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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Rulemaking 18-07-003

ASSIGNED COMMISSIONER AND ASSIGNED ADMINISTRATIVE LAW JUDGE'S RULING IDENTIFYING ISSUES AND SCHEDULE OF REVIEW FOR 2019 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS

Summary

Pursuant to the authority provided in Public Utilities (Pub. Util.) Code § 399.13(a)(1),¹ today's Ruling identifies 2019 Renewables Portfolio Standard (RPS) Procurement Plan filing requirements for all retail sellers of electricity and sets a schedule for the Commission's review of the 2019 RPS Procurement Plans.

¹ Pub. Util. Code § 399.13(a)(1) orders the Commission to "direct each electrical corporation to annually prepare a renewable energy procurement plan... to satisfy its obligations under the renewables portfolio standard" as well as "require each electrical corporation to review and update its renewable energy procurement plan..." All subsequent code section references are to the Public Utilities Code unless otherwise indicated.

The definition of “retail seller” in Pub. Util. Code § 399.12(j) includes the electrical corporations, as defined in Pub. Util. Code § 218, community choice aggregators (CCAs),² and electric service providers (ESPs).³

The electrical corporations subject to this Ruling are Pacific Gas and Electric Company, Southern California Electric Company, San Diego Gas & Electric Company, PacifiCorp, Bear Valley Electric Service and Liberty Utilities, LLC. All current CCAs and any CCA that intends to procure for 2019 and 2020 are subject to this Ruling (Attachment D). The ESPs subject to this Ruling are identified in Attachment C.

This Ruling follows the format of past Rulings initiating the annual RPS procurement process, with refinements to account for current market and regulatory conditions. Consistent with Pub. Util. Code §§ 399.13(a) and 399.13(c) and the requirements in Senate Bill (SB) 350 (De León, Stats. 2015, ch. 547) (SB 350) and SB 100 (De León, Stats. 2018, ch. 312) (SB 100), which extend, increase, and modify RPS procurement rules, the Commission will issue a decision on the proposed RPS Procurement Plans by the end of the year.⁴ For CCAs and ESPs, the Commission decision will determine if the Plans comply with this Ruling and the requirements of Pub. Util. Code § 399.13. The

² Pub. Util. Code § 399.12(j)(2) states that “A community choice aggregator shall participate in the renewables portfolio standard program subject to the same terms and conditions applicable to an electrical corporation.”

³ Pub. Util. Code § 399.12(j)(3) states that “The electric service provider shall be subject to the same terms and conditions applicable to an electrical corporation pursuant to this article.”

⁴ Pub. Util. Code § 399.13(c) states that “The commission shall review and accept, modify, or reject each electrical corporation’s renewable energy resource procurement plan prior to the commencement of renewable energy procurement pursuant to this article by an electrical corporation. The commission shall assess adherence to the approved renewable energy resource procurement plans in determining compliance with the obligations of this article.”

procedural schedule for the 2019 RPS Procurement Plan process is included as Attachment A.

1. General Requirements for 2019 RPS Procurement Plans

In Decision (D.) 12-11-016, the Commission refined the Renewables Portfolio Standard (RPS) procurement process as part of its implementation of Senate Bill (SB) 2 (1X) (Simitian, Stats. 2011, ch.1). In 2015, SB 350 increased the RPS procurement requirement and modified the RPS procurement rules. The Commission adopted post-2020 multi-year compliance periods and the higher RPS procurement quantity requirements established in statute in D.16-12-040. More recently, SB 100 accelerated RPS requirements to 60% retail sales from eligible renewable resources by 2030 and a planning goal of 100% of the state's electricity to come from carbon-free resources by 2045.

Consistent with statutory requirements and the Commission's decisions, the investor-owned utilities (IOUs), community choice aggregators (CCAs), and electric service providers (ESPs) must comply with all of the requirements set forth in Section 5 of this Ruling. Small and multi-jurisdictional utilities (SMJUs) are subject to a subset of the requirements set forth in Sections 2 and 3 of this Ruling.

Attachment A is the procedural schedule for the Commission's review of the 2019 RPS Procurement Plans. Updates to the filed 2019 RPS Procurement Plans may be provided consistent with the schedule at Attachment A.

Attachment B is a template to be used for 2019 RPS Procurement Plans.

2. Multi-Jurisdictional Utilities with 60,000 or Fewer Customers (Subject to Public Utilities (Pub. Util.) Code § 399.17)

RPS procurement requirements for multi-jurisdictional utilities and their successors⁵ allow these utilities to meet their RPS procurement obligations without regard to the portfolio content category limitations in Pub. Util. Code § 399.16.⁶

PacifiCorp is permitted to use an Integrated Resource Plan (IRP) prepared for regulatory agencies in other states to satisfy its annual California RPS Procurement Plan requirement so long as the IRP complies with the requirements specified in Pub. Util. Code § 399.17(d). PacifiCorp prepares its IRP on a biennial schedule, filing its plan with the Commission in odd numbered years. It files a supplement to this plan in even numbered years.

As required by D.08-05-029, PacifiCorp must file and serve its IRP in Rulemaking (R.) 06-05-027 or its successor proceeding. Pursuant to D.11-04-030, in years that PacifiCorp does not file an IRP, a comprehensive supplement to its IRP is filed. This supplement is to include an analysis of how the IRP and supplement comply with the requirements in § 399.17(d). PacifiCorp will file its IRP in 2019, as it filed its comprehensive supplement in 2018.

Liberty Utilities LLC will prepare an RPS Procurement Plan subject to the same requirements as a small utility under § 399.18 as outlined in Section 3.

⁵ PacifiCorp is a multi-jurisdictional utility for RPS purposes. Liberty Utilities LLC is a successor entity under § 399.17 and not a multi-jurisdictional utility because it has customers only in California.

⁶ Pub. Util. Code § 399.17(b).

**3. Small Investor-Owned Utilities with Fewer than 30,000 Customers
(Subject to Pub. Util. Code § 399.18)**

§ 399.18(b) addresses small IOUs with less than 30,000 customers and allows compliance with the RPS procurement obligations without regard to the portfolio content category limitations in § 399.16.

A small utility must file an RPS Procurement Plan pursuant to § 399.13(a)(5), but it can be tailored to account for the relatively small RPS procurement requirement and the limited resources of a small utility.

Accordingly, Bear Valley Electric Service (BVES) shall prepare an RPS Procurement Plan providing the information required in Sections 5.1-5.8 and 5.10-5.13 of this Ruling.⁷

4. ESPs and CCAs

SB 350 modified the RPS Procurement Plan filing requirements for ESPs and CCAs to be consistent with § 399.13(a)(5).⁸ Accordingly, each ESP and CCA must file a proposed RPS Procurement Plan that complies with all Sections of this Ruling.

The CCAs play an increasingly important role in meeting state Greenhouse Gas (GHG) reduction goals. Current CPUC estimates suggest that over 3.3 million residential and commercial electricity customer accounts will be served by the CCAs by 2019.⁹ Therefore, it is essential for reliability purposes that the Commission is fully informed of all procurement across the state. Collecting the necessary information on procurement planning will assist the

⁷ Mountain Utilities, described in § 399.18(a)(2), was purchased by Kirkwood Public Utility per D.11-06-032. Mountain Utilities is no longer considered a retail seller subject to the Commission's RPS jurisdiction.

⁸ See Pub. Util. Code § 399.13(a).

⁹ 2018 California Renewables Portfolio Standard Annual Report, November 2018, at 45.

Commission towards that end. The Commission has already directed CCAs and ESPs to “include more granular information regarding planning in the next annual procurement plan cycle in 2019, beyond a general statement that they will comply with the RPS requirements and upcoming long-term procurement requirements.”¹⁰

This Ruling directs the CCAs and ESPs to include RPS information in their 2019 RPS Procurement Plans that is responsive to Pub. Util. Code § 399.13(a)(5).¹¹ Reporting this information will provide the Commission, the Legislature, and the public with a more complete picture of the state’s RPS program in order to support electric reliability as the state heads toward 100% zero-carbon energy. CCAs and ESPs should also include cost information in their Plans, similar to information included by the IOUs, as described in Section 5.10.

All new CCAs and ESPs are required to file RPS Procurement Plans when they register with the Commission or 90 days prior to commercial operation, whichever is first.¹² Accordingly, all new registering CCAs and ESPs should file their RPS Plans with the Commission at the time of Registration, as well as provide service of their RPS Plan to the Service List. All new CCAs and ESPs that filed RPS Plans upon Registration with the Commission are also required to file a 2019 RPS Plan as set forth in this Ruling.

¹⁰ D.19-02-007 at Ordering Paragraph 19.

¹¹ Public Utilities Code § 399.13(a)(5) requires information on: renewable supply and demand, compliance delays, solicitations to procure renewable energy, project development status updates, price adjustment mechanisms, and project failure risk.

¹² D.17-12-007 at Ordering Paragraph 4.

5. Specific Requirements for 2019 RPS Procurement Plans

As discussed in this section, the 2019 RPS Procurement Plans must include all information required by statute, including quantitative analysis supporting the retail seller's assessment of its portfolio and future procurement decisions.

Responses should include complete details necessary to understand a Load Serving Entity's (LSE) planning and procurement strategies to address state goals and satisfy statutory requirements. This includes the statutory requirement that beginning January 1, 2021, 65% of each retail seller's procurement counted towards the RPS requirement will be from ownership of eligible renewable energy resources or its contracts with term lengths of 10 years or more in duration.¹³ Quantitative figures should be used to supplement concise explanations. Specifically, responses to Section 5.5 shall be provided in a numerical/quantitative format to support the written responses to Sections 5.1, 5.2, 5.4, and 5.6. The information in the RPS Procurement Plans should be non-confidential, to the greatest extent possible, and all sources of information must be identified with citations, if any. All assumptions underlying these responses must be clearly stated.

When filed with the Commission, all of the proposed 2019 RPS Procurement Plans must achieve the following:

1. Describe the overall plan for procuring RPS resources for the purposes of satisfying the RPS program requirements while minimizing cost and maximizing value to customers, as well as demonstrating how LSEs comply with direction for RPS planning in SB 350, SB 100, and SB 901 (Dodd, Stats. 2018, ch.626). This includes, but is not limited to, any plans for

¹³ Pub. Util. Code 399.13(b).

building LSE-owned resources, investing in renewable resources, and engaging in the sales of RPS eligible resources.

2. The various aspects of the plans themselves must be consistent. For instance, the bid solicitation protocol should be consistent with any statements and calculations regarding a retail seller's renewable net short position.¹⁴
3. The plans should be complete in describing and addressing procurement and sales of RPS eligible resources that demonstrate reliability and align with the state's policy goals. For the IOUs, the Commission may accept or reject proposed contracts based on consistency with the approved plan, including any calculation of RPS procurement net short position.¹⁵
4. All LSEs should work collaboratively to make the format of the plans as uniform as possible to enable parties, bidders, and the Commission to easily access, review and compare the plans. All sections should be numbered in the same way, without skipping any sections for ease of Commission review.
5. All plan elements should comply with the requirements set out in Section 5 of this Ruling. A summary of the RPS Procurement Plan's Section criteria each retail seller must comply with is included in Table 1.

¹⁴ As of the date of this Ruling, the methodology can be found in the May 21, 2014 Ruling, Administrative Law Judge's Ruling on Renewable Net Short, issued in R.11-05-005.

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M091/K331/91331194.PDF>

¹⁵ Pub. Util. Code § 399.13 (d).

Table 1
Summary of Requirements for 2019 RPS Procurement Plans

	Large IOUs	Utilities subject to §§ 399.17 and 399.18	ESPs and CCAs
1. Assessment of RPS Portfolio Supplies and Demand	X	X	X
2. Project Development Status Update	X	X	X
3. Potential Compliance Delays	X	X	X
4. Risk Assessment	X	X	X
5. Quantitative Information	X	X	X
6. "Minimum Margin" of Procurement	X	X	X
7. Bid Solicitation Protocol, Including Least Cost Best Fit Methodologies	X	X	X
8. Consideration of Price Adjustment Mechanisms	X	X	X
9. Curtailment frequency, costs, and forecasting	X		X
10. Cost Quantification	X	X	X
11. Important Changes to Plans Noted	X	X	X
12. Redlined Copy of Plans Required	X	X	X
13. Safety Considerations	X	X	X

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

§ 399.13(a)(5)(A) provides that the renewable energy procurement plan shall include an assessment of annual or multiyear portfolio supplies and demand to determine the optimal mix of eligible renewable energy resources with deliverability characteristics that may include peaking, dispatchable, baseload, firm, and as-available capacity.

Accordingly, all LSEs must provide a written assessment of their annual and multi-year portfolio supply and demand in relation to RPS requirements, the

RPS program, and the RPS program's overall goals to determine the retail seller's optimal mix of eligible renewable energy resources.

Portfolio Supply and Demand: The assessment should consider, at a minimum, a 20-year time frame with a detailed 10-year planning horizon that takes into account both portfolio supply and demand. This written description must include the retail seller's need for RPS resources with specific deliverability characteristics, such as, peaking, dispatchable, baseload, firm, and as-available capacity as well as any additional factors, such as ability and/or willingness to be curtailed, operational flexibility, etc. The LSE's RPS Plan must also explain how the quantitative analysis provided in response to Section 5.5 supports the assessment. Lastly, it should describe how procurement or sales planned for the period covered by the 2019 RPS Procurement Plans is consistent with the assessment of supply and demand.

Alignment with Load Curves: The assessment must also explain how the proposed renewable energy portfolio will align with expected load curves and durations, as well as, how it optimizes cost, value, and risk for customers. Where applicable, the assessment should also identify and incorporate impacts of overall energy portfolio and system requirements (e.g., reliability, not just RPS portfolio requirements).

RPS Plan Responsiveness to LSE Policies and Goals, Statutes, and Commission Policies: All LSEs should include information on how the 2019 RPS Plan is responsive to and consistent with LSE-specific policies and goals (e.g., local government's renewable energy goals are higher than statutory RPS requirements), recent legislation, other Commission proceedings, other agencies requirements, and other policies or issues that would impact RPS demand and procurement, including SB 100, SB 350, and SB 901. If the retail seller has higher

renewable procurement policies that may not necessarily include RPS-eligible resources, the retail seller should explain its strategy to achieve those goals and the planning mechanisms with which those goals will be met.

Portfolio Diversity and Reliability: All LSEs should describe (1) how their renewable procurement decisions consider portfolio diversity and (2) their contributions towards grid reliability in the 10-year planning horizon. The written description should explicitly and specifically address, both qualitatively and quantitatively, how the retail seller intends to increase its portfolio diversity in order to address issues of renewable integration, under-utilization of RPS-eligible generation, forecasted transportation electrification, and maximizing ratepayer value.

Conformance with IRP: All LSEs should describe how their planned renewable procurement conforms with the determinations made in the IRP Proceeding (R.16-02-007), including the balanced and diverse set of resources identified in the most recent preferred system portfolio adopted by the Commission.

Lessons Learned: For all retail sellers, the supply and demand assessment should describe and incorporate RPS lessons learned over the past year, including RPS trends and potential future trends. For new CCAs and ESPs which have not yet established lessons of their own, they should look to lessons learned across the industry to demonstrate how they will mitigate risk.

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

All LSEs should provide a narrative and use the Project Development Status Update template¹⁶ to report quantitative data on status updates for development schedules of all eligible renewable energy resources currently under contract or retail seller-owned but not yet delivering generation. This status update should differentiate projects based on whether they are in pre-construction, construction, or post-construction development phase. The status update must include at a minimum:

- 1) names of new facilities contracted with;
- 2) capacity procured;
- 3) length of contract;
- 4) facility location;
- 5) commercial online date;
- 6) technology type;
- 7) contract start and end dates;
- 8) expected annual generation;
- 9) total contract volume; and
- 10) status of any required new transmission line or transmission upgrades for each facility.

The status updates provided must also be reflected in the quantitative analysis provided in response to Section 5.5, below. Given this analysis, explain how the project development updates will impact the retail seller's RPS net short

¹⁶ The Project Development Status Update template is posted on the CPUC's RPS website: http://cpuc.ca.gov/Utility_Scale_RFO/

and its procurement decisions for the next two years and on a 10-year planning horizon.

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

Describe in narrative form any potential issues that could delay RPS compliance, including, but not limited to, inadequate transmission capacity, permitting delays, insufficient eligible renewable energy resources supply, unanticipated curtailment, unanticipated increase in retail sales, and the relationship, if any, to project development delays, reduced generation, and compliance delays. Describe the steps taken to account for and minimize these potential compliance delays. The potential compliance delays included in the written description must be reflected in the quantitative analysis provided in response to Section 5.5. Given this analysis, discuss how the potential compliance delays will impact the retail seller's RPS net short and its procurement decisions. If the retail seller does not anticipate any potential compliance delays, provide a justification using the information reported in Sections 5.1, 5.2, 5.5 and 6.6.

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

§ 399.13(a)(5)(F) provides that the renewable energy procurement plan shall include an assessment of the risk that an eligible renewable energy resource will not be built, or that construction will be delayed, with the result that electricity will not be delivered as required by the contract.

Provide a written assessment of the risk in the RPS portfolio in relation to RPS compliance requirements. The results of the LSE's risk assessment must be provided in the written description and must be reflected in the quantitative analysis provided in response to Section 5.5. LSEs should provide details of the

model used (*e.g.* deterministic, stochastic, etc.)¹⁷ to conduct annual risk assessments, including the specific inputs and assumptions to their risk assessment model. This assessment should evaluate a range of risk factors, such as those described above regarding compliance delays, as well as, but not limited to the following: lower than expected generation, variable generation, resource availability (*e.g.*, biofuel supply, water, etc.), and impacts to eligible renewable energy resource projects currently under contract. In particular, LSEs should address resource diversity and how their portfolio mix supports reliability. It is not sufficient for parties to acknowledge that risk exists and they will monitor their respective renewable projects. A thorough risk assessment should include understanding historical lessons learned, considering current trends and forecasts, as well as utilizing probabilistic and statistical models that ascertain what could occur.

Based on this analysis, discuss how the risk assessment will impact the retail seller's RPS net short and its procurement decisions. If the retail seller does not anticipate any potential risks, provide a detailed justification for using the information reported in Sections 5.1-5.3.

5.5. Quantitative Information - §§ 399.113(a)(5)(A), (D), and (F)

In addition to the written descriptive responses to Sections 5.1 through 5.4, provide quantitative data, methodologies, and calculations relied upon to assess the retail seller's RPS portfolio needs and RPS procurement net short. This quantitative analysis must consider, where appropriate, the quantitative

¹⁷ Examples of two different approaches to risk modeling include deterministic models for expected and standard variabilities (*e.g.* project failure rates and expected project delays) and stochastic models for uncertain variabilities (*e.g.* retail sales fluctuations, project failure rates, curtailment, RPS generation variability).

discussion requirement by Sections 5.1-5.4, above. Any RPS-eligible procurement that has or will occur outside of the RPS program should also be included.¹⁸

As stated above, the portfolio assessment should be for a minimum of 20 years in the future. The responses must be clear regarding the quantitative progress made towards RPS requirements and the specific risks to the retail sellers' RPS Procurement Portfolios. Risks may include, but are not limited to, project development, transmission development, regulatory, and market risks. The quantitative response must be provided in an Excel spreadsheet based on the most recently directed renewable net short methodology.¹⁹

5.6. "Minimum Margin" of Procurement - § 399.13(a)(4)(D)

§ 399.13(a)(4)(D) provides, in part, that the Commission shall adopt, by rulemaking, "[a]n appropriate minimum margin of procurement above the minimum procurement level necessary to comply with the renewables portfolio standard to mitigate the risk that renewable projects planned or under contract are delayed or canceled."

This Ruling directs all LSEs to identify in their proposed 2019 RPS Procurement Plans the assumed minimum margin of procurement (MMoP) above the minimum procurement level necessary to comply with the RPS program to mitigate the risk that renewable projects under contract are delayed

¹⁸ For example, RPS-eligible procurement to replace generation from the retired San Onofre Nuclear Generation Station that will be applied towards RPS requirements should be included.

¹⁹ As of the date of this Ruling, the methodology directed in the Administrative Law Judge's May 21, 2014 Ruling, Administrative Law Judge's Ruling on Renewable Net Short, issued in R.11-05-005, is the most recent renewable net short methodology:

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M091/K331/91331194.PDF>. An updated RNS template is provided on the CPUC's RPS webpage: http://cpuc.ca.gov/Utility_Scale_RFO/

or terminated. All LSEs must define their criteria and rationale for setting their MMoP.

MMoP Methodology and Inputs: Proposed 2019 Procurement Plans for all LSEs shall include a narrative and quantitative description of their methodology and inputs regarding the LSE's proposed minimum margin of over-procurement metric. The methodology should be representative of and consistent with the LSE's inputs and assumptions in Section 5.5. Also, the metric should be used to calculate the LSE's procurement needs pursuant to Section 5.5.

MMoP Scenarios: Describe any sensitivities or scenarios used. If the LSE's assumed minimum margin of over-procurement is not used to calculate an LSE's net short provided in response to Section 5.5, then the LSE should clearly describe the reasons and any assumptions or other additional methodologies used to calculate the LSE's proposed over-procurement. Reasons and assumptions should be supported with quantitative information to the extent possible.

5.7. Bid Solicitation Protocol, Including Least-Cost Best-Fit (LCBF) Methodologies -§ 399.13(a)(5)(C), D.04-07-029, D.11-04-030, D.12-11-016, D.14-11-042, and D.16-12-044.

Pursuant to § 399.13(a)(5)(C), 2019 RPS Procurement Plans must include a bid solicitation protocol setting forth the need for eligible renewable energy resources of each deliverability characteristic, required online dates, and locational preferences, if any. Solicitations shall be consistent with the portfolio assessment provided in Sections 5.1 through 5.5 and the renewable net short position. Additionally, solicitations should be specific regarding what quantity of products are being requested (or offered) and the required deliverability characteristics, online dates, term lengths, and locational preferences.

Solicitation Protocols for Renewables Sales: If selling eligible renewable energy products is part of a 2019 RPS Procurement Plan, then a solicitation protocol setting forth this process should also be included. Each IOU should include a framework for determining the quantity of RPS volumes to sell in a given solicitation, the target price, and the price floor. The IOUs should also include a section on lessons learned from its sale of excess RPS volumes authorized under its 2018 RPS Procurement Plans.

Bid Selection Protocols: The bid solicitation protocols for procuring and/or selling should include an overview of the solicitation process, a solicitation schedule, and pro forma agreement(s). All LSEs should include a detailed description of their LCBF methodologies, which should be consistent with D.04-07-029, D.11-04-030, D.12-11-016, D.14-11-042, and D.16-12-044. All LSEs should clearly list and describe the evaluation criteria (*e.g.*, energy value, congestion cost, locational preference, term length, ability to be curtailed, operational flexibility, etc.) and how bids will be valued and evaluated based on the LCBF methodology.

For IOUs, if a renewable auction mechanism procurement process is planned to be used, then a pro forma agreement for that process should be included. Additionally, if any sales, or other types of procurement is planned and needs a specific pro forma agreement (*e.g.*, short-term procurement), then a description of the bid protocol should also be included.

Additionally, for SMJUs, a description of any planned solicitations and proposed solicitation processes, including solicitation materials, should be provided to the Commission. For CCAs and ESPs, current or most recent solicitation materials should be provided to the Commission, including a link, if

one exists, to the public website where public materials can be found for all relevant solicitations.

LCBF Criteria: The LCBF methodology used must be consistent with relevant Commission decisions.²⁰ In particular, LSEs shall include a detailed description of their bid evaluation methodologies and “best fit” attributes considered, pursuant to § 399.13(a)(8),²¹ for bids that will provide the most value to their portfolio. LSEs shall also describe how their solicitations and procurement decisions will give preference to renewable energy resources located in certain communities, as required by Pub. Util. Code § 399.13(a)(7). LCBF methodologies should also address state policies related to equity, safety, the environment, and economic development.²² Any qualitative measures that

²⁰ See D.04-07-029, Opinion Adopting Criteria for the Selection Least-Cost and Best-Fit Renewable Resources (July 8, 2004); D.11-04-030, Decision Conditionally Accepting 2011 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Supplements (Apr. 14, 2011); D.12-11-016, Decision Conditionally Accepting 2012 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Off-Year Supplement (Nov. 8, 2012); D.14-11-042, Decision Conditionally Accepting 2014 Renewables Portfolio Standard Procurement Plans and an Off-Year Supplement to 2013 Integrated Resource Plan (Nov. 20, 2014); D.16-12-044, Decision Accepting Draft 2016 Renewables Portfolio Standard Procurement Plans (Dec. 15, 2016).

²¹ Pub. Util. Code § 399.13(a)(8) requires that in soliciting and procuring eligible renewable energy resources, each retail seller consider the best-fit attributes of resource types that ensure a balanced resource mix to maintain the reliability of the electrical grid.

²² Pub. Util. Code § 399.13(a)(5)(7)(A) requires the following:

“In soliciting and procuring renewable energy resources for California-based projects, each electrical corporation shall give preference to renewable projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants and greenhouse gas emissions.”

will be used in LCBF methodology should also be described, both in terms of the criteria and how they will be used in the methodology.²³

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

§ 399.13(a)(5)(E) requires that the renewable energy procurement plans include consideration of mechanisms for price adjustments associated with the costs of key components for eligible renewable energy resource projects with online dates more than 24 months after the date of contract execution.

Pursuant to § 399.13(a)(5)(E), describe how price adjustments (*e.g.*, index to key components, index to Consumer Price Index, price adjustments based on exceeding transmission or other cost caps, etc.) will be considered and potentially incorporated into contracts for RPS-eligible projects with online dates occurring more than 24 months after the contract execution date. Discuss how the price adjustments will maximize value for ratepayers and minimize potential risks to ratepayers.

5.9. Curtailment Frequency, Cost, and Forecasting - § 399.13(a)(5)(B) and 399.15(b)(5)

In D.14-11-042, the Commission approved curtailment terms and conditions in PG&E's, SCE's, and SDG&E's pro forma contracts; required multiple bid variants related to economic curtailment; and directed reporting on curtailment frequency, forecasting, and costs. As LSEs become more numerous and diverse, and as the state moves towards the electricity sector becoming

²³ As noted in the November 9, 2018 Assigned Commissioner's Scoping Memo and Ruling issued in R.18-07-003, the Commission is revising and updating the least-cost best-fit methodology for evaluating RPS-eligible procurement. Parties submitted comments on the staff paper on LCBF reform and further Commission action will follow. Thus, parties should limit comments on this Ruling to the particulars of the 2018 RPS Procurement Plans' proposed LCBF methodologies in relation to the current rules.

100% carbon-free, it is essential for all LSEs to report their experience and issues related to economic curtailment, as well as any actions and analysis needed to forecast curtailment events. Given the increase in renewable development and curtailment on the system in recent years, LSEs should provide information in their Plans on the following topics as they relate to their own current and future RPS procurement:

1. Factors having the most impact on the projected increases in incidences of overgeneration and negative market price hours.
2. Written description of quantitative analysis of forecast of the number of hours per year of negative market pricing for the next 10 years.
3. Experience, to date, with managing exposure to negative market prices.
4. Direct costs incurred, to date, for incidences of overgeneration and associated negative market prices.
5. Overall strategy for managing the overall cost impact of increasing incidences of overgeneration and negative market prices.

5.10. Cost Quantification

Pursuant to SB 836 (Padilla, Stat. 2011, ch. 600, § 1)²⁴ and SB 2 (1X), the Commission provides annual reports to the California Legislature that include aggregated cost data on all procurement contracts for eligible renewable energy resources approved by the Commission.²⁵ To support the Commission's

²⁴ Adding § 911 to the Pub. Util. Code.

²⁵ The Padilla Report: Costs and Savings for the Renewable Portfolio Standard in 2018 (pursuant to Public Utilities Code Section 913.3) (May 1, 2018). This report can be found at: http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/Office_of_Governmental_Affairs/Legislation/2018/MASTER%202018%20PADILLA%20REPORT_FINAL.pdf

reporting to the Legislature pursuant to §§ 913.3 and 913.4, PG&E, SCE, SDG&E, BVES, Liberty Utilities LLC, and PacifiCorp are required to include the information described in Table 2, below, in their proposed 2019 RPS Procurement Plans.

Furthermore, in order for the Commission to have complete information for statewide electric procurement costs, CCAs and ESPs should also include cost quantification tables with the information described in Table 2 Rows 1 through 4, below, in their 2019 RPS Procurement Plans. While the Commission does not set rates for the CCAs and ESPs or approve their contracts, Pub. Util. Code § 399.12(j)(2) states that “[a] community choice aggregator shall participate in the renewables portfolio standard program subject to the same term and conditions applicable to an electrical corporation.” The same applies for ESPs pursuant to §§ 399.12(j)(3). Therefore, CCAs and ESPs should follow the same RPS planning requirements as the Electrical Corporations. This information is essential to understand the impact of LSE procurement on the cost of renewables and renewable cost trends in California.

All LSEs shall provide responses using a standardized methodology and format that the Commission approved in prior RPS Procurement Plans.

Responses should be non-confidential to the greatest extent possible. All LSEs should use the Cost Quantification template.²⁶

²⁶ The Cost Quantification template is posted on the CPUC’s RPS website: http://cpuc.ca.gov/Utility_Scale_RFO/

Table 2
RPS Procurement and Sales Information Related to
Cost Quantification

Row	Item	Description
1.	Actual Direct Expenditures and Revenue- per year	Total dollars expended and received for all Renewable Energy Credit (REC) ²⁷ transactions for every year from 2003 to present year. Figures shall be reported by resource and technology type and reported for each year.
2.	Actual REC Procurement (MWh) - per year	Total REC procurement for every year from 2003 to present year, including any REC sales. Amounts shall be reported by resource and technology type and reported for each year.
3.	Forecast Direct Expenditures and Revenue - per year	Total forecasted dollars expended and received for all REC transactions to date (and approved to date for the utilities). Forecasts Direct Expenditures shall be reported by resource and technology type and reported for each year from 2018-2030.
4.	Forecast REC Procurement (MWh) - per year	Total forecasted REC procurement to date (and approved to date for the utilities), including any planned REC sales. Forecasts shall be reported by resource and technology type and reported for each year.
5.	Incremental Utility Rate Impact - per year	Total actual and forecasted annual utility rate impacts from RPS procurement from 2003-2030.

5.11. Important Changes to Plans Noted

A statement identifying and summarizing the important changes between the 2018 and 2019 RPS Procurement Plans must be included. This summary should not be a reprint of the two plans with strike-out and underlined inserts. In addition to identifying and summarizing the important changes, the plan

²⁷ For all information provided in response to Table 2, REC-only contracts should be listed separately.

should also include an explanation and justification of the reasonableness for each important change from 2018 to 2019. For CCAs specifically, if an RPS Plan was not submitted in 2018, include any changes from the CCA Implementation Plan that was previously submitted and certified by the Commission.

5.12. Redlined Copy of Plans Required

A version of the 2019 RPS Procurement Plan that is “redlined” to identify the changes from the 2018 RPS Plan must be included with the 2019 RPS Procurement Plans. The IOUs must provide a redlined copy for the Commission’s Energy Division Staff, the Administrative Law Judge (ALJ), and any party who requests a copy. (This is separate from the Important Changes item above.)

5.13. Safety Considerations

As stated in D.13-11-024, all entities filing RPS Procurement Plans must incorporate a section on safety considerations regarding the procurement of electricity. The Commission directive was made pursuant to its authority under § 451, which provides, in pertinent part, as follows:

Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities,..., as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.

Safety considerations are an ongoing requirement to be addressed in all future RPS Procurement Plans.

6. Coordination with IRP Proceeding

The IRP proceeding (R.16-02-007) is the primary venue for implementing the SB 100 requirements related to resource planning for the electric sector. In R.16-02-007, the Commission established a process to ensure LSE procurement activities are consistent with achieving California’s 2030 GHG reduction goals.

The IRP process and reporting requirements substantially overlap with the LSEs' existing RPS obligations (*e.g.*, renewable resource valuation, procurement authorization, and target setting). The Commission and staff in the RPS and IRP proceedings (and others) are coordinating to ensure the fair and efficient administration of the proceedings.

The Commission has established a framework for consideration of RPS Procurement Plans for electric corporations and other RPS obligated retail sellers in prior decisions. Consistent with the general process mandated by statute and Commission decisions, parties are required to file their proposed plans annually and provide the information required by statute and Commission decisions. In light of the overlap in reporting requirements between the RPS and IRP proceedings, this Ruling proposes a process in which annual RPS filing requirements can be satisfied by the LSEs' filing of their IRP Plans in the years that IRP Plans are required. As discussed in Section 2 above, there is precedent for IRP filings to satisfy the annual California RPS Procurement Plan requirement so long as the IRP Plan includes the requirements specified in Pub. Util. Code § 399.17(d). PacifiCorp, for instance, prepares its IRP on a biennial schedule and submits that report to the Commission as a proxy for its RPS Procurement Plan. In years when PacifiCorp does not file an IRP plan, it submits a supplemental filing to satisfy its RPS Procurement Plan requirements. This Ruling proposes a similar process that will apply for all LSEs and seeks comment from parties on the proposed changes to RPS Procurement Plan reporting requirements, as set out below and to be implemented beginning in 2020.

6.1. Process and Timing

In this proposal, in the years that IRP Plans are not required, LSEs will file RPS Procurement Plans as they always have been required in the RPS Proceeding. For instance, because IRP Plans are not required in 2019, all LSEs would file RPS Procurement Plans as they have in the past. However, in years where IRP Plans are required, LSEs will incorporate the information required in RPS Procurement Plans into their IRP Plans.

6.2. Incorporating RPS Plan into IRP

We propose that RPS Procurement Plan sections may be incorporated into IRP Plans as outlined in Table 3 below:

**Table 3
RPS Procurement Plan Sections to be Incorporated into IRP Plans**

Standard IRP Template Section	RPS Plan Template Section
<i>Source: Decision 18-02-018 Attachment A</i>	<i>Source: Table 1</i>
1. Executive Summary	
2. Study Design	
2.1. Objectives	
2.2. Methodology	
3. Study Results	
3.1. Portfolio Results	1. Assessment of portfolio supplies and demand 2. Project development status update 3. Potential compliance delays 4. Risk Assessment 5. Quantitative information 6. Minimum margin of procurement 13. Safety considerations

3.2. Preferred Portfolio	
3.2.1. Local Air Pollutant Minimization	
3.2.2. Cost and Rate Analysis	7. Bid Solicitation protocol, including LCBF 8. Consideration of price adjustment mechanisms 9. Curtailment frequency, costs and forecasting 10. Cost quantification
3.3. Deviations from Current Resource Plans	11. Important changes to Plan noted 12. Redline copy of Plan required
3.4. Local Needs Analysis	
4. Action Plan	
4.1. Proposed Activities	
4.2. Barrier Analysis	
4.3. Proposed Commission Direction	
5. Data	
5.1. Baseline Resource Data Template	
5.2. New Resource Data Template	
5.3. Other Data Reporting Guidelines	
6. Lessons Learned	

In addition to aligning the IRP and RPS Plans as outlined above, further direction and more details will be provided by subsequent Commission decisions or ALJ rulings to be issued in R.18-07-003 or R.16-02-007 (or subsequent proceedings).

Finally, all LSEs in the RPS proceeding are required to become parties to the IRP proceeding (R.16-02-007). It is recommended that other RPS parties also become parties to R.16-02-007 (or subsequent proceeding) as some of the RPS/IRP coordination and alignment is likely to be initiated in that proceeding. Comments on this ruling should be limited to the particulars of the RPS Procurement Plans.

7. Submission of Information with A Claim of Confidentiality

The information in the RPS Procurement Plans should be non-confidential, to the greatest extent possible. In the event that there is a request for confidential treatment of information, this Ruling affirms that procedures set forth in D.06-06-066²⁸ that are applicable when ESPs or IOUs request confidential treatment of information are also applicable to CCAs. Specifically, unless expressly directed by another ruling or Commission decision, CCAs should use the procedures set forth in D.06-06-066 when requesting confidential treatment of information, including using the ESP Matrix. Provided that the requesting CCA meets the requirements of D.06-06-066, the information shall be entitled to the same confidentiality protections that would apply to an ESP.

8. Schedule

Parties may file comments and reply comments in response to this Ruling and the RPS Procurement Plans. The schedule is set forth in Attachment A. After review of the record in the proceeding, the Commission will accept, modify, or reject each plan or Supplement as required by §§ 399.13(a)(1) and (c).

²⁸ D.06-06-066 was modified by D.07-05-032 and D.08-04-023. The references to D.06-06-066 include modifications made by D.07-05-032 and D.08-04-023.

9. *Ex Parte* Communications

Ex parte communications are permitted as described in Pub. Util. Code §§ 1701.1 and 1701.3. Parties and interested persons are advised that, to the extent that the requirements of Rule 8.1 *et seq.* deviate from Pub. Util. Code §§ 1701.1 and 1701.3, as amended by SB 215, effective 1/1/2017, the statutory provisions govern.

In a ratesetting proceeding involving hearings, *ex parte* communications are permitted only if consistent with certain restrictions, and are subject to reporting requirements. (See Pub. Util. Code § 1701.3(c) and Rules 8.2, 8.3, and 8.5) Parties must electronically serve the assigned Commissioner and the ALJ all three-day notices required by Rule 8.2(c)(2) for all *ex parte* meetings with decision makers.

IT IS RULED that:

1. As required by Section 399.13(a)(5) of the Public Utilities (Pub. Util.) Code, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each file a proposed 2019 Renewables Portfolio Standard (RPS) Procurement Plan that addresses the elements stated herein.
2. As required by Section 399.13(a)(5) of the Pub. Util. Code, Bear Valley Electric Service and Liberty Utilities LLC shall file a proposed 2019 RPS Procurement Plan that addresses the elements stated herein.
3. As required by Section 399.17(d) of the Pub. Util. Code, PacifiCorp may use its Integrated Resource Plan (IRP) supplement to satisfy the requirement to prepare a renewable energy procurement plan. PacifiCorp shall file its 2019 IRP supplement in Rulemaking 18-07-003 or its successor proceeding.

4. As required by Sections 399.13(a)(5) and 399.12(j)(2) of the Pub. Util. Code each Community Choice Aggregator shall file a proposed 2019 RPS Procurement Plans to address the elements stated herein.

5. As required by Sections 399.13(a)(5) and 399.12(j)(3) of the Pub. Util. Code, each Electric Service Provider shall file a proposed 2019 RPS Standard Procurement Plan to address the elements stated herein.

6. The procedural schedule for the Commission's consideration of the 2019 RPS Procurement Plans and Supplement is set forth in Attachment A. This schedule may be adjusted as needed by the assigned Commissioner or Administrative Law Judge.

7. All LSEs should use the uniform template in Attachment B to draft their 2019 RPS Procurement Plans, responding to all sections unless otherwise noted on the template.

Dated April 19, 2019, at San Francisco, California.

/s/ CLIFFORD RECHTSCHAFFEN
Clifford Rechtschaffen
Assigned Commissioner

/s/ NILGUN ATAMTURK
Nilgun Atamturk
Administrative Law Judge

Attachment A

Procedural Schedule 2019 Renewables Portfolio Standard Procurement Plans

Row #	ITEM	DATE
1	Assigned Commissioner's Ruling setting scope and schedule for annual RPS Procurement Plans	4/19/19
2	IOUs, Small Utilities, ESPs and CCAs file proposed annual RPS Procurement Plans	5/31/19
3	Comments on RPS Procurement Plans and Coordination with IRP Proceeding filed	6/28/19
4	Motions requesting evidentiary hearing (note: If a motion is filed and granted, the ALJ may need to issue a revised schedule.)	7/12/19
5	Reply comments on RPS Procurement Plans filed	7/12/19
6	Motion to update RPS Procurement Plans [note 1 below]	8/1/19
7	Projected date for issuance of Proposed Decision	Fourth Quarter 2019
8	Projected date for Commission vote on Proposed Decision	Fourth Quarter 2019
9	IOUs issue Request For Offers for Solicitations or otherwise pursue approved RPS Procurement Plan	Fourth Quarter 2019

Note 1: Updates are not intended to alter the form and format of the Plan but may be appropriate for limited elements based on changed circumstances or recent information (e.g., new legislation, recent Commission decision, new regulation of the California Independent System Operator, harmonization of definitions within contract for specific terms).

(END OF ATTACHMENT A)

Attachment B
2019 RPS Procurement Plan Template

All sections should be included in the Plan format. To the extent LSEs do not have information for a given section/sub-section, they should explain why. Add additional sub-sections as relevant.

1	Summary of Key Updates (5.11)
2	Executive Summary - Summary of Key Issues
3	Summary of Recent Legislative and/or Regulatory Changes
4	Assessment of RPS Portfolio Supplies and Demand (5.1)
4.A.	Portfolio Supply and Demand
4.B.	Alignment with Load Curves
4.C.	Responsiveness to Policies, Regulations, and Statutes
4.D.	Portfolio Diversity
4.E.	Lessons Learned
5	Project Development Status Update (5.2)
6	Potential Compliance Delays (5.3)
7	Risk Assessment (5.4)
8	Quantitative Information (5.1 - 5.5)
9	Minimum Margin of Procurement (MMoP) (5.6)
9.A.	MMoP Methodology and Inputs
9.B.	MMoP Scenarios
10	Bid Solicitation Protocol, Including Least-Cost Best-Fit Methodologies (LCBF) (5.7)
10.A.	Solicitation Protocols for Renewables Sales
10.B.	Bid Selection Protocols
10.C.	LCBF Criteria
11	Consideration of Price Adjustment Mechanisms (5.8)
12	Curtailment Frequency, Cost, and Forecasting (5.9)
13	Cost Quantification (5.10 - See Appendix E Template)
14	Safety Considerations (5.13)
15	Comments on Coordination with Integrated Resource Planning Proceeding (6)
Appendix	Attach Redlined Copy of RPS Procurement Plan (5.12)

(END OF ATTACHMENT B)

Attachment C

List of Active ESPs Required to File 2019 RPS Procurement Plans as of the Date of This Ruling

3 Phases Renewables, Inc.
Agera Energy, LLC
American PowerNet Management, LP
Calpine Energy Solutions, LLC
Calpine PowerAmerica-CA, LLC
Commercial Energy of Montana, Inc. (dba Commercial Energy of California)
Constellation NewEnergy, Inc.
Direct Energy Business
EDF Industrial Power Services (CA), LLC
EnerCal USA, LLC (dba Yep Energy, Y.E.P.)
Gexa Energy California, LLC
Just Energy Solutions, Inc.
Liberty Power Delaware, LLC*
Liberty Power Holdings, LLC
Palmco Power CA, LLC*
Pilot Power Group, Inc.
Praxair Plainfield, Inc.*
Shell Energy North America (US), LP
The Regents of the University of California
Tiger Natural Gas, Inc.

* The Commission determined in D.13-11-024 and D.19-02-007 that Liberty Power Delaware, LLC, Praxair Plainfield, Inc., and Palmco Power CA do not need to file RPS Procurement Plans if they continue not serving any retail customers. If any of the ESPs begins to serve retail customers in the future, it must immediately file an RPS Procurement Plan. The Commission determined in D.19-02-007 that new ESPs must file their RPS plans upon registering with the Commission or 90 days prior to delivering load, whichever event occurs first.

(END OF ATTACHMENT C)

Attachment D

**List of Active CCAs Required to
File 2019 Procurement Plans as of the Date of this Ruling**

Marin Clean Energy
Peninsula Clean Energy
Sonoma Clean Power Authority
CleanPowerSF Lancaster Choice
Redwood Coast Energy Authority
Apple Valley Choice Energy
Pico Rivera Innovative Municipal Energy
Silicon Valley Clean Energy
Valley Clean Energy
Monterey Bay Community Power
San Jacinto Power
Rancho Mirage Energy Authority
East Bay Community Energy
Pioneer Community Energy
Solana Energy Alliance
San Jose Clean Energy
Desert Community Energy
King City Community Power
Clean Power Alliance of Southern California
Western Community Energy of Seven Cities
Baldwin Park
City of Commerce
City of Palmdale
City of Pomona
City of Santa Paula
City of Hanford

* The Commission determined in D.17-12-007 that new CCAs must file their RPS plans upon registering with the Commission or 90 days prior to delivering load, whichever event occurs first.

(END OF ATTACHMENT D)