



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

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Order Instituting Rulemaking to Continue)
Implementation and Administration, and Consider)
Further Development, of California Renewables)
Portfolio Standard Program.)
_____)

Rulemaking 15-02-020
(Filed February 26, 2015)

**2016 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN
OF LANCASTER CHOICE ENERGY**

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Dated: August 8, 2016

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I. INTRODUCTION

In accordance with the California Public Utilities Commission’s (“Commission”) May 17, 2016 *Assigned Commissioner and Assigned Administrative Law Judge’s Ruling Identifying Issues and Schedule of Review for 2016 Renewables Portfolio Standard Procurement Plans* (“ACR”), and the June 8, 2016 *Email Ruling Granting, In Part, IOUs Request for an Extension of Time to Produce the 2016 RPS Procurement Plans*, Lancaster Choice Energy (“LCE”) hereby submits this 2016 Renewables Portfolio Standard Procurement Plan (“RPS Procurement Plan”). As directed by the ACR, this RPS Procurement Plan includes responses for the issues expressed in ACR sections 6.1-6.5, 6.7, 6.8, and 6.12-6.14. LCE notes that certain issues and requests in these ACR sections apply to the other retail sellers (electrical corporations and electric service providers), but do not extend to Community Choice Aggregators (“CCAs”). LCE is nevertheless voluntarily providing complete responses to these ACR sections in the interest of transparency and in order to collaborate with the Commission. The submission of this RPS Procurement Plan pursuant to the ACR, however, should not be construed as a waiver of the right to assert that components of Senate Bill (“SB”) 350, as well as components of Commission decisions and rulings on RPS Procurement Plan submittals,

do not extend to CCAs, and LCE reserves the right to challenge any such assertion of jurisdiction over these matters.

By way of background, LCE is California's third operating CCA program, serving approximately 51,000 customers within the City of Lancaster, California (the "City"). LCE commenced CCA service in May 2015 and now serves approximately 94% of the residential and commercial electric accounts located within the City.

II. RPS PROCUREMENT PLAN

6.1. Assessment of RPS Portfolio Supplies and Demand - § 399.13(a)(5)(A)

LCE expects to meet or exceed the RPS compliance obligations for the 2014-2016 compliance period (Compliance Period 2). LCE also projects that it will meet or exceed applicable RPS procurement obligations over a twenty-year timeframe, though the exact characteristics of LCE's supply portfolio may vary over time, depending on market developments, policy changes, technological improvements, City preferences, and/or other factors. To manage this future uncertainty, LCE examines and estimates customer demand, and structures its procurement efforts to balance customer demand with resource commitments. LCE also considers the deliverability characteristics of its resources (including the expected delivery profile, available capacity and dispatchability attributes, if any, associated with each generating resource and/or supply agreement) and reviews the respective risks associated with short- and long-term purchases as part of its forecasting and procurement processes. These efforts will lead to a more diverse resource mix, address grid integration issues, and provide value to the local community. A quantitative description of this forecast is attached to this RPS Procurement Plan in Appendix A.

6.2. Project Development Status Update - § 399.13(a)(5)(D)

As of the date of this RPS Procurement Plan, LCE has entered into one contract with an eligible renewable energy resource that is not yet commercially operational. The noted facility, the Western Antelope Dry Ranch generator, is a 10 MW photovoltaic solar project located within the City that is expected to commence commercial operation in late 2016. Development of the facility is currently tracking according to plan with a groundbreaking ceremony scheduled for August 11, 2016. LCE does not have any other contracts with eligible renewable energy resources that are not yet in commercial operation.

6.3. Potential Compliance Delays - § 399.13(a)(5)(B)

LCE does not anticipate any compliance delays for the 2014-2016 compliance period. In the event that a compliance issue is identified in the future, LCE will address such issue and describe it in a subsequent RPS Procurement Plan.

6.4. Risk Assessment - § 399.13(a)(5)(F)

LCE does not anticipate any specific risk associated with the development and construction of the eligible renewable energy resources that will be used to fulfill LCE's existing contractual commitments. With regard to future contractual commitments that LCE may make with additional eligible renewable energy resources, LCE acknowledges the possibility that anticipated electric energy deliveries associated with such contracts may not be delivered as planned. As noted in § 399.13(a)(5)(A), and the ACR, generation variability and resource availability may impact the amount of future electricity delivered. LCE considers this potential risk in its forecasting practices and during procurement review and decision-making.

6.5. Quantitative Information - §§ 399.13(a)(5)(A), (B), (D) and (F)

LCE has provided a quantitative assessment to support the qualitative descriptions provided in this Procurement Plan, which is attached as Appendix A.

6.7. Bid Solicitation Protocol, Including Least-Cost Best Fit Methodologies - § 399.13(a)(5)(C) and D.04-07-029

LCE conducts bid solicitations designed for purposes of identifying requisite energy and capacity products. Such solicitations address a broad range of considerations, including LCE's need for eligible renewable energy resources, generating capacity, locational preferences, and required online dates. Since the governing boards of CCA programs are typically comprised of local elected officials, solicitation and procurement decisions are overseen by elected representatives of the community, and are designed to comply with locally established targets (that explicitly exceed applicable RPS requirements and promote the development of locally situated renewable generating facilities).

6.8. Consideration of Price Adjustment Mechanisms - § 399.13(a)(5)(E)

Consistent with SB 350, LCE is evaluating the prospects of incorporating price adjustments in contracts with online dates more than 24 months after the date of contract execution. As noted in the ACR, such price adjustments could include price indexing to key components or to the Consumer Price Index.

6.12. Important Changes to Plans Noted

As CCAs were not previously required to submit RPS Procurement Plans,¹ there is no prior plan from which to identify and summarize changes.

¹ See ACR at 7 (summarizing SB 350's new requirements for CCAs).

6.13. Redlined Copy of Plans Required

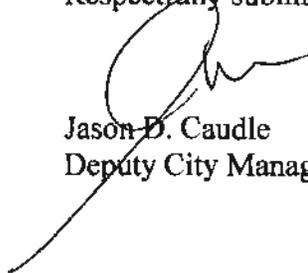
As CCAs were not previously required to submit RPS Procurement Plans,² there is no redlined plan to attach.

6.14. Safety Considerations

LCE holds safety as a top priority. Presently, LCE does not own, operate, or control generating facilities, there are no present safety considerations to report.

Dated: August 8, 2016

Respectfully submitted,



Jason D. Caudle
Deputy City Manager,

² *Id.*

APPENDIX A

Variable	Calculation	Item	Deficit from RPS prior to Reporting Year	2011 Actuals	2012 Actuals	2013 Actuals	2011-2013	2014 Actuals	2015 Actuals	2016 Forecast	2014-2016
		Forecast Year		-	-	-	CP1	-	-	-	CP2
Annual RPS Requirement											
A		Bundled Retail Sales Forecast (LTPP)					-		134	579	713
B		RPS Procurement Quantity Requirement (%)				20.0%	20.0%	21.7%	23.3%	25.0%	23.3%
C	A*B	Gross RPS Procurement Quantity Requirement (GWh)							31	145	176
D		Voluntary Margin of Over-procurement							18	74	92
E	C+D	Net RPS Procurement Need (GWh)							49	219	268
RPS-Eligible Procurement											
Fa		Risk-Adjusted RECs from Online Generation							49	221	269
Faa		Forecast Failure Rate for Online Generation (%)							-	-	-
Fb		Risk-Adjusted RECs from RPS Facilities in Development							-	-	-
Fbb		Forecast Failure Rate for RPS Facilities in Development (%)							-	-	-
Fc		Pre-Approved Generic RECs							-	-	-
Fd		Executed REC Sales							-	-	-
F	Fa + Fb + Fc - Fd	Total RPS Eligible Procurement (GWh)							49	221	269
F0		Category 0 RECs							-	-	-
F1		Category 1 RECs							18	100	119
F2		Category 2 RECs							6	30	36
F3		Category 3 RECs							25	90	115
Gross RPS Position (Physical Net Short)											
Ga	F-E	Annual Gross RPS Position (GWh)							-	2	2
Gb	F/A	Annual Gross RPS Position (%)							36.5%	38.1%	37.8%
Application of Bank											
Ha	H - Hc (from previous year)	Existing Banked RECs above the PQR									
Hb		RECs above the PQR added to Bank									
Hc		Non-bankable RECs above the PQR									
H	Ha+Hb	Gross Balance of RECs above the PQR									
Ia		Planned Application of RECs above the PQR towards RPS Compliance									
Ib		Planned Sales of RECs above the PQR									
J	H-Ia-Ib	Net Balance of RECs above the PQR									
J0		Category 0 RECs									
J1		Category 1 RECs									
J2		Category 2 RECs									
Expiring Contracts											
K		RECs from Expiring RPS Contracts							49	221	269
Net RPS Position (Optimized Net Short)											
La	Ga + Ia - Ib - Hc	Annual Net RPS Position after Bank Optimization (GWh)							-	2	2
Lb	(F + Ia - Ib - Hc)/A	Annual Net RPS Position after Bank Optimization (%)							36.5%	38.1%	37.8%

Note: Fields in grey are protected as Confidential under CPUC Confidentiality Rules

Note: Values are shown in GWhs

2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast	2017-2020	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast	2033 Forecast	2034 Forecast	2035 Forecast
-	-	-	-	CP3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
582	585	588	591	2,346	594	597	600	603	606	609	612	615	618	621	624	627	631	634	637
27.0%	29.0%	31.0%	33.0%	33.0%	34.7%	36.4%	38.1%	39.8%	41.5%	43.2%	44.9%	46.6%	48.3%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
157	170	182	195	704	206	217	229	240	251	263	275	287	299	311	312	314	315	317	318
75	76	77	78	306	79	80	81	82	82	83	84	85	86	87	88	88	88	89	89
232	246	259	273	1,010	285	297	309	321	334	346	359	372	385	398	400	402	404	406	408
170	163	116	-	449	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	29	29	29	117	29	29	29	28	28	28	28	28	28	28	27	27	27	27	27
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200	192	145	29	566	29	29	29	28	28	28	28	28	28	28	27	27	27	27	27
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109	118	85	29	342	29	29	29	28	28	28	28	28	28	28	27	27	27	27	27
25	24	22	-	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65	51	38	-	154	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(33)	(53)	(114)	(244)	(444)	(256)	(268)	(281)	(293)	(306)	(318)	(331)	(344)	(357)	(370)	(372)	(374)	(377)	(379)	(381)
34.3%	32.9%	24.7%	4.9%	24.1%	4.9%	4.8%	4.8%	4.7%	4.7%	4.6%	4.6%	4.5%	4.5%	4.4%	4.4%	4.4%	4.3%	4.3%	4.2%
200	192	145	29	566	29	29	29	28	28	28	28	28	28	28	27	27	27	27	27
(33)	(53)	(114)	(244)	(444)	(256)	(268)	(281)	(293)	(306)	(318)	(331)	(344)	(357)	(370)	(372)	(374)	(377)	(379)	(381)
34.3%	32.9%	24.7%	4.9%	24.1%	4.9%	4.8%	4.8%	4.7%	4.7%	4.6%	4.6%	4.5%	4.5%	4.4%	4.4%	4.4%	4.3%	4.3%	4.2%

Facility Name	Technology	Contract Expiration Date	Expected		Location	PCC Classification
			MW	Annual		
TBD (Portfolio Renewable Energy Supply Agreement with Energy America, LLC; Energy America is obligated to deliver PCC1, PCC2 and PCC3 volumes, as specified in the supply agreement; Energy America has flexibility in identifying RPS-eligible resources that will be used to supply LCE)	Multiple: varies by year and Portfolio Content Category (in 2015, technologies included biomass, wind and small hydro)	12/31/19	TBD	Varies by year	Varies by year: in 2015, locations included Oregon and Washington	PCC1, PCC2 and PCC3
TBD (Portfolio Renewable Energy Supply Agreement with Energy America, LLC; Energy America is obligated to deliver PCC1, PCC2 and PCC3 volumes, as specified in the supply agreement; Energy America has flexibility in identifying RPS-eligible resources that will be used to supply LCE)	Multiple: TBD	12/31/16	NA	22.5	WECC, TBD	PCC1, PCC2 and PCC3
TBD	TBD	12/31/16	NA	2.6	WECC, TBD	PCC1
TBD	TBD	12/31/16	NA	5.0	WECC, TBD	PCC3
Tehachapi Pass Wind (or substitute facility at Seller's discretion)	Wind	12/31/18	NA	21.7	Tehachapi, CA	PCC1
Western Antelope Dry Ranch	PV Solar	9/29/35	10	29.5	Lancaster, CA	PCC1

VERIFICATION

I, Jason D. Caudle, am authorized to make this Verification on behalf of Lancaster Choice Energy. I declare under penalty of perjury that the statements in the foregoing 2016 Renewables Portfolio Standard Procurement Plan are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, I believe them to be true.

Executed on August 8, 2016, at Lancaster, California.



Jason D. Caudle
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