

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

AGENDA ID #15844
RESOLUTION E-4864
AUGUST 10, 2017

R E S O L U T I O N

Resolution E-4864. Southern California Edison Power Displacement Agreement with Bishop Paiute Indian Tribe.

PROPOSED OUTCOME:

- This resolution approves the Southern California Edison (SCE) Power Displacement Agreement with the Bishop Paiute Indian Tribe.

SAFETY CONSIDERATIONS:

- There is no known impact on safety.

ESTIMATED COST:

- There is no cost impact. The agreement is structured to leave SCE shareholders and bundled service customers indifferent.

By Advice Letter 3597-E, Filed on April 28, 2017.

SUMMARY

This Resolution approves SCE's request to revise its tariff sheets to add the Power Displacement Agreement between SCE and the Bishop Paiute Indian Tribe to the list of Contracts and Deviations.

The Bishop Paiute Indian Tribe is a bundled service customer of SCE. The Power Displacement Agreement allows SCE to receive the Tribe's allocation of Hoover Dam power in exchange for credit against the energy generation portion of the Tribe's monthly retail bill.

BACKGROUND

The Hoover Power Allocation Act of 2011 provided allocations of Boulder Canyon Project (BCP) power to federally recognized Tribes for the period of October 1, 2017 – September 20, 2067. The final allocations include eight Tribes within SCE territory.

AL 3597-E covers a 10 year Power Displacement Agreement (PDA) executed between SCE and one of the Tribes. The Bishop Paiute Indian Tribe has a 381 kW allocation with 831,699 kWh firm energy.

Under the terms of the PDA, SCE will take delivery of the power allocated to the Tribe beginning October 1, 2017 and the PDA will remain in place until September 30, 2027 or whenever one of the parties terminates the agreement with notice. The Tribe is responsible for all arrangements necessary to allow SCE to take delivery of the allocation at the Mead 230-kV Bus.

SCE will combine the delivered allocation from the Tribe with its existing, much larger, BCP allocation and act as Scheduling Coordinator for the combined allocation. It will offer the combined allocation to the CAISO wholesale market according to least-cost dispatch principles as it currently does with its existing BCP allocation.

Each month, the Tribe will receive a Net Allocation Credit, the pro rata share of the CAISO Revenues, CAISO Costs and CAISO Sanctions, which will be used to offset the generation rate component of the Tribe's monthly SCE retail bill. Any excess credit will be rolled over to subsequent bills. Additionally, SCE will require the Tribe to pay a pro rata share of a \$5,000 monthly administration fee which SCE estimates to be the approximate incremental cost associated with administering the PDAs, including scheduling the Tribes' capacity and energy allocations, calculating the Net Allocation Credit, and manually administering retail bills.

This advice letter is filed in accordance with General Order 96-B, Energy Industry Rule 5.3(8) which directs Southern California Edison to file a Tier 3 Advice Letter for service to a government agency pursuant to General Rule 8.2.3.

NOTICE

Notice of AL 3597-E was made by publication in the Commission's Daily Calendar. Southern California Edison states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

Advice Letter 3597-E was not protested.

DISCUSSION

While the Tribe receives a BCP allocation, it is not a participant in the CAISO market so must sell the allocation to a market participant in order to benefit. The allocations are small. On an annual basis, the allocation is expected to be less than the Tribe's total consumption. This agreement allows the Tribe to sell to a market participant that already receives a BCP allocation, SCE, and minimizes market costs since the tribal allocation can be bid in combination with SCE's much larger allocation.

The PDA allows SCE to assist a Tribe within its territory by enabling the Tribe to benefit from its BCP allocation. SCE will bid the energy into the market on behalf of the Tribe. Additionally, as structured, the agreements ensure that the Tribe bears any additional market costs to SCE associated with its allocation so that SCE shareholders and all other bundled customers are financially indifferent. To effectuate this, SCE will allocate the Tribe a share of realized net CAISO revenue rather than a set monthly credit.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for

comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. General Order 96-B, Energy Industry Rule 5.3(8) directs Southern California Edison to file a Tier 3 Advice Letter for service to a government agency pursuant to General Rule 8.2.3.
2. The Bishop Paiute Indian Tribe has been allocated a share of the Boulder Canyon Project.
3. Under the negotiated Power Displacement Agreement, SCE will receive the Tribe's Boulder Canyon Project share in exchange for credit against the energy generation portion of the Tribe's SCE monthly retail bill.
4. The Power Displacement Agreement is structured to make SCE's shareholders and other bundled service customers financially indifferent.

THEREFORE IT IS ORDERED THAT:

1. The request of the Southern California Edison Company to amend its tariff sheets to add the Power Displacement Agreement between Southern California Edison and the Bishop Paiute Indian Tribe to the list of Contracts and Deviations as requested in Advice Letter AL 3597-E is approved.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on August 10, 2017 the following Commissioners voting favorably thereon:

TIMOTHY J. SULLIVAN
Executive Director