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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

R1706026

Order Instituting Rulemaking to
Review, Revise, and Consider
Alternatives to the Power Charge
Indifference Adjustment.

Rulemaking 17-06-026

**ADMINISTRATIVE LAW JUDGE'S RULING
REQUESTING COMMENTS ON LONG-TERM RENEWABLES PORTFOLIO
STANDARD TRANSACTIONS**

This ruling requests comments on long-term Renewables Portfolio Standard (RPS) transactions by August 26, 2022 and replies by September 9, 2022. This ruling also adjusts the schedule for the proceeding.

In Decision 19-10-001, the Commission ordered the Energy Division to monitor the impact of long-term fixed-price RPS transactions and propose a method to include these contracts in calculating the RPS Market Price Benchmark. Please comment on the questions in the Energy Division staff proposal in Attachment A.

This ruling adjusts the schedule for the proceeding as follows: (i) a ruling in late August or early September 2022 will request comments on a greenhouse-gas free resources staff proposal, and (ii) the November 2022 workshop will address both the attached staff proposal and the greenhouse-gas free resources staff proposal.

Dated August 4, 2022, at San Francisco, California.

/s/ STEPHANIE S. WANG

Stephanie S. Wang
Administrative Law Judge

ATTACHMENT A

**Staff Analysis and Proposal for Incorporating Long-Term RPS
Transactions into the RPS MPB**

Introduction

This proposal responds to the Commission’s direction, in D.19-10-001, that Energy Division propose a way to incorporate long-term fixed-price transactions into the RPS Market Price Benchmark (MPB). Throughout this proposal, “short-term” refers to transactions with terms under ten years in length, and “long-term” refers to transactions with terms of ten years or more. The phrase “index-plus” refers to transactions in which the buyer pays an index price for delivered energy, plus a premium for a Renewable Energy Credit (REC, sometimes also called a “green attribute”). The phrase “fixed-price” refers to transactions in which the buyer pays a flat price for several products, which may include energy delivered to the generator’s CAISO interconnection point, RECs, scheduling coordinator rights, and Resource Adequacy (RA) capacity.

Background

In D.19-10-001, the Commission adopted a process for calculating RPS MPBs that only includes short-term, index-plus, Portfolio Content Category (PCC) 1 transactions (collectively referred to here as “STIP transactions”).¹ More specifically, the MPB is based on the “plus” portion of the transaction price, which is the incremental value of the associated REC. During the Working Group 1 process that preceded that decision, The Utility Reform Network (TURN) offered a proposal to incorporate long-term, fixed-price RPS transactions (collectively referred to here as “LTFP transactions”) into the RPS MPB, as well.

¹ D.19-10-001 at OP 1(b).

The major components of TURN's proposal relative to LTFP transactions were as follows:

- Include bundled power purchase agreements (PPA) executed in years n-2 and n-1 for delivery in year n, n+1, and n+2 in the MPB.
- Omit PPAs resulting from mandatory procurement (e.g., forest biomass).
- Since legacy PPAs are almost entirely LTFP transactions, it may be appropriate to limit the benchmark to new LTFP transactions, if sufficient volumes of transactions are available.
- Remove the RA value from contracts that include RA. Calculate the RA value by (1) applying monthly net qualifying capacity (NQC) or existing effective load carrying capability (ELCC) for contracts with future deliveries and (2) using the RA benchmark value for contracts that include RA.
- Possibly consider hourly generation profiles for executed PPAs.²

TURN later stated that it would support the co-chairs' proposed calculation approach that only included STIP transactions if the Commission would also require LSEs to provide information on fixed-price transactions executed in the past three years (n-3 through n-1) for delivery in the following three years (n through n+2). TURN noted that:

[t]he extended timeline is intended to ensure the inclusion of data from fixed-price bundled transactions for new generation that typically involve multi-year delays between the contract execution date and the date of initial commercial operation. Absent an extended timeline for reporting fixed price transactions, the data available to ED would be limited almost

² Working Group 1 Final Report, page 257 (also page 78 of the Second Working Group 1 Progress Report), available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M309/K592/309592367.PDF>.

exclusively to purchases and sales from existing resources with no information relating to the pricing of newly developed resources.³

TURN proposed that the data include “price, contract duration, delivery node, hourly delivery profile and Resource Adequacy value” and that Energy Division use the data to provide an ongoing assessment of whether the STIP-transaction-only calculation approach is reasonable.⁴

Parties were generally appreciative of TURN’s proposal, though they identified complicating factors for incorporation of LTFP transactions in their comments. The Alliance for Retail Energy Markets and Direct Access Consumer Coalition (jointly, “AReM/DACC”) noted that TURN’s proposal raises numerous challenges for incorporating LTFP transactions, including delays between contract execution and delivery, differences in use and energy value across technology types, and addressing RA value.⁵ The Coalition of Utility Employees supported further development of a process for incorporating LTFP transactions and agreed with TURN that mandatory procurement should be excluded.⁶ The Utility Consumers’ Action Network (UCAN) advocated moving away from a “wholesale generation cost-averaging” approach overall, given the diversity in retail load patterns and in valuation of even the same type of

³ Working Group 1 Final Report, pages 114-115.

⁴ Working Group 1 Final Report, page 115.

⁵ Comments of AReM/DACC on the Working Group 1 Straw Proposal, filed April 2, 2019, pages 3-4, available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M309/K592/309592558.PDF>. Also see Working Group 1 Final Report, page 165.

⁶ Comments of CUE on Workshop #2, filed April 2, 2019, page 3, available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M309/K592/309592557.PDF>. Also see Working Group 1 Final Report, page 165.

resource across geographies.⁷ The Public Advocates Office supported TURN's proposal and agreed that if LTFP transactions were not incorporated into the RPS MPB, the Commission should require additional data collection regarding those transactions.⁸ The California Large Electric Consumers Association (CLECA) similarly supported further development building off TURN's proposal, and Shell Energy advocated that all transactions that include RA and/or RPS be included in the MPB.⁹ The Working Group 1 co-leads also summarized the challenges they saw to incorporating LTFP transactions.¹⁰

Whereas the Commission did not incorporate LTFP transactions into the RPS MPB in D.19-10-001 and also did not set a date for updating the MPB to include such transactions, it did require load serving entities to provide Energy Division data for all fixed-price transactions executed in the past three years (n-3 through n-1) for delivery in the following three years (n through n+2). The Commission also directed Energy Division to analyze those transactions and to propose a method to incorporate them into the RPS MPB.¹¹

Analysis

Pursuant to the Commission's direction in D.19-10-001, the tables below summarize RPS transactions reported to Energy Division since late 2019. Table 1 analyzes the PCC-1 STIP transactions that informed recent MPB calculations, and the final column presents the relevant MPB for each time period.

⁷ Informal Comments of UCAN, Working Group 1 Final Report, pages 56-57.

⁸ Informal Comments of the Public Advocates Office, Working Group 1 Final Report, pages 110-111.

⁹ Working Group 1 Final Report, page 165.

¹⁰ Working Group 1 Final Report, page 166.

¹¹ D.19-10-001, OP 3.

TABLE 1: STIP TRANSACTION SUMMARY STATISTICS

Benchmark	# of Transactions	Total MWh	Median \$/MWh	Weighted Average \$/MWh (Market Price Benchmark)
2020 Forecast	64	11,348,094	\$17.95	\$17.35
2020 Final	49	2,849,313	\$15.50	\$15.10
2021 Forecast	45	9,681,556	\$14.75	\$14.49
2021 Final	84	8,091,804	\$13.50	\$14.23
2022 Forecast	40	7,279,147	\$13.70	\$13.70

Table 1 shows that after accounting for duplicates (e.g., the purchase and sale sides of a transaction that are reported when both counterparties are jurisdictional LSEs), MPB calculations since late 2019 have been based on between 40 and 90 unique transactions representing between 2.8 and 11.3 TWh in the delivery year. The number and delivery volume of transactions will fluctuate over time based on market activity, but it is a useful metric to consider when evaluating the relative impact that STIP and LTFP transactions would have on a combined MPB.

Table 2 below presents the same information for LTFP transactions in each time period. The dataset includes only PCC-1 transactions, and the transactions in each time period meet the execution and delivery timeframe criteria adopted in D.19-10-001. In other words, Table 2 analyzes the LTFP transactions that would have been included in the MPB calculations since 2019, had the Commission decided to include them but otherwise applied the same criteria

applicable to STIP transactions. Note that the dataset for Table 2 does not extract RA value from prices and may include some mandatory procurement, since the current RPS-PCIA data request does not require respondents to identify that information. Table 2 also excludes the 2020 Forecast MPB, since the Commission had only just required LSEs to report long-term transactions by the time staff calculated that MPB, and there were very few long-term transactions in the associated dataset.

TABLE 2: LTFP TRANSACTION SUMMARY STATISTICS

Benchmark	# of Transactions	Total MWh	Median \$/MWh	Weighted Average \$/MWh
2020 Final	9	232,973	\$43.85	\$34.94
2021 Forecast	23	739,093	\$45.81	\$33.29
2021 Final	31	1,635,683	\$68.00	\$41.63
2022 Forecast	31	2,017,074	\$68.00	\$52.03

In each time period, the number and volume of LTFP transactions is lower than the number and volume of STIP transactions. As expected, however, the median and weighted average prices of these transactions is much higher.

Staff also noted several long-term, index-plus transactions (collectively referred to here as “LTIP transactions”) and short-term, fixed-price transactions (collectively referred to here as “STFP transactions”) in the dataset. The number of STFP transactions was so small that staff does not analyze them here. However, in a couple instances, the number of LTIP transactions was a more significant. For comparison with Tables 1 and 2, Table 3 below presents the same information for LTIP transactions, where there were enough transactions to report while still protecting confidentiality.

TABLE 3: LTIP TRANSACTION SUMMARY STATISTICS

Benchmark	# of Transactions	Total MWh	Median \$/MWh	Weighted Average \$/MWh
2020 Final	<i>REDACTED TO PROTECT CONFIDENTIALITY</i>			
2021 Forecast	<i>REDACTED TO PROTECT CONFIDENTIALITY</i>			
2021 Final	21	883,678	\$14.55	\$14.10
2022 Forecast	25	1,251,311	<i>REDACTED TO PROTECT CONFIDENTIALITY</i>	

The number and volume of LTIP transactions is smaller than both STIP and LTFP transactions. However, the prices of LTIP transactions are much closer to those of STIP transactions (at least for the 2021 forecast).

One assertion in TURN’s 2019 proposal is that there is often a significant lag between contract execution and the start date for long-term transactions. Table 4 presents the average number of days between contract execution and start date for the LTFP and LTIP transactions included in Tables 2 and 3. Staff notes that the true average may be slightly higher in each case, due to a handful of data errors that staff treated as “zero days.”

TABLE 4: AVERAGE LAG BETWEEN LONG-TERM TRANSACTION EXECUTION AND START DATE

Benchmark	LTFP	LTIP
2020 Final	259 days	<i>REDACTED</i>
2021 Forecast	408 days	<i>REDACTED</i>
2021 Final	305 days	30 days
2022 Forecast	286 days	36 days

There is clearly a significant lag of between 8 and 14 months, on average, between execution and start date for LTFP transactions. By comparison, the average lag for STIP transactions is 58 days in the 2021 Final MPB dataset and 127 days in the 2022 Forecast MPB dataset (not shown in Table 4).

To address the lag for long-term transactions, TURN advocated expanding the dataset of long-term transactions beyond what the Commission ultimately adopted in D.19-10-001, to include transactions executed in years n-2 and n-1 for delivery in years n, n+1, and n+2. To consider how this proposal would affect the dataset, staff pulled LTFP and LTIP transactions that have the same execution date parameters adopted in D.19-10-001 (a slightly later cutoff than TURN proposed) but that delivered in years n, n+1, and n+2. Staff chose to maintain the D.19-10-001 execution date parameters for ease of comparison and because doing so partly addresses another of TURN’s proposals: limiting the benchmark to newer transactions. Tables 5 and 6 below are identical to Tables 2 and 3, respectively, except that they analyze long-term transactions from this expanded dataset.

TABLE 5: LTFP TRANSACTION SUMMARY STATISTICS (WITH DELIVERY IN YEARS N, N+1, AND N+2)

Benchmark	# of Transactions	Total MWh (Year n+2)	Median \$/MWh	Weighted Average \$/MWh
2020 Final	56	5,909,804	\$48.00	\$41.62
2021 Forecast	48	6,205,420	\$46.41	\$38.27
2021 Final	103	11,245,372	\$48.20	\$39.22
2022 Forecast	65	8,017,201	\$45.00	\$35.16

TABLE 6: LTIP TRANSACTION SUMMARY STATISTICS (WITH DELIVERY IN YEARS N, N+1, AND N+2)

Benchmark	# of Transactions	Total MWh (Year n+2)	Median \$/MWh	Weighted Average \$/MWh
2020 Final	14	2,017,832	\$15.75	\$14.76
2021 Forecast	6	1,729,620	\$15.50	\$14.69
2021 Final	42	4,456,634	\$13.88	\$14.31
2022 Forecast	36	3,233,673	\$13.65	\$13.90

Tables 5 and 6 indicate that including long-term transactions with delivery years n, n+1, and n+2 significantly expands the dataset, both in number and delivery volume. Under this expanded dataset, the weighted average price of LTIP transactions is similar (compare Tables 3 and 6), and the weighted-average price of LTFP transactions is generally lower, at least for more recent years (compare Tables 2 and 5). The overall effect that the expanded dataset of LTFP transactions has on MPBs will depend on whether the downward trend in prices continues and, of course, on the prices after RA value is removed.

Staff Proposal (Modified Version of 2019 TURN Proposal)

It is challenging to develop a comprehensive proposal at this time because the RPS-PCIA data request does not currently require certain information, such as clear markers for mandatory procurement, estimates of RA value, and dispatch profiles. However, based on the analysis above, staff proposes a modified version of TURN's 2019 proposal and welcomes detailed party comments that expand upon or modify staff's proposal.

Staff has divided the proposal into sections addressing (1) the transactions to include in the RPS MPB and (2) calculation of the RPS MPB, along with the rationale, benefits, and drawbacks of each aspect. The proposal also contains a third section: modifications to the semiannual RPS-PCIA data request that are necessary to implement sections (1) and (2).

Transactions to Include in the RPS MPB

- Include STIP and LTFP PCC-1 transactions. Continue to exclude LTIP and STFP transactions.
 - Rationale: Meets the Commission’s direction, in D.19-10-001, to incorporate LTFP transactions into the RPS MPB. Maintains consistency with the Commission’s direction regarding which PCC classifications to include, as it is unclear that the Commission anticipated modifying that criterion for LTFP transactions specifically (or for all transactions included in the MPB). Similarly, this approach excludes LTIP and STFP transactions because it is unclear that the Commission anticipated including those transactions.
 - Benefits: Maintains consistency in the attributes of STIP and LTFP transactions selected for inclusion in the MPB.
 - Drawbacks: Continues to exclude some PCC-1 short- and long-term transactions (STFP and LTIP).
- Include LTFP transactions based on the current (D.22-01-023) execution date and delivery year criteria, without expanding the dataset according to TURN’s 2019 proposal.
 - Rationale: Although TURN’s proposal to include LTFP transactions with delivery in years n , $n+1$, and $n+2$ would expand the dataset and address lags between execution date and start date, it is not clear that this is necessary. The average delay between execution and start date for LTFP transactions is between 8 and 14 months, and the current MPB calculations capture any STIP transactions with similar delays, even if STIP transactions are not as delayed on average. Separately, maintaining the execution date cutoffs adopted in D.22-01-023 would ensure that only recent transactions are included. TURN suggested limiting the LTFP dataset to more recent

transactions only if there is a sufficient number of transactions to include, and this appears to be the case.

- Benefits: Maintains consistency in the attributes of STIP and LTFP transactions selected for inclusion in the MPB.
- Drawbacks: Does not address the “stale price” issue for transactions with lags much longer than the average. Does not necessarily capture newly developed resources, even if it captures newer transactions.
- Exclude transactions for mandatory procurement.
 - Rationale: Mandatory procurement does not necessarily reflect market dynamics that the MPB is intended to capture.
 - Benefits: Excludes transactions that are not market-based from a market-based benchmark.
 - Drawbacks: Adds a required field to the RPS-PCIA dataset, which increases the reporting burden on LSEs.

Calculation of the RPS MPB

- Require LSEs to provide an RA value for LTFP transactions, if those transactions include RA capacity. LSEs will estimate the value for each resource using the most recent published RA MPBs and monthly Net Qualifying Capacity (NQC) and/or Effective Flexible Capacity (EFC) values for a given resource, as applicable. Since RA attributes are bundled, LSEs will only use the highest-value RA attribute (system, local, or flexible) for each month and will not value the same MW twice for a given month. (For example, if a resource provides 100 MW of system capacity and 100 MW of local capacity in a given month, the LSE will not value the same 100 MW using both the system and local MPBs but will instead use whichever MPB results in a higher value in that month.) After calculating a resource’s RA value, the LSE will convert the RA value into a single, average \$/MWh metric and will report that metric in the data request. Energy Division will subtract each transaction’s RA value from its fixed price, prior to calculating the RPS MPB.
 - Rationale: If a resource has both RPS and RA value, then a fixed price will incorporate both. It is inappropriate to include RA value in a MPB that measures the incremental value of RPS benefits only, so the RA value must be removed. The most recent RA MPB is the most

appropriate proxy value to use. (Note that we may need to revisit the calculation method in the future, depending on potential changes to RA counting rules that are being considered in the RA proceeding.)

- Benefits: Enables staff to easily identify and remove RA value. Minimizes the potential calculation burden on staff.
- Drawbacks: Relies on individual LSEs to determine RA capacity value for LTFP transactions. (Will it be possible to verify the reported RA values?) Increases the reporting burden on LSEs. Partially ties the RPS MPB to the most recent (previous year's) RA MPBs.
- Do not differentiate the MPB by technology type or generation profile. Do not require LSEs to provide generation profiles in the semiannual RPS-PCIA data request.
 - Rationale: The existing record indicates that differentiating the MPB by technology type and generation profile would avoid the use of fixed-price transactions for one technology in setting the benchmark value for other technologies with very different use profiles. However, it is unclear that the Commission anticipated developing multiple RPS MPBs based on technology. It is also unclear how staff could implement this differentiation in a timely manner each year. Staff offers this "no differentiation" proposal as a starting point for discussion – recognizing that it may be unworkable – but notes that LTFP Incorporation Option 1 below would cap the impact of LTFP transactions on the MPB.
 - Benefits: Reduces the complexity of MPB calculations.
 - Drawbacks: Creates "apples-to-oranges" comparison among technologies and resources with different generation profiles.
- LTFP Incorporation Option 1: When calculating the relevant RPS MPB (forecast or true-up), weight the value of STIP transactions at 35%, and weight the value of LTFP transactions at 65%.
 - Rationale: There is a 65% requirement for long-term transactions in the current compliance period, which ends in 2024. The relative delivery volumes of STIP and LTFP transactions in the RPS-PCIA dataset will not necessarily reflect this requirement, so weighting

STIP and LTFP transactions could more accurately reflect the incremental value of a compliant RPS portfolio.

- Benefits: Enables incorporation of both STIP and LTFP transactions into a single MPB that reflects RPS portfolio requirements.
- Drawbacks: The LSEs' portfolio may not reflect a short-term/long-term split of 35%/65% in years before the end of the 2021-24 compliance period, but the MPB will reflect a 35%/65% split when approximating RPS value in any year.
- LTFP Incorporation Option 2: Calculate two separate RPS MPBs: one for STIP transactions only and one for LTFP transactions only.
 - Rationale: Using standalone MPBs for STIP and LTFP transaction would ensure that the PCIA process values each type of transaction using an MPB that is derived solely from the same class of transactions.
 - Benefits: Avoids the need to develop an appropriate method of combining two different types of transactions (e.g., a 35%/65% split). Simpler MPB calculation to implement.
 - Drawbacks: Requires IOUs to separate long-term and short-term RPS transactions in their PCIA workpapers, in order to value them separately.

Changes to the Semiannual RPS-PCIA Data Request

Staff proposes the following modifications to the semiannual data request, some form of which would be necessary to implement the staff proposal.

- Add a "Mandatory Procurement" field in the "Contract Details" section, where LSEs would indicate whether a particular transaction was mandated by the Commission. This would be a required field.
- Make the existing "Deemed Capacity Value," "Deemed Energy Value," and "Net Market Value" fields in the "Contract Details" section required, instead of optional. If a particular transaction has no RA value or no deemed energy value, an LSE would enter "0" in the relevant field. For ease of consideration, the current instructions for these three fields are below:
 - Deemed Capacity Value: Capacity value (resource adequacy value) associated with the project to calculate Implied Market Premium and/or Total Bid Ranking Price for Offers (in \$ per MWh). If the

- project has not started delivering energy yet, provide the capacity value as calculated before contract execution.
- Deemed Energy Value: Energy value associated with the project to calculate Implied Market Premium and/or Total Bid Ranking Price for Offers (in \$ per MWh). If the project has not started delivering energy yet, provide the energy value as calculated before contract execution. Leave blank for RAMs.
 - Net Market Value: Calculated by adjusting the TOD-adjusted contract price by the deemed capacity and energy value, as well as the congestion, transmission and other costs. If the project has not started delivering energy yet, provide the Net Market Value as calculated before contract execution.

Given that the data request is now cumulative and contains transactions from several previous time periods, staff proposes that these changes only apply moving forward, starting with the data needed to calculate MPBs (pursuant to D.22-01-023) for the October Update that immediately follows potential Commission adoption. For example, if the Commission were to adopt the staff proposal before the 2023 October Update, then LSEs would need to include these incremental data for all transactions reported after the date of the decision, as well as for transactions they previously reported that (1) were executed between December 1, 2021 and August 31, 2023 for delivery in 2023 (needed for the 2023 True-Up RPS MPB calculation) and (2) were executed between September 1, 2022 and August 31, 2023 for delivery in 2024 (needed for the 2024 Forecast RPS MPB calculation). LSEs would not need to provide the incremental data for any earlier transactions that are no longer included in RPS MPB calculations.

Questions for Parties

Staff requests that parties answer the following questions in their comments on the staff proposal. In doing so, please address the following “Preliminary Considerations.”

Preliminary Considerations

- Per D.19-10-001, there are two categories of RPS in a PCIA forecast for the following year: Forecast Retained RPS and Forecast Sold RPS. Both are valued at the forecast MPB. (The forecast also accounts for recent actual RPS sales, but by definition, that category does not carry over from the forecast to the true-up and is not relevant for comparing the two.) In the true-up, the original two categories are split into three: Actual Retained RPS, Actual Sold RPS, and Actual Unsold RPS. Actual Retained RPS is valued at the final (true-up) MPB for that year, Actual Sold RPS is valued at the sale price, and Actual Unsold RPS is valued at \$0 (all costs are considered above-market).
- Whether the MPB paradigm results in fair (i.e., accurately delineating at-market and above-market costs of the IOUs' portfolios) and predictable PCIA rates depends on three factors:
 - How well the IOUs' forecasts of retained and sold volumes approximate actual retained and sold volumes at the end of the year.
 - How well the forecast MPB approximates the subsequent final MPB, which affects the relative valuation of retained RPS.
 - Note that this depends partly on whether transactions in the overlapping – yet different – datasets used for the forecast and final MPBs have similar prices.
 - How well the forecast MPB approximates actual sales prices during the year, which affects the relative valuation of sold RPS.
- The value of additional accuracy resulting from any change to the MPBs should be weighed against (1) the additional time it will take LSEs and/or Energy Division to complete the calculations and (2) the cost of any third-party consulting services that are necessary to complete the calculations.
- Changes that require LSEs to report significant amounts of additional data (e.g., RA values, monthly RA qualifying capacity, or generation profiles) could significantly increase the reporting burden for respondents to the semi-annual RPS-PCIA data request.
- Energy Division does not have the capacity to substantially increase its workload for MPB calculations. Under the current process, data cleaning and verification takes nearly a month.

- If LSE respondents perform substantial new calculations (e.g., determining the \$/MWh RA value of each reported resource), as proposed, then Energy Division will need a way to verify those calculations. This would likely require LSEs to provide supporting data and may also require Energy Division to hire a third-party consultant to perform quality assurance.
- If Energy Division staff must perform substantial new calculations instead of reporting LSEs performing those calculations, this will require further changes to the RPS-PCIA data request, such as requiring LSEs to report the monthly RA capacity for each applicable resource and/or the generation profile of each resource. In addition, it will be necessary for a third-party consultant do most of the work.

General Questions

1. Does your knowledge of the RPS market suggest that the value of LTFP transactions (net of RA value) would be significantly different from STIP transaction prices? In other words, is the current MPB likely approximating the incremental REC value of LTFP transactions already?
 - a. Do you expect that the value of LTFP transactions (net of RA value) will increase significantly in comparison to STIP transaction prices in the future, particularly after 2024 (when LSEs must show that 65% of their contracts are long-term)?
2. Would the staff time, LSE time, and any third-party consulting fees necessary to incorporate LTFP transactions be worth the added PCIA accuracy?

Questions on RA Value

3. Is it feasible for individual LSEs to accurately estimate the RA value of LTFP transactions?
4. Do you support the staff recommendation for using the most recent (previous year's) RA MPBs as proxies for RA value? If not, you may provide an alternative proposal for approximating RA value that addresses the following:
 - a. What is the source of RA proxy values?

- b. What changes, if any, would be necessary in the semiannual RPS-PCIA data request?
 - c. How would your proposal minimize additional burden on Energy Division staff?
5. Should LSEs perform the calculations, as proposed, or should Energy Division perform the calculations?
- a. If LSEs perform the calculations, how could staff verify LSE-reported values?
 - b. Which additional changes to the RPS-PCIA data request template would be necessary, if any?

Questions on Included Transactions and Number of RPS MPBs

6. Do you support the proposed exclusion of LTIP and STFP transactions? If not, how would you include these transactions?
7. Is TURN's concern about including newly-developed resources - as opposed to including new transactions, which may only be for existing resources - a significant concern for other parties? If so, how should the proposal be modified?
8. Considering the trade-off between accuracy and simplicity, would LTFP Incorporation Option 1 (combined MPB) or LTFP Incorporation Option 2 (separate MPBs) in the staff proposal better address incorporating long-term transactions in the MPB process?
9. Does incorporating LTFP transactions require differentiation by technology or generation profile (or both)?
- a. If so, what information would be necessary in order to calculate these MPBs, and how would it be collected (e.g., through modifications to the existing RPS-PCIA data request template)? How would the calculations be done, and who would do them (e.g., reporting LSEs or Energy Division staff)? Please provide as much detail as possible.
 - b. Would the time and third-party consulting fees necessary to implement this change be worth the added PCIA accuracy?

(END OF ATTACHMENT A)