability needs justify adopting forward resource adequacy requirements? If so, how?
- b. Would forward resource adequacy requirements reduce risks that existing resources may seek to retire prematurely, or address other systemic challenges to reliability such as those identified in the February 2013 briefing paper on long-term resource adequacy prepared by Commission staff?<sup>17</sup>

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<sup>17</sup> See The CPUC Energy Division February 2013 staff briefing paper on long-term resource adequacy, available at <http://www.cpuc.ca.gov/NR/rdonlyres/E2A36B6A-977E-4130-A83F->

*Footnote continued on next page*

- c. What are the expected additional costs to implement any new forward resource adequacy requirements?
- d. Should the Commission consider other proposals to achieve cost effective retention of resources that will be needed for grid reliability needs, and if so, what proposals?
- e. Are forward resource adequacy requirements likely to promote the development of additional preferred resources based on their funding and procurement cycles and processes?
- f. Is three-years forward an appropriate time-frame for forward resource adequacy requirements, or should there be a different compliance horizon, such as two-years forward?
- g. What are the expected costs and benefits to load serving entities of forward resource adequacy requirements? Are the costs and benefits to Electric Service Providers and Community Choice Aggregators different or unique as compared with those for other Load Serving Entities?
- h. Should the same forward resource adequacy requirements be applied to all LSEs? Why or why not?

- 3. Design of multi-year forward resource adequacy requirements in the context of preferred resources and resource characteristics.**
- a. What kinds of capacity should be subjected to forward resource adequacy requirements (e.g., system, local, or flexible capacity)?
  - b. What percentage of resources should we require LSEs to procure two- and/or three- years ahead of the resource adequacy delivery year for each kind of capacity?
  - c. How and when should the Commission determine forecasted capacity needs and set forward procurement requirements for LSEs, and what data should we consider (e.g. CAISO studies) to establish such requirements?
  - d. Will the existence of forward capacity obligations be likely to have a positive or negative impact on the development of preferred resources in the state?
  - e. Should two- and/or three- year forward resource adequacy requirements be based on monthly, seasonal, annual, or some other duration for resource adequacy products?
  - f. What design elements should we consider to ensure that forward resource adequacy requirements will be consistent with the loading order and will further the state's environmental goals?
  - g. How should the Commission address load migration or load shifting among LSEs between the multi-year forward compliance showing and the resource adequacy delivery year?
  - h. How should the Commission mitigate potential over-procurement in the event expected load decreases between the multi-year forward compliance requirements and the resource adequacy delivery year? Who should bear the cost of any over-procurement?

- 4. Forward resource adequacy program requirements and rules.** If adopted, the Commission must establish program rules that are needed for program implementation.
- a. What rules are needed for the Commission to verify compliance filings and determine if a deficiency exists in the resource adequacy compliance filings? When may such deficiencies trigger backstop procurement events by the CAISO?
  - b. Should the Commission require LSEs to submit data in their compliance filings showing all resources they own or have under contract, even for resources above the minimum procurement requirements?
  - c. Should the Commission adopt a policy of applying sanctions for an LSE's failure to meet forward resource adequacy compliance requirements?
  - d. What issues, if any, should the Commission consider regarding the allocation of capacity or costs for resources subject to the Cost Allocation Mechanism?
  - e. Should the Commission establish or modify standardized capacity product definitions and minimum performance obligations required for resource adequacy contracts for multi-year forward requirements?
  - f. How should we determine the capacity value two- and/or three-years ahead for certain resources including imports, renewable and preferred generation, or new conventional generation expected to come online within the forward compliance horizon?

### **3.2 Development of Unified Long Term Reliability Planning Assessment**

Track 2 of this rulemaking will establish a methodology and process for conducting joint long-term reliability assessments with the CAISO and in collaboration with CEC. This Track of the rulemaking will examine and seek stakeholder input on issues relevant to conducting a reliability planning

assessment that looks out over a planning horizon of up to ten years into the future. The assessment will seek to compare expected resource needs against two views of supply: the installed fleet (including expected additions minus expected retirements) and the already procured fleet (resources that are owned by the LSEs or are under long-term contracts). In the process, the Commission will assess capacity that is currently under contract or will be under contract in the next 10 years. Although the scope of Track 2 involves data assessment, it will delve into a number of fact-finding considerations which may inform decision making in this overall proceeding.

This portion of the proceeding will coordinate closely with studies developed in the LTPP proceeding, which has periodically conducted assessments for the primary purpose of determining whether there is a need for procurement of additional system resources 10 years into the future. The LTPP proceeding, has not, however, reviewed or prepared the assessment for other purposes, nor on a consistent time-frame basis.

The following issues are within the scope of Track 2:

1. What process should we adopt for developing jointly-agreed input assumptions or scenarios, methods for collecting data on forward contracts or ownership of units?
2. What methodology should we establish for completing forward planning assessments?
3. What is the appropriate forward planning horizon for the assessment?
4. What additional studies, conducted by the CPUC, CEC or CAISO may be necessary for an ongoing assessment at regularly established intervals?
5. Could establishing a procurement database enhance the efficiency of regularly conducting such assessments, the

- timing and time periods covered by such assessments, and confidentiality rules?
6. Should we establish a process for the State to conduct this type of planning assessment on a regular basis, and if so on what time interval?

To the extent any data used in developing the assessment is considered confidential by Commission rules (e.g. Decision (D.) 06-06-066), any issues regarding the appropriate use of that information is within the scope of this proceeding.

The data gathered in Track 2 of the proceeding may be used in the Track 1 multi-year RA Staff Proposal.

### **3.3 Commission Policy Positions and Rules Regarding CAISO Development of a Market-Based Backstop Procurement Tariff to the Resource Adequacy Program**

Track 3 of this rulemaking will consider issues necessary to determine the Commission's policy position on a proposed replacement of the existing CAISO Capacity Procurement Mechanism (CPM), which expires in 2016, or any other proposals for the CAISO to implement new capacity procurement mechanisms, such as a voluntary forward auction. The CAISO is developing such proposals through its Reliability Services Initiative. The CAISO CPM tariff is a mechanism to "backstop" procure capacity that is needed for reliability purposes under six specific circumstances.<sup>18</sup> By adopting the Joint Reliability Plan, the Commission

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<sup>18</sup> The CAISO may utilize the CPM to cure deficiencies in annual or monthly resource adequacy filings or a collective deficiency in a local area, to address significant events, to meet a reliability or operational need with an exceptional dispatch, or to retain a resource that is at risk or retirement that will be needed by the end of the calendar year

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indicated its commitment to consider replacing the CPM compensation price, which is currently an administratively determined price that resulted from a FERC-approved settlement, with a market-based pricing mechanism.

The CAISO has initiated a stakeholder process to develop a proposal to replace the CPM with a market-based backstop procurement mechanism.<sup>19</sup> Through the CAISO-led Reliability Services Initiative, the CAISO may also develop related proposals such as a voluntary forward auction and multi-year backstop procurement authority. The CAISO will develop the proposed design of any such procurement mechanisms, but we expect to receive the CAISO's proposals in this proceeding in order to make any necessary determinations on the Commission's policy positions regarding them. This may take the form of the Commission weighing in on general principles that the Commission finds acceptable, in order to assist the CAISO in the development of proposals.

Track 3 may ultimately result in a Commission policy determination on whether to support or oppose implementation of the CAISO's proposal or proposals. These determinations will be made on a time frame that is coordinated with the CAISO stakeholder process, which accordingly can inform CAISO decisions on whether (and how) to submit such proposal(s) for approval by the FERC.

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following the current resource adequacy year. CAISO Fifth Replacement Tariff Sections 43.2.1-43.2.6.

<sup>19</sup> See CAISO Stakeholder Processes page for Reliability Services, available at <http://www.caiso.com/informed/Pages/StakeholderProcesses/ReliabilityServices.aspx>.

Track 3 will consider the following issues with respect to any proposals developed by the CAISO for backstop or voluntary forward market-based procurement mechanisms:

**1. Issues related to determining the economic viability of the proposed procurement mechanism.**

Track 3 will consider if the proposed design of the procurement mechanism is economically viable if used solely as a backstop procurement tool, or if it is subject to voluntary participation. This includes considering the following sub-issues:

- a. Does the proposed procurement mechanism require a minimum amount of liquidity (minimum amount of supply bids and/or minimum amount of demand bids) to prevent the exercise of market power or achieve just and reasonable prices? If so, does the mechanism contain adequate market power mitigation?
- b. How might the existence of the proposed procurement mechanism affect outcomes in California's existing bilateral capacity market?
- c. Would resources opt out of the bilateral capacity market in favor of the proposed procurement mechanism, and if so, are there risks that it would become a *de facto* primary market for capacity procurement?
- d. If the backstop market became a *de facto* primary market for capacity procurement, what are the risks to the state's preferred resource policies?
- e. What are the likely market impacts and/or the sufficiency of any proposed design elements or rules to mitigate the exercise of market power in the proposed procurement mechanism?

**2. Issues related to determining the legal viability of the proposed procurement mechanism.**

This includes consideration of the following sub-issues:

- a. The LTPP is the forum through which the Commission ensures sufficient investment in new resources by authorizing utilities to enter into bilaterally-negotiated contract to finance the construction of new generation. Would the Commission's support for the proposed procurement mechanism create risks that FERC or the courts will overturn rules limiting the amount or type or procurement that may be conducted using the proposed mechanism?
- b. How should a proposed tariff amendment for a the proposed procurement mechanism be structured in order to prevent material design modifications or rule changes in the future, either by FERC or in responses to legal challenges initiated by third parties?
- c. Does the proposed design of the procurement mechanism contain sufficient provisions to prevent it from distorting bilateral markets or becoming a de facto primary procurement target?
- d. How might existence of the proposed procurement mechanism affect the Commission's ability to ensure that resources procured pursuant to Commission authorization, including preferred resources or new generation, are fully recognized in meeting minimum capacity requirements?

**3. What are the likely costs to implement the proposed procurement mechanism and the potential benefits for ratepayers? Are the costs justified in light of the expected benefits?**

The current approaches taken in the eastern centralized capacity market construct may not provide a secure regulatory environment for state regulatory commissions to ensure achievement of environmental or reliability-based

procurement goals, without posing risks of over-procuring generic capacity. Currently, extensive litigation is underway at the FERC pertaining to administration of market rules and legal challenges to state procurement programs in regions subject to FERC-regulated organized capacity markets.

Consistent with the rationale presented in the Preliminary Scoping Memo, this proceeding will not consider a proposal for a mandatory centralized capacity auction for California at this time. Proposals for replacing the existing CPM could require a change to the existing resource adequacy program, or create a situation where program rule changes are advisable. Any modification to the resource adequacy program in response to the replacement of the existing CPM would be addressed in the RA proceeding and is outside the scope of this proceeding at this time.

#### **4. Relationship to Other Proceedings**

This proceeding may consider issues that have been encompassed within the scope of other proceedings in the past<sup>20</sup> and are related to issues within the scope of ongoing proceedings. Beyond the scope of issues identified in the OIR or in this Scoping Memo, related issues that are under consideration in the other procurement-related dockets are not within the scope of this proceeding.

Specifically, adoption of resource plans and any resulting procurement authorized for the Investor Owned Utilities for the ten-year or longer planning horizon are outside of the scope of this proceeding and remain within the scope of the LTPP proceeding. Planning assumptions and scenarios adopted in the

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<sup>20</sup> R.05-12-013 considered multi-year forward resource adequacy requirements and capacity markets and the scope of R.12-03-014 included consideration of multi-year flexible capacity procurement rules.

LTPP proceeding will be considered in the development of a long-term joint reliability assessment under this proceeding; however, the determination of needs, authorization for new resource additions, and rules for conducting procurement solicitations remains within the scope of the LTPP proceeding and other procurement-related proceedings.<sup>21</sup> Similarly, the definitions of “flexibility” and “flexibility need” are being considered in the LTPP and the RA proceedings; therefore, the development of a flexibility definition is not in scope of this proceeding. However, to the degree that the need for flexibility raises unique concerns regarding resource risk of retirement issues, those will be considered in Track 1 of this proceeding. In addition, the LTPP proceeding expressly remains the forum in which California performs integrated long-term resource planning and ensures that sufficient investment is made in new resources in California to meet expected future demand of the Investor Owned Utilities’ bundled and unbundled customers.

Similarly, rules or refinements adopted for the Commission’s existing (one-year ahead) resource adequacy requirements program also remain within the scope of the RA proceeding and outside of the scope of this proceeding. This includes, for example, the amount of local or flexible capacity requirements and capacity counting rules for LSEs as defined by Pub. Util. Code § 380(j).<sup>22</sup> In this proceeding, we will adopt rules, if necessary, to extend the one-year ahead resource adequacy program to a two- and/or three-year ahead time frame.

Finally, this proceeding will not re-open policy decisions established in Commission decisions on resource adequacy, long-term procurement planning,

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<sup>21</sup> See R.13-12-010, R.12-03-014, R.10-05-006, and successors.

<sup>22</sup> See R.05-12-013, R.09-10-032, R.11-10-023, and successors.

or in other procurement-related proceedings. For example, the Commission will not re-visit Capacity Allocation Mechanism policy issues established by D.06-07-029 as re-affirmed or modified in other decisions including D.07-09-044, D.08-09-012, D.11-05-005, or other decisions finding resource procurement authorizations to be subject to the Capacity Allocation Mechanism.

If under Track 3 the Commission indicates its support for a capacity procurement mechanism, any rule modifications (e.g., to resource adequacy rules, or long term procurement plans) to facilitate participation in that mechanism will be taken up in the appropriate Commission proceeding.

## **5. Interagency Consideration**

We expect continued cooperation between the Commission and CAISO to implement the Joint Reliability Plan as we develop the record of this proceeding and the CAISO initiates processes to develop proposed tariff changes. We expect the CAISO to secure authorizations to review confidential utility data on the amount of forward procurement that occurs relative to forecast reliability needs in the absence of express forward resource adequacy procurement requirements. CAISO access to such information will be critical to allowing the CAISO to understand the potential reliability and cost-related impacts of any staff or party proposals to set forward procurement requirements.

We recognize that the reliability planning assessment considered under Track 2 of this proceeding will overlap and require coordination with the state's demand forecast produced by the CEC. We fully expect to coordinate efforts in this proceeding with the CEC, including determining if the CEC's existing processes may offer an efficient platform for collecting data needed to complete the supply assessments. To that end, we invite the CEC to continue with the

collaborative approach that both agencies pursued in the development of procurement policy since R.05-12-013.

## **6. Category of Proceeding and Need for Hearing**

The OIR's Preliminary Scoping Memo preliminarily determined that Track 1 is categorized as ratesetting and that Tracks 2 and 3 are quasi-legislative. In this Scoping Memo, we affirm these preliminary categorizations.

The OIR's Preliminary Scoping Memo also stated that the issues in each of the tracks may be resolved through comments and workshops without the need for evidentiary hearings. However, we now determine that Track 1 addresses both policy and factual issues and may require evidentiary hearings. We will require parties to serve testimony per the attached schedule. If parties waive cross-examination and stipulate to the admission of written testimony without cross-examination, the Administrative Law Judge (ALJ) may remove potential evidentiary hearings from the calendar and the parties may move the admission of prepared testimony by written motion pursuant to Rule 13.9(d).

Track 2 concerns policy and legal issues and we anticipate that no hearings are needed.

Track 3 primarily concerns policy and legal issues and we anticipate that no hearings are needed.

## **7. Proceeding Schedule**

Each of the three tracks will likely require different types and degrees of public participation. At the same time, the issues to be considered in each of the three tracks are highly inter-related and decisions made in one track will affect the consideration of issues in other tracks. For example, if a Commission decision that establishes two- and/or three-year forward multi-year resource adequacy and the specific rules and requirements are adopted may affect the

form of the CAISO’s proposed backstop procurement mechanism, this may in turn affect the Commission’s policy determinations on the CAISO proposal.

The schedule below is adopted for this proceeding and may be modified by the Commissioner and/or ALJs as required to promote the efficient and fair resolution of identified issues. If it is later determined that both evidentiary hearings and testimony are needed to establish a record, then the schedule may be delayed approximately two to three months. Due to the complexity and unique nature of this proceeding, including the relationship with CAISO activities, this proceeding may require more than 18 months to conclude. In any event, this proceeding shall conclude within 24 months of the date of this Scoping Memo.

**Proceeding Milestones/Schedule**

<b>Proceeding Milestone</b>	<b>Dates</b>
<b>Track 1</b>	
Energy Division Workshop on Track 1 Questions 1 and 2 (Summary of Workshop on the Record)	May 2, 2014
Energy Division Workshop on Track 1 Questions 3 and 4	May 13, 2014
Ruling Issuing Staff Proposal on Multi-year RA	July 1, 2014
Initial Comments on Staff Proposal	July 17, 2014
Reply Comments on Staff Proposal	July 31, 2014
Ruling Issuing Revised Staff Proposal on Multi-year RA	October 1, 2014
Opening Testimony on Revised Staff Proposal	October 22, 2014
Reply Testimony on Revised Proposal	November 5, 2014
Final date to request evidentiary hearings or waive cross-examination and stipulate to the admission of written testimony without cross-examination	November 12, 2014
Evidentiary Hearings if cross-examination is not waived	December 2014
Proposed Decision on Multi-year RA (if no evidentiary hearings)	February 2015
Proposed Decision on Multi-year RA (if evidentiary hearings)	March-April 2015

<b>Proceeding Milestone</b>	<b>Dates</b>
<b>Track 2</b>	
Ruling Issuing Staff Straw Proposal on methodology, assumptions, and rules for joint reliability planning assessments	July 15, 2014
Workshop(s)	August 2014
Initial Comments on Staff Proposal	August 15, 2014
Reply Comments on Staff Proposal	August 29, 2014
Ruling directing process and methodology to issue a continuing assessment	As Needed
Energy Division First Assessment	First quarter 2015
<b>Track 3</b>	
CAISO expected to issue first draft straw proposal for backstop procurement mechanism	June 2014
Workshop to consider CAISO proposal	September 2014
Comments and replies	September-October, 2014
Ruling directing legal briefing on issues raised by CAISO's Proposal	As needed following workshop
Proposed Decision on issues re: CAISO backstop procurement mechanism	As Needed
Decision on issues re: CAISO backstop procurement mechanism	As Needed
Additional workshops, comments, replies, and legal briefings on additional CAISO proposals for voluntary forward auction mechanism or other multi-year forward backstop procurement authority	Commencing in 2015, based on developments in Phases 1 and 2 of CAISO's Reliability Services Initiative

## **8. Intervenor Compensation**

The Prehearing Conference (PHC) in this matter was held on April 17, 2014. Pursuant to Pub. Util. Code § 1804(a) (1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by May 19, 2014.

**9. Presiding Officers**

Pursuant to this Scoping Memo, ALJs David M. Gamson and Colette E. Kersten will be the Presiding Officers.

**10. Ex Parte Communications**

Communications with decision makers and advisors in this rulemaking are subject to the rules on *ex parte* communications set forth in Article 8 of the Rules of Practice and Procedure. Track 1 is a ratesetting proceeding so *ex parte* communications are restricted according to Rule 8.2, Rule 8.2 (c), Rule 8.3 and Rule 8.5. Tracks 2 and 3 are quasi-legislative proceedings so *ex parte* communications are allowed without restriction or reporting requirement.

**IT IS RULED that:**

1. The scope and schedule are as set forth in the body of this ruling unless amended by a subsequent ruling of the assigned Commissioner or Presiding Officers.
2. The category of this rulemaking is determined to be as follows: Track 1 is ratesetting and is subject to the *ex parte* communication rules stated in Article 8 of the Rules of Practice and Procedure. Tracks 2 and 3 are quasi-legislative.
3. Track 1 may require evidentiary hearings unless testimony is received by stipulation.
4. Any party that expects to claim intervenor compensation for its participation in this rulemaking shall file its notice of intent to claim intervenor compensation no later than 30 days from the Prehearing Conference (Rule 17.1(a) (1)).
5. Pursuant to this Scoping Memo, Administrative Law Judges (ALJ) David M. Gamson and ALJ Colette E. Kersten are the Presiding Officers.

6. The assigned Commissioner and/or Administrative Law Judges may make any revisions to the scheduling and filing determinations made herein as necessary to facilitate the efficient management of the proceeding, including reorganization of issues between the separate tracks of the proceeding.

Dated May 20, 2014, at San Francisco, California.

/s/ CARLA J. PETERMAN

Carla J. Peterman  
Assigned Commissioner

/s/ DAVID M. GAMSON

David M. Gamson  
Administrative Law Judge

/s/ COLETTE E. KERSTEN

Colette E. Kersten  
Administrative Law Judge