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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 2023 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS

Summary

Pursuant to the authority provided in Public Utilities (Pub. Util.) Code § 399.13(a)(1),¹ this Ruling identifies the 2023 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 2023 RPS Procurement Plans (RPS Plans). The definition of "retail seller" in Pub. Util. Code § 399.12(j) includes the electrical corporations, as defined in Pub.

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... The commission shall require all other retail sellers to prepare and submit renewable energy procurement plans..." All subsequent code section references are to the Public Utilities Code unless otherwise indicated.

Util. Code § 218, community choice aggregators (CCAs),² and electric service providers (ESPs).³

Senate Bill (SB) 100 (De León, Stats. 2018, ch. 312) (SB 100) increased the RPS to 60 percent by 2030 and established a goal for 100 percent of the State's electricity to come from renewable and zero carbon resources by 2045. The RPS Plans should demonstrate that each retail seller's efforts align with the State's RPS goals. Additionally, pursuant to Decision (D.)17-06-026, new RPS compliance rules commenced with the current compliance period which began on January 1, 2021.⁴ Thus, the 2023 RPS Plan filings should inform the Commission of the retail seller's activities and plans to procure 65 percent of RPS resources from long-term contracts of 10 or more years for all compliance periods beginning with the current compliance period.

For procedural efficiency, all 2023 RPS Plans must follow the consistent numbering convention, as outlined in Table 1 of this Ruling. Additionally, at the time of filing, the 2023 RPS Plan must be accompanied by an officer verified checklist using the uniform template specified in Attachment B.

The electrical corporations subject to this Ruling are the six investor-owned utilities (IOUs): Pacific Gas and Electric Company (PG&E), Southern California Electric Company (SCE), San Diego Gas & Electric

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 D.17-11-037 modified D.17-06-26 to adopt an exclusion for PacifiCorp and Liberty Utilities, which do not operate in a California Balancing Authority (Non-CBA Utilities). Non-CBA utilities are authorized to follow the framework adopted in D.12-06-038 regarding excess procurement, regardless of their ability to procure portfolio content category 1 renewable energy credits.

Company (SDG&E), PacifiCorp, Bear Valley Electric Service, Inc., and Liberty Utilities (CalPeco) LLC. The ESPs subject to this Ruling are identified in Attachment C. All current CCAs and any CCA that intends to serve customers in 2024 and beyond are subject to this Ruling and are identified in Attachment D. CCAs that have submitted Implementation Plans to serve load after 2023 are also required to file a 2023 RPS Plan.

This Ruling follows the format of past Rulings initiating the annual RPS procurement process, with refinements to incorporate lessons learned from previous RPS Plan submissions and the changes due to the current market and regulatory conditions. Consistent with Pub. Util. Code §§ 399.13(a), 399.13(b) and 399.13(c) and the requirements in SB 350 (De León, Stats. 2015, ch. 547) (SB 350) and SB 100, which extend, increase, and modify RPS procurement rules, the Commission will issue a decision on the proposed RPS Plans by the end of the year.⁵ For CCAs and ESPs, the Commission's decision will determine if the RPS Plans comply with this Ruling and the requirements of Pub. Util. Code § 399.13.

1. General Requirements for 2023 RPS Procurement Plans

In D.12-11-016, the Commission refined the RPS procurement process as part of its implementation of 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 issued D.17-06-026 implementing SB 350's requirement

⁵ 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."

that, beginning January 1, 2021, at least 65 percent of the procurement a retail seller counts toward the RPS requirement of each compliance period must be from its contracts of 10 years or more in duration or ownership or ownership agreements for eligible renewable energy resources.⁶ Further, SB 100 accelerated California's RPS requirements to 60 percent retail sales from eligible renewable resources by 2030 and a planning goal of having 100 percent of the State's electricity served by zero carbon resources by 2045.

Consistent with statutory requirements and the Commission's decisions, the IOUs, CCAs, and ESPs must comply with the requirements outlined in Section 5 of this Ruling. Small and multi-jurisdictional utilities (SMJUs) are subject to a subset of the requirements, as described in Sections 2 and 3 of this Ruling.

Attachment A sets the procedural schedule for the Commission's review of the 2023 RPS Plans. Updates to the filed 2023 RPS Plans may be provided consistent with the schedule at Attachment A. Table 1 is the template to be used for 2023 RPS Plans. All RPS Plans must be filed using a completed checklist, as shown in Attachment B.

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

RPS procurement requirements for SMJUs and their successors allow these utilities to meet their RPS procurement obligations without regard to portfolio content category limitations in Pub. Util. Code § 399.16.⁷

⁶ D.17-06-023, Ordering Paragraph 2.

⁷ Pub. Util. Code § 399.17(b) defines PacifiCorp as a multi-jurisdictional utility for RPS purposes. Liberty Utilities (CalPeco) LLC is a successor entity under Pub. Util. Code § 399.17 and not a multi-jurisdictional utility because it has customers only in California.

PacifiCorp is permitted to use an Integrated Resource Plan (IRP) prepared for regulatory agencies in other states to satisfy its annual California RPS 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.

D.08-05-029 requires PacifiCorp to file and serve its IRP in Rulemaking (R.) 06-05-027 or its successor proceeding at the same time it files with the jurisdiction requiring the IRP and to file a supplement with the Commission 30-days later. This on-year supplemental filing includes an analysis of how the IRP and on-year supplement comply with the requirements in Pub. Util. Code § 399.17(d). Pursuant to D.11-04-030, in years that PacifiCorp does not file an IRP, it files a Comprehensive RPS Supplement to its IRP on July 15th. PacifiCorp filed its IRP on March 31, 2023. On April 24, 2023, in accordance with Rule 11.6, PacifiCorp requested additional time to file its on-year supplement. PacifiCorp's request to submit its 2023 On-Year Supplement on May 12, 2023 was granted by the assigned Administrative Law Judge (ALJ) on April 25, 2023. PacifiCorp's on-year supplement must provide the aforementioned analysis and the information required in Sections 6.1-6.12 and 6.14-6.15 of this Ruling.

Liberty Utilities (CalPeco) LLC will prepare a 2023 RPS Plan subject to the same requirements as a small utility under Pub. Util. Code § 399.17.

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

Pub. Util. Code § 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 Pub. Util. Code § 399.16.

A small utility must file an RPS Plan according to Pub. Util. Code § 399.13(a)(6), tailored to account for its RPS procurement requirement and the limited resources of a small utility.

Bear Valley Electric Service (BVES) is the only small IOU with less than 30,000 customers. Accordingly, BVES shall include the information required in Sections 6.1-6.12 and 6.14-6.15 of this Ruling in its 2023 RPS Plan.

4. ESPs and CCAs

SB 350 modified the RPS Plan filing requirements for ESPs and CCAs to be consistent with Pub. Util. Code § 399.13(a)(6).⁸ Accordingly, each ESP and CCA must file a proposed RPS Plan that complies with all Sections of this Ruling.

The CCAs play an increasingly significant role in meeting state Greenhouse Gas (GHG) reduction goals. In 2022, CCAs and ESPs served approximately 50 percent of the California's retail load.⁹ Therefore, it is essential for planning purposes that the Commission is fully informed of all procurement across the State, including those procurements done by non-regulated entities.

Consistent with D.19-02-007, Ordering Paragraph 2, this Ruling directs the CCAs and ESPs to include RPS information in their 2023 RPS Plans in response to Pub. Util. Code § 399.13(a)(6)¹⁰ and previous Commission decisions.¹¹ Reporting this information will provide the Commission, the Legislature, and the public with a complete picture of the State's RPS program to support electric reliability as the state heads toward 100 percent zero-carbon energy. For the State

⁸ See Pub. Util. Code § 399.13(a).

⁹ Data is derived from retail sellers' annual 2022 RPS Compliance Reports.

¹⁰ Pub. Util. Code § 399.13(a)(6) 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.

¹¹ RPS Decisions can be accessed at: www.cpuc.ca.gov/rps_decisions_proceedings

to fully understand the impact of procuring zero-carbon resources, CCAs and ESPs should also include cost information in their RPS Plans, in the same manner as covered by the IOUs, and as described in Section 6.14.¹²

All new CCAs and ESPs must file RPS Plans when they register with the Commission or 90 days before their commercial operation date, whichever is first.¹³ Accordingly, all new registering CCAs and ESPs should file their RPS Plans with the Commission at the time of registration and serve their RPS Plan to the RPS proceeding Service List.

In D.13-11-024, the Commission gave guidance on the applicability of a motion for provisional waiver from filing future RPS Plans. For retail sellers that stop serving load, we want to streamline the process when they decertify or deregister during an RPS Plan filing cycle.¹⁴ The CCAs and ESPs listed in Appendix C and D, shall file a motion for exemption from filing Final RPS Plans and future Plan filings in the proceeding if they intend to decertify or deregister at the Commission before the Commission issues a proposed decision (PD). The exemption motion must inform the Commission on the retail seller's future status. If the motion is granted, it does not exempt the CCA or ESP from the required filing of a Final RPS Compliance report for any compliance period that the decertified or deregistered CCA or ESP served load for which RPS compliance has not been determined. Proper notification in the RPS proceeding will allow the Commission to consider whether a Final RPS Plan is required or

¹² And *see*, Pub. Util. Code § 913.3 requiring the Commission to report "the costs of all electricity procurement contracts for eligible renewable resources"

¹³ D.17-12-007 at Ordering Paragraph 4.

¹⁴ To "decertify" or "deregister" is when a retail seller is not registered with the Commission to serve retail load.

not and decide whether a CCA or ESP is subject to future RPS requirements and actions.

The Commission will reject RPS Plans from any retail sellers that do not provide adequate details on the required information.¹⁵ A retail seller that does not comply with RPS Plan requirements may be subject to fines pursuant to a citation program adopted by the Commission or existing statutory provisions.¹⁶

5. Specific Requirements for 2023 RPS Plans

The 2023 RPS Plans should comply with the requirements set out in this section of the Ruling. Table 1 summarizes the RPS Plan sections that each retail seller must comply with within its filing.

An officer must verify the 2023 RPS Plan using the uniform template in Attachment B. The retail seller must complete the checklist to confirm that all sections are correctly addressed. The checklist will ensure consistency and completeness at the time of filing.

Details on the RPS Plan quantitative templates are on the Commission's RPS website.¹⁷ Energy Division Staff will hold a webinar to discuss any outstanding questions from retail sellers related to the templates and 2023 RPS Plans' requirements no later than three weeks before the due date to file Draft RPS Plans.

The RPS Plans must include all information required by statute and as specified in this Ruling, including quantitative analysis supporting the retail

¹⁵ In D.19-12-042 (at Ordering Paragraph 6 and Ordering Paragraph 15) the Commission rejected several retail sellers' 2019 RPS Plans for insufficient or incomplete information.

¹⁶ See E-5143, Pub. Util. Code §§ 2101-2105, 2107, 2108 and 2114.

¹⁷ <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-utility-scale-rfo>

seller's assessment of its portfolio and future procurement decisions. Narrative explanations should be provided to explain the quantitative analysis. Responses to Section 6.8 must be provided in a numerical/quantitative format to support the written responses to Sections 6.4, 6.5, 6.7 and 6.9. The RPS Plans' information should be non-confidential, to the greatest extent possible, and well supported with underlying assumptions, references, and citations.

When filed with the Commission, each proposed 2023 RPS Plan must achieve the following:

1. To ensure compliance with Table 1, all RPS Plans must be accompanied by a Checklist provided in Attachment B.
2. Describe the overall plan for procuring RPS resources to satisfy the RPS program requirements while minimizing cost and maximizing value to customers, as well as demonstrating how retail sellers will 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 building retail seller-owned resources, investing in third-party owned renewable resources, and engaging in the sales of RPS eligible resources.
3. The various aspects of the RPS Plan must be consistent. For instance, the bid solicitation protocol documents should be consistent with any statements and calculations regarding a retail seller's renewable net short position.¹⁸
4. The RPS Plans should thoroughly describe and address procurement and sales of RPS-eligible resources that demonstrate reliability and align with the State's policy goals. The RPS Plan format requires responses that provide both summaries and the detailed descriptions necessary to understand how a retail seller's planning and procurement

¹⁸ As of the date of this Ruling, the methodology can be found in the May 21, 2014 Ruling, ALJ's Ruling on Renewable Net Short, issued in R.11-05-005.

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

strategies address state goals and satisfy statutory requirements. 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.¹⁹

5. All retail sellers should follow the format and numbering convention directed in Table 1. Uniform format and templates will enable parties, bidders, and the Commission to easily access, review and compare the RPS Plans. All sections should be numbered in the same way, without skipping any sections, for ease of Commission review.

Table 1: Summary of Requirements for 2023 RPS Procurement Plans			
	Large IOUs	SMJUs	ESPs and CCAs
I. Major Changes to RPS Plan	X	X	X
II. Executive Summary	X	X	X
III. Summary of Legislation Compliance	X	X	X
IV. Assessment of RPS Portfolio Supplies and Demand	X	X	X
IV.A Portfolio Supply and Demand	X	X	X
IV.A.1 Voluntary Allocation and Market Offer (VAMO)	X	-	X
IV.A.2 Portfolio Optimization	X	X	X
IV.B Responsive to Local and Regional Policies	X	X	X
IV.B.1 Long-term Procurement	X	X	X
IV.C. Portfolio Diversity and Reliability	X	X	X
IV.D Lessons Learned	X	X	X

¹⁹ Pub. Util. Code § 399.13 (d).

V.	Project Development Status Update	X	X	X
VI.	Potential Compliance Delays	X	X	X
VII.	Risk Assessment	X	X	X
VIII.	Renewable Net Short Calculation	X	X	X
IX.	Minimum Margin of Procurement (MMoP)	X	X	X
	IX.A MMoP Methodology and Inputs	X	X	X
	IX.B MMoP Scenarios	X	X	X
X.	Bid Solicitation Protocol	X	X	X
	X.A Solicitation Protocols for Renewables Sales	X	X	X
	X.B Bid Selection Protocols	X	X	X
	X.C LCBF Criteria	X	X	X
XI.	Safety Considerations	X	X	X
	XII. Consideration of Price Adjustments	X	X	X
XIII.	Curtailment Frequency, Forecasting, Costs	X	-	X
XIV.	Cost Quantification	X	X	X
XV.	Coordination with the IRP Proceeding	X	X	X
XVI.	Impact of Transmission and Interconnection Delays	X	-	-
	Appendix A: Redlined Version of the Draft 2023 RPS Plan	X	X	X

6. Draft RPS Plans

6.1. RPS Plan Section I: Summary of RPS Plan Major Changes

Major changes refer to actual substantive changes between the 2022 and 2023 RPS Plans, including but not limited to new RPS-eligible procurement, updated risk mitigation strategies, and changes in Minimum Margin of Procurement (MMoP).²⁰ Retail sellers must describe the significant changes and

²⁰ Retail sellers are not required to provide editorial summaries of the changes from 2022 to 2023. Instead, this table should identify the major substantive modifications that significantly differ in 2023 relative to the 2022 plans approved in D.22-12-030.

not only provide the two plans with strike-out and underlined inserts. Instead, the section should explain each significant change from 2022 to 2023 and the reason for the change.

If a new CCA did not submit an RPS Plan in 2022, it must include any differences between its previously certified CCA Implementation Plan and the proposed 2023 RPS Plan.

6.2. RPS Plan Section II: Executive Summary - Key Issues

All filings should include a high-level summary of the key issues discussed in the RPS Plans. Potential key issues could consist of but are not limited to service expansions, outcomes of solicitations for RPS resources, and contracts for RPS resources executed within the last calendar year. Additionally, retail sellers should summarize their specific requests for which they are seeking Commission authorization and reference the section for the detailed explanation.

6.3. RPS Plan Section III: Compliance with Recent Legislation and Impact of Regulatory Changes

This section should summarize how a retail seller's proposed RPS Plan complies with relevant legislation, such as SB 350, SB 100, and SB 255 (Bradford 2019).²¹ Retail sellers should not write a general summary of the legislative requirements. Instead, each retail seller should specify how its planned renewable energy procurement comports with the State's orders and guidelines and advances the retail seller's compliance with legislative mandates.

²¹ SB 255 (Bradford 2019) modifies GO 156; R.21-03-010 is considering whether to expand Supplier Diversity to CCAs and ESPs above a certain size.

6.4. RPS Plan Section IV: Assessment of RPS Portfolio Supplies and Demand – Pub. Util. Code §§ 399.13(a)(6)(A), 399.13(b), Compliance to D.17-06-026 Implementing SB 350’s Requirement for Long-Term Procurement

As a forward-looking document, the RPS Plan should explain planning for current and future years, with significant focus and details for how 2023 procurement efforts will impact a retail seller’s long-term procurement requirements for current and upcoming compliance periods. The Commission will carefully review how retail sellers plan to meet the 65 percent procurement requirement to be derived from long-term contracts of 10 or more years in the 2023 RPS Plans, including any potential risks of failing to meet this requirement and a retail seller’s plans to apply excess procurement in one compliance period to later compliance periods.²²

Pub. Util. Code § 399.13(a)(6)(A) provides that the renewable energy procurement plan must include an assessment of annual or multi-year portfolio supplies and demand to determine the optimal mix of eligible renewable energy resources with deliverability characteristics that may consist of peaking, dispatchable, baseload, firm, and as-available capacity.

Accordingly, all retail sellers must provide a written assessment of their annual and multi-year portfolio supply and demand concerning 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.

Retail sellers who have not yet begun to serve load must describe their planned procurement forecast for the 2023 procurement cycle. The information

²² See D.17-06-026.

from retail sellers will help determine their preparedness to serve load in a manner that will reliably meet RPS goals.

IV.A. Portfolio Supply and Demand: At a minimum, the assessment should be completed for all years through 2033 and a near-term planning horizon that accounts for both portfolio supply and demand. This written description must include the retail seller's need for RPS resources with specific deliverability characteristics (*e.g.*, peaking, dispatchable, baseload, firm, and as-available capacity) and any additional factors, such as curtailment rights and operational flexibility. The retail seller's RPS Plan must also explain how the quantitative analysis provided in response to Section 6.8 of the ACR supports the assessment. Lastly, it should describe how procurement, allocations, or sales planned for the period covered by the 2023 RPS Plans is consistent with the evaluation of supply and demand.

IV.A.1. Voluntary Allocation and Market Offer (VAMO): The VAMO process adopted in D.21-05-030 is implemented and monitored through the Commission's RPS Proceeding and compliance processes.²³ Retail sellers are directed to report on VAMO results and milestones anticipated during the 2023 RPS Plans cycle pursuant to the requirements outlined in Table 2 below.

Table 2: Required Reporting on VAMO Activities in 2023 RPS Plans

VAMO Milestone	IOUs²⁴	CCAs & ESPs
Market Offer	Shall report on the outcomes of the Market Offer process	Shall report on participation in any

²³ See D.21-05-030 at 37 and 61.

²⁴ Within 90 days of completing an RPS Voluntary Allocation and/or Market Offer, each IOU should file and serve in RPS, Power Charge Indifference Adjustment, and IRP proceedings a report on the effectiveness of its RPS Voluntary Allocation, Market Offer, and/or RFIs, as applicable. (See D.21-05-030 Ordering Paragraph 9.)

	and confirm the results of any successful bids. Shall report any remaining steps and a timeline to complete the Market Offer process this compliance period.	Market Offer solicitations and confirm any bids awarded.
Request for Information (RFI) Plans	IOUs may include an RFI proposal for the 2023 RPS Plans cycle and report on the status of RFI negotiations. ²⁵	N/A

In their 2023 RPS Plans, the IOUs, CCAs, and ESPs shall report executed Market Offer transactions. All retail sellers’ reporting on Market Offer transactions must include delivery volumes and periods and should indicate if Market Offer transactions are short- or long-term allocations. The IOUs shall report any remaining steps required to complete the Market Offer process this compliance period, if any, and an accompanying timeline.

In D.22-12-030, the Commission approved the IOUs’ proposed RFI Plans for Contract Assignments and Contract Modifications for the 2022 RPS Plans cycle. For 2023 RPS Plans the IOUs may request approval of additional 2023 RFI proposals and shall report on the status and outcomes of previous RFIs.

IV.A.2 Portfolio Optimization: All retail sellers should describe how they are planning to optimize portfolios beyond the VAMO process. Portfolio optimization descriptions should include policies, goals, strategies, solicitations,

²⁵ D.21-05-030 directs that the IOUs to may file RFI proposals in 2023 RPS Plans. The IOUs may request approval for Contract Assignments and Contract Modifications in response to the RFI by filing Tier 3 advice letters.

and coordination efforts across Commission program requirements and retail sellers.²⁶

IV.B. RPS Plan Responsiveness to Local and Regional Policies: All retail sellers should explain how their RPS Plan comports with their respective company or local and regional policies. For example, retail sellers should describe how local and regional policies are incorporated in their RPS procurement quantities, generation attributes, bid selection criteria, and overall RPS Planning process. For many retail sellers, this may include consideration of regional climate action plans, air quality district plans, transportation plans, and land use plans, among others. Also, retail sellers should describe whether any unique regional attributes impact RPS Plan development (*e.g.*, if a CCA has established goals that exceed State's RPS mandates, or an IOU is addressing once-through cooling retirements). Retail sellers should include information on their strategies and planning mechanisms to achieve those goals through their RPS procurement activities.

IV.B.1. Long-term Procurement: RPS Plans should demonstrate how they are meeting D.17-06-026's requirement that 65 percent of each retail seller's procurement counted towards RPS requirements be from contracts (or ownership or ownership agreements) with term lengths of 10 years or more in duration.

The Commission encourages early planning on long-term procurement to hedge against delays in project development for new renewable build and potential project performance issues. Therefore, retail sellers are required to present a narrative description of how their current and planned RPS portfolios

²⁶ *E.g.*, IRP requirements, rate affordability, compliance risks, retail seller mission statements, climate change, etc.

will comply with the long-term procurement rules, and include a quantitative assessment of retail sellers' long-term RPS positions. Quantitative assessments should be clear enough to gauge a retail seller's long-term RPS position and must include specific long-term procurement values in gigawatt-hours (GWh) for current and future compliance periods and a short description of the long-term contracts, resources, or portfolio mix that will be used to meet the long-term procurement requirement. Charts and graphs alone are insufficient as they lack the specificity the Commission needs to evaluate a retail seller's long-term position. RPS Plans should also include a detailed timeline for how retail sellers are ramping up from the previous long-term contracting requirement of 0.25 percent to the current 65 percent long-term procurement requirement if the retail seller has not already executed enough contracts to meet the requirement, including how the need will be met in future compliance periods. If the retail seller received an SB 155 letter from the Commission's Energy Division, the retail seller shall include the timeline (pursuant to Pub. Util. Code § 399.13(a)(4)) describing planned actions to meet the 65 percent long-term procurement requirement.

IV.C. Portfolio Diversity and Reliability: Resource diversity can support reliability by ensuring that renewable procurement complements system needs. All retail sellers should describe: (1) how their renewable procurement decisions consider portfolio diversity and (2) how planned RPS portfolio diversity would contribute to grid reliability in a planning horizon through 2033. The retail sellers must also explain how their proposed renewable energy portfolio will align with expected load curves and durations, as well as how it optimizes cost, value, and risk for customers.

The diversity assessment should also identify and incorporate impacts of overall energy portfolio and system requirements (*e.g.*, reliability, not just RPS portfolio requirements), including the incorporation of energy storage resources. The written description should explicitly and specifically address, both qualitatively and quantitatively, how the retail seller determines its portfolio diversity to address issues of renewable integration, new resource development risks, under-utilization of existing RPS-eligible generation, maximizing ratepayer value, and increasing local transportation electrification adoption. Retail sellers must address local transportation electrification adoption trends while planning for portfolio diversity and renewable resource procurement to meet incremental RPS requirements, consistent with Ordering Paragraph 3 of D.18-05-026.²⁷ Therefore, when referencing transportation electrification forecasts and their impacts on portfolio diversity and reliability, retail sellers must provide a detailed description of the data and methodology used to support their forecasts and a comparison to the California Energy Commission's Integrated Energy Policy Report transportation electricity demand forecast. This requirement applies to ESPs whose customers' demand may increase,²⁸ even though the total direct access program is capped.

²⁷ D.18-05-026 at Ordering Paragraph 3 ("... all retail sellers ... must annually demonstrate that transportation electrification is accounted for in their procurement plans by explicitly referencing forecasted transportation electrification in their Renewables Portfolio Standard procurement plans; providing a detailed description of the data and method used to support their forecast; and explaining how they considered the California Energy Commission's Integrated Energy Policy Report transportation electricity demand forecast in creating their own forecast"). *See also* D. 22-12-030 at 16-17.

²⁸ D.19-05-043 at 13-15; D.10-03-022, Appendix 2 at 7 ("Changes in the 12-month usage of direct access (DA) accounts will be reflected in order to determine the room available under the cap. No customer taking DA service while room was available under the cap will be removed from DA service as a result of growth in DA load.")

Retail sellers should also provide a detailed explanation of how emerging technologies, such as offshore wind developments or other emerging technologies, are addressed in their diversity and reliability planning. If retail sellers are not considering advanced emerging technologies, their diversity assessment should explain why.

IV.D. Lessons Learned: For all retail sellers, the supply and demand assessment should describe and incorporate RPS lessons learned, including RPS trends and anticipated future trends.

New CCAs and ESPs are not exempt from this section and should look to lessons learned across other retail sellers' prior RPS filings to demonstrate how they will mitigate risk. For example, retail sellers can look to previous lessons learned reported by other retail sellers on RPS procurement activities such as, but not limited to, coordination on joint procurement, long-lead planning, and ratable procurement. It is insufficient to state that a retail seller has not yet learned any lessons, as all retail sellers should be engaged in prudent and proactive risk mitigation to ensure customers receive safe, reliable, affordable, and equitable electric service. Descriptions of lessons learned should address, at a minimum, risk assessment, procurement planning, and approaches to long-term procurement.

**6.5. RPS Plan Section V: Project
Development Status Update -
Pub. Util. Code § 399.13(a)(6)(D)**

Current Commission forecasts indicate a need for developing new renewable resources to meet system needs, RPS requirements, and greenhouse

gas goals.²⁹ Accordingly, all retail sellers should provide a narrative describing how they are on track to address these goals. Retail sellers should use the Project Development Status Update template to report development status updates for all RPS-eligible resources currently under contract (or retail seller-owned) but not yet delivering generation.³⁰ The narrative for Section 6.5 should provide additional, more granular detail on the status of projects' development, beyond the categories in the Project Development Status Update template, including significant deviations in project development updates reported in previous RPS Plans.

This status update should include all projects that have been contracted but are not online and should differentiate projects based on whether they are in the pre-construction, construction, or post-construction development phase. The data should include at a minimum:

1. Names of each new facility contracted with;
2. Each facility's current development phase;
3. Capacity procured from each facility;
4. Length of contract(s) for each facility;
5. Location of each facility;
6. Commercial online date for each facility;
7. Technology type of each facility;
8. Contract start and end dates for each facility;
9. Expected annual generation from each facility/contract;

²⁹ See D.22-04-004 for more information on the Preferred System Plan (2021 PSP) portfolio adopting a 35 million metric ton (MMT) 2032 electric sector GHG planning target following the 2019-2020 IRP cycle.

³⁰ The Project Development Status Update template is posted on the Commission's RPS website: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-utility-scale-rfo>.

10. Total contract volume; and
11. The status of any required new transmission line construction and/or any transmission upgrades necessary for each facility.

The status updates must also be reflected in the quantitative analysis in RPS Plan Section VIII. Retail sellers should use this analysis to explain how their project development updates will impact their RPS net short and its procurement decisions for the next two years and on a planning horizon through 2033.

6.6. RPS Plan Section VI: Potential Compliance Delays – Pub. Util. Code § 399.13(a)(6)(B)

In this section, retail sellers should describe in a narrative form any potential issues that could impact their RPS compliance, including any project development delays, reduced generation, and projected changes in load.

Potential issues could include, but are not limited to:

- Inadequate transmission capacity;
- Permitting delays;
- Insufficient eligible renewable energy resources supply;
- Unanticipated curtailment; and
- Unanticipated increase in retail sales.

Retail sellers should describe the steps taken to both 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 RPS Plan Section VIII. Retail sellers shall discuss how the potential compliance delays will impact the retail seller's RPS net short, progress towards 65 percent long-term procurement, and its procurement decisions. If the retail seller does not anticipate any potential compliance delays, it shall justify its

analysis using the information reported in RPS Plan Sections IV and VII to support the narrative provided in this section, Section VI.

**6.7. RPS Plan Section VII:
Risk Assessment – Pub. Util.
Code § 399.13(a)(6)(F)**

Pub. Util. Code § 399.13(a)(6)(F) provides that the renewable energy procurement plan must 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. As described below, retail sellers must discuss compliance risk, risk modeling and risk factors, system reliability, and lessons learned in subsections to Section VII of their 2023 RPS Plans.

Compliance Risk: Each retail seller shall provide a written assessment of the RPS portfolio risk concerning RPS compliance requirements. Retail sellers shall describe how the need to minimize compliance risks and project delays informs their long-term procurement planning decisions. Potential risks to consider include, but are not limited to, developer delays, permitting, transmission development, supply chains, and financing. Retail sellers shall address how these individual risks could impact achieving the long-term procurement requirement and overall RPS requirements. Retail sellers must also describe the severity of the risks (*e.g.*, high, medium, low) and must include concrete steps, with timelines, for how to overcome or mitigate compliance risks. The retail seller's risk assessment results must be provided in the written description and must be reflected in the quantitative analysis provided in response to RPS Plan Section VIII.

Risk Modeling and Risk Factors: Retail sellers shall provide details of the modeling and model(s) used (*e.g.*, deterministic, stochastic) to conduct annual

risk assessments of their entire RPS portfolio-specific inputs and assumptions to their risk assessment model.³¹ This assessment should evaluate a range of risk factors, such as those described above regarding compliance delays and risks. Retail sellers must provide sound and reasonable inferences based on both qualitative and quantitative modeling criteria.

System Reliability: Each retail sellers' risk assessment and RPS Plan must also address overall system reliability, with a description of how the retail seller's portfolio supports system reliability and mitigates any negative system impacts such as rolling electric outages or violation of current standards for ancillary services.

Lessons Learned: Retail sellers shall include a discussion of lessons learned in assessing RPS portfolio risk, including how other retail sellers' risk assessments were used to guide the risk assessments of those with less experience serving retail load.

Responses will be deemed deficient if they state the retail seller has no risks or if they only acknowledge that risk exists, without any description of proposed strategies to mitigate their portfolio's risk(s). A thorough risk assessment should include a detailed, historical understanding of lessons learned, a reflection on current trends and forecasts, and probabilistic and statistical models that project what could occur under different circumstances.

³¹ 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).

6.8. RPS Plan Section VIII: Renewable Net Short Calculations – Pub. Util. Code §§ 399.13(a) (6)(A), (D), and (F)

For this section, retail sellers shall provide both a narrative and quantitative response demonstrating how the results of their risk assessments described in Section VII of their 2023 RPS Plans have been incorporated into their 2023 RNS calculations. The narrative in RPS Plan Section VII (Risk Assessment) should support the analysis provided in response to this section. The responses must be clear regarding the quantitative progress made towards RPS requirements and the specific risks to the retail sellers' RPS Procurement Portfolios. The responses must also provide quantitative data, methodologies, and calculations the retail seller relied upon to assess the retail seller's RPS portfolio needs and RPS procurement net short.

The quantitative analysis provided must consider the relevant qualitative discussion in RPS Plan Section VII. The retail seller's portfolio assessment must include their long-term and short-term contracts through 2033 as well as any RPS-eligible procurement that has or will occur outside of the RPS program.^{32, 33}

Retail sellers must complete the quantitative response based on the most recently directed renewable net short (RNS) methodology Ruling, following the Ruling's instructions for data input in Appendix B (Table 8).³⁴ The quantitative response must be provided in the Excel spreadsheet template that is posted on

³² 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.

³³ Retail sellers must distinguish RPS-eligible procurement between online generation and RPS facilities in development when calculating their RPS net short. Please refer to the ALJ's May 21, 2014 Ruling, ALJ's Ruling on Renewable Net Short, issued in R.11-05-005.

³⁴ As of the date of this Ruling, the methodology directed in the ALJ's May 21, 2014 Ruling, ALJ's Ruling on Renewable Net Short, issued in R.11-05-005, is the most recent renewable net short methodology.

the RPS website.³⁵ As outlined in the RNS Ruling, retail sellers must use their internal risk analyses to make appropriate adjustments to their procurement and explain how this mitigates risk on all projects in their respective RPS portfolios.

**6.9. RPS Plan Section IX: “Minimum Margin”
of Procurement – Pub. Util. Code § 399.13(a)(5)(D)**

Retail sellers shall define in their proposed 2023 RPS Plans a minimum margin of over-procurement (MMoP) assumed above the minimum procurement level. The minimum margin of over-procurement is necessary to comply with the RPS program’s requirement for retail sellers to mitigate the risk that renewable projects under contract are delayed or terminated or projects do not perform as expected. MMoP must be reflected in retail sellers’ risk-adjusted RPS eligible procurement provided in the quantitative response in RPS Plan Section VIII and should remain separate from retail sellers’ voluntary margin of over-procurement (VMoP).³⁶ Retail sellers must define their criteria and provide a rationale for why its proposed minimum margin is reasonable.

IX.A. Minimum Margin Methodology and Inputs: Draft 2023 RPS Plans for all retail sellers must include both a narrative and quantitative description of their risk-adjusted portfolio methodology and inputs required to inform a retail seller’s proposed MMoP. While retail sellers may develop their own MMoP methodology, retail sellers must demonstrate that the methodology is representative of and consistent with the retail seller’s inputs, assumptions, and

³⁵ The RNS template is provided on the Commission’s RPS procurement website: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-utility-scale-rfo>.

³⁶ The need for additional procurement above a retail seller’s risk-adjusted portfolio should be explained and supported by the VMoP reported in the quantitative analysis (Row D). Retail sellers should not have a VMoP in place of an MMoP but should only have a VMoP after establishing and quantifying an MMoP.

risk assessment in RPS Plan Sections IV through VII. The resulting assessment should be used to calculate the retail seller's procurement needs pursuant to the quantitative information reported in RPS Plan Section VIII. The MMoP process is intended to mitigate the numerous risks that may lead to RPS non-compliance, and arbitrary quantifiers such as expected excess procurement or policy goal forecasts should not be used. Additional forecasted procurement beyond the identified risk associated with the MMoP, including excess procurement, should be identified as VMoP.³⁷

IX.B. Minimum Margin Scenarios: Describe any sensitivities or scenarios used to calculate the proposed MMoP for the 2023 procurement cycle and RPS Compliance Period 4 (2021-2024). If the retail seller's assumed MMoP is not used in calculating a retail seller's net short provided in response to RPS Plan Section VIII, then the retail seller's RPS Plan will be rejected.

All assumptions used to calculate each retail seller's MMoP should be supported with quantitative information and should explain the implementation timeline for meeting higher-than-mandated renewable energy goals.

6.10. RPS Plan Section X: Bid Solicitation Protocol, Including Least-Cost Best-Fit (LCBF) Methodologies – Pub. Util. Code § 399.13(a)(6)(C), D.04-07-029, D.11-04-030, D.12-11-016, D.14-11-042, and D.16-12-044

Pursuant to Pub. Util. Code § 399.13(a)(6)(C), 2023 RPS Plans must include a bid solicitation protocol setting forth the need for eligible renewable energy

³⁷ See Appendix B of the ALJ's May 21, 2014 Ruling, ALJ's Ruling on Renewable Net Short, issued in R.11-05-005. VMoP includes that margin of over-procurement to account for additional project/forecasting risk above a utility's projected risk-adjusted project failure rate in a given compliance year.

resources of each deliverability characteristic, required online dates, and locational preferences, if any.

Solicitations must be consistent with the portfolio supply and demand assessment provided in RPS Plan Section IV and the retail seller's renewable net short position in RPS Plan Section VIII. 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. Retail sellers should describe whether they are participating in joint solicitations with other retail sellers, and this information should be consistently reported across all relevant retail sellers' RPS Plans for accuracy and easy comparison.

X.A. Solicitation Protocols for Renewables Sales: If an IOU intends to sell eligible renewable energy products as part of its 2023 RPS Plan, then it must also include a solicitation protocol setting forth its proposed solicitation process. Each IOU should include a framework for determining the quantity of RPS volumes to sell in each solicitation, the target price, and the price floor.³⁸ The IOUs should also include a section on lessons learned from its sale of excess RPS volumes authorized under its previous RPS Plans.

X.B. Bid Selection Protocols: The bid solicitation protocols for procuring and selling must include an overview of the solicitation process, a solicitation schedule, and pro forma agreement(s). All retail sellers should include a detailed description of their bid selection process and evaluation methodology, which should be consistent with D.04-07-029, D.11-04-030, D.12-11-016, D.14-11-042, and

³⁸ Bilaterally-negotiated REC sales agreements are subject to the same terms and pricing set forth in an IOUs' Commission-approved REC sales framework and are subject to the Commission's Tier 3 Advice Letter approval process if the terms deviate from the Commission.

D.16-12-044. Retail sellers' stated bid selection criteria should align with all sections of their RPS Plan, especially regarding stated needs, goals, and preferences of the retail seller.

Retail sellers must describe how their solicitations and procurement decisions will give preference to renewable energy resources located in specific communities, such as those identified as disadvantaged communities, pursuant to Pub. Util. Code § 399.13(a)(8).³⁹

If an IOU plans to use a renewable auction mechanism procurement process, then the IOU shall provide a pro forma agreement for that process. Additionally, if an IOU plans any sales or other types of RPS procurement that would require a specific pro forma agreement (*e.g.*, short-term procurement), then a description of the bidding protocol for that specific pro forma agreement must also be included.

All retail sellers should provide descriptions of any ongoing, planned, and proposed solicitation processes, including solicitation materials. Retail sellers should provide recent, current, and future solicitation materials to the Commission, including a link, if one exists, to the public website where public materials can be found for all relevant solicitations.

X.C. Least-Cost Best-Fit (LCBF) Criteria: The LCBF methodology used must be consistent with relevant Commission decisions.⁴⁰ In particular, retail sellers

³⁹ Pub. Util. Code § 399.13(a)(8)(A) requires that in soliciting and procuring eligible renewable energy resources for California-based projects, each electrical corporation shall give preference to renewable energy 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 GHG.

⁴⁰ 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

Footnote continued on next page.

shall include a detailed description of their bid evaluation methodologies and “best-fit” attributes considered, pursuant to Pub. Util. Code § 399.13(a)(9),⁴¹ and how bids will be valued and evaluated based on their evaluation methodology. When evaluating bids in their solicitations, retail sellers shall consider, at a minimum, the following attributes: energy and capacity value, congestion cost, locational preference, potential for curtailment, and operational flexibility and how bids will be valued and evaluated based on their evaluation methodology. Any qualitative measures in the LCBF methodology should also be described, both in terms of the criteria and application.⁴² If a retail seller’s LCBF criteria does not include system reliability considerations then the retail seller’s RPS Plan will be rejected.

6.11. RPS Plan Section XI: Safety Considerations

As stated in D.13-11-024, Ordering Paragraph 3, all entities filing RPS Plans must identify any safety consideration related to the information set forth in the RPS Plans. The Commission directive was made pursuant to its

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).

⁴¹ Pub. Util. Code § 399.13(a)(9) 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.

⁴² 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 proposed LCBF methodologies in 2022 RPS Procurement Plans in relation to the current rules.

authority under Pub. Util. Code § 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.

Retail sellers shall therefore describe business practices that demonstrate how their RPS Plans reflect safety considerations in RPS-eligible generation procurement through execution and negotiation of power purchase agreements, contract management, and operation and maintenance of utility-owned generation.

For RPS compliance obligations achieved through non-utility owned generation, retail sellers should describe how they incorporate safety provisions and standards in their contracts for the RPS-eligible resources. For example, the 2023 RPS plans must include descriptions of any mandatory compliance requirements each retail seller will follow to ensure it meets all prudent electrical practices, including all safety standards, safety requirements for plant visits by its employees, and requirements to comply with regional applicable laws and regulations relating to safety. If other safety factors are considered in a retail seller's RPS procurement and planning efforts, such as future land use impacts due to climate change (*e.g.*, sea level rise), Public Safety Power Shut-off (PSPS) events, wildfire risk mitigation, or a combination of these approaches to overall system and public safety, then retail sellers are encouraged to include them as well.

Regarding utility-owned generation, retail sellers should describe how they comply with applicable safety codes, including but not limited to the

National Electric Safety Code, the Occupational Health and Safety Act, and any relevant state health and safety act requirements at generation facilities complying with California's RPS program.

This information will help the Commission assess a retail seller's safety culture and ensure that their deliverability of the renewable electricity follows safety considerations in a manner that is safe for customers and employees as required under Pub. Util. Code § 451. If a retail seller's RPS Plan states that it has no safety considerations or fails to reflect any safety considerations, then the retail seller's RPS Plan will be rejected.

6.12. RPS Plan Section XII: Consideration of Price Adjustment Mechanisms – Pub. Util. Code § 399.13(a)(6)(E)

Pub. Util. Code § 399.13(a)(6)(E) requires that the RPS 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 Pub. Util. Code § 399.13(a)(6)(E), each retail seller shall 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) 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. Retail sellers should discuss how any potential price adjustments will maximize value for ratepayers and minimize potential risks to ratepayers.

6.13. RPS Plan Section XIII: Curtailment Frequency, Cost, and Forecasting

In D.14-11-042, the Commission approved curtailment terms and conditions in pro forma contracts for PG&E, SCE, and SDG&E; required multiple bid variants related to economic curtailment; and directed reporting on curtailment frequency, forecasting, and costs. As retail sellers become more numerous and diverse, and as the State moves towards the electricity sector becoming 100 percent carbon-free, all retail sellers need to report their unique experiences and issues related to economic curtailment, as well as any actions and analysis needed to forecast curtailment events. The Commission recognizes the inherent challenge of long-term forecasting of negative pricing events. Retail sellers must, however, provide strategies tailored to their portfolio and region to show how they are managing exposure to negative pricing events, overgeneration, economic curtailment.⁴³

Given the increase in renewable development and curtailment on the system in recent years, retail sellers shall provide information in their 2023 RPS Plans on the following topics as they relate to their 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 a quantitative analysis of the forecast of the number of hours per year of negative market pricing for the next 10 years.

⁴³ D.22-12-030 identified that the draft 2022 RPS Plans of PG&E, Marin Clean Energy, Clean Power SF, Peninsula Clean Energy, Redwood Coast Energy Authority, and Pioneer provided the best examples of robust curtailment analyses (at 58), and that San Diego Community Power presented a useful negative pricing analysis (at 58 and 59).

3. Experience, to date, with managing exposure to negative market prices and or lessons learned from other retail sellers in California.
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.
6. Contract terms included in RPS contracts intended to reduce the likelihood of curtailment or protect against negative prices.

Pursuant to Pub. Util. Code § 399.13 (a)(6)(b) and § 399.15(b)(5), retail sellers should not simply outline general issues related to curtailment but should explain how they are actively addressing challenges related to curtailment events and include information on each of the issues detailed in 1-6 above.

**6.14. RPS Plan Section XIV:
Cost Quantification**

Pursuant to SB 836 (Padilla, Stat. 2011, Ch. 600, § 1)⁴⁴ 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.⁴⁵ To support the Commission's reporting to the Legislature under Pub. Util. Code § 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 2023 RPS Plans. For the Commission to have complete information for statewide electric

⁴⁴ Adding § 911 to the Pub. Util. Code.

⁴⁵ The Padilla Report: Costs and Savings for the Renewables Portfolio Standard (pursuant to Pub. Util. Code Section 913.3).

procurement costs, CCAs and ESPs must also include this information in their 2023 RPS 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 to ESPs pursuant to Pub. Util. Code §399.12(j)(3). Therefore, CCAs and ESPs shall follow the same RPS planning requirements as electrical corporations, including providing the information described in Table 3 below in their 2023 RPS Plans. Further, the Commission uses cost data submitted in the RPS Plans to develop the annual RPS Costs and Cost Savings report.⁴⁶ This cost information is essential to understand the impact of retail seller procurement and renewable cost trends in California.

All retail sellers shall provide the information required in Table 3 below using the standardized Cost Quantification template that is available on the Commission’s RPS Procurement website and should indicate in the narrative if they are awaiting contract approval either by the Commission or their local governments or executive boards as instructed in the template.⁴⁷ Responses should be non-confidential to the greatest extent possible.

⁴⁶ Pub. Util. Code Section 913.3 requires the Commission to produce an annual RPS cost report to the legislature. The report is posted on the Commission’s RPS website:

<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/energy-reports-and-whitepapers/rps-reports-and-data>.

⁴⁷ The Cost Quantification template is posted on the Commission’s RPS website:

<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-utility-scale-rfo>.

Table 3: RPS Procurement and Sales Information Related to Cost Quantification

	Item	Description
1.	Actual Direct Expenditures and Revenue- per year	Total dollars expended and received for all Renewable Energy Credit (REC) transactions for every year from 2020-2022. ⁴⁸ Figures must 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 2020-2022, including any REC sales. Amounts must be reported by resource and technology types 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 must be reported by resource and technology type and reported for each year from 2023-2033.
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 must be reported by resource and technology types and reported for each year from 2023-2033.
5.	Incremental Utility Rate Impact - per year	Total actual and forecasted annual utility rate impacts from RPS procurement from 2020-2033.

6.15. RPS Plan Section XV: Conformance with the IRP Proceeding

The Integrated Resource Planning (IRP) proceeding R.20-05-003 is the primary venue for implementing the SB 100 requirements related to resource planning for the electric sector. While the Commission is still considering how to

⁴⁸ For all information provided in response to Table 2, REC--only contracts should be listed separately.

align the IRP process and RPS Plans, we still expect consistent information on RPS planning across the respective proceedings.

Under this section, all retail sellers should explain in the table format below (Table 4) how the information in their 2023 RPS Plans, will align with information in their most recent IRPs filed on November 1, 2022, to ensure that their RPS obligations are in compliance (*e.g.*, renewable resource valuation and target setting).⁴⁹

All retail sellers should use Table 4 below to summarize how their 2023 RPS Plan and planned renewable procurement would conform with the determinations made in the IRP Proceeding, including the balanced and diverse set of resources identified in the most recent preferred system plan adopted by the Commission.⁵⁰ The 2023 RPS Tables must provide concise narratives for the respective proceedings (IRP and RPS) to allow a direct comparison that the Commission can easily follow and determine consistency with adopted IRP optimal portfolios and planning assumptions.

⁴⁹ D.22-02-004 set a schedule for adoption of the next PSP in 2023, direction submission of individual IRPs on November 1, 2022 (at 167).

⁵⁰ See D.22-02-004, which adopts a Preferred System Plan portfolio for use in planning and procurement.

Table 4: Alignment of IRP and RPS Planning

IRP Section Subsection	RPS Alignment in IRPs
III. Study Results A. Conforming and Alternative Portfolios	Retail sellers should explain how the RPS resources they plan to procure, outlined in their RPS Plan, will align with each of their Conforming Portfolios being developed in their IRP Plans for Commission approval and certification. This explanation should include: <ol style="list-style-type: none"> 1. Existing RPS resources that the retail seller owns or contracts. 2. Existing RPS resources that the retail seller plans to contract with in the future. 3. New RPS resources that the retail seller plans to invest in. 4. New and existing resources that will be used to meet Mid-Term Reliability obligations adopted in D.21-06-035⁵¹ and the supplemental procurement ordered in D.23-02-040.
IV. Action Plan A. Proposed Activities	Retail sellers should describe how they propose to use RPS resources to implement both Conforming Portfolios. Narratives should include: <ol style="list-style-type: none"> 1. Proposed RPS procurement activities as required by Commission decision or mandated procurement. 2. Procurement plans, potential barriers, and resource viability for each new RPS resource identified.
IV. Action Plan B. Procurement Activities	The retail seller should describe the solicitation strategies for the RPS resources identified in both Conforming Portfolios. This description should include: <ol style="list-style-type: none"> 1. The type of solicitation. 2. The timeline for each solicitation. 3. Desired online dates. 4. Other relevant procurement planning information, such as solicitation goals and objectives.

⁵¹ Load Serving Entities are required to submit procurement information twice yearly, consistent with D.20-12-044 requirements, to show progress toward the capacity procurement requirements adopted in D.21-06-035.

<p>IV. Action Plan C. Potential Barriers</p>	<p>Retail sellers should provide a summary of the potential barriers to implementing both Conforming Portfolios as they relate to RPS resources. The section should include:</p> <ol style="list-style-type: none"> 1. Key market, regulatory, financial, or other resource viability barriers or risks associated with the RPS resources coming online in retail sellers’ Preferred Portfolios. 2. Key risks associated with the potential retirement of existing RPS resources on which the retail seller intends to rely in the future.
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All retail sellers in the RPS proceeding are required to become parties to the IRP proceeding R.20-05-003. We recommend that other RPS parties also become parties to R.20-05-003 (or any subsequent IRP proceeding) as some of the RPS/IRP coordination and alignment may be initiated in that proceeding.

6.16. RPS Plan Section XVI: Impact of Transmission and Interconnection Delays – Pub. Util. Code § 399.13(a)(2)(B)

Pursuant to SB 1174 (Hertzberg, Stat. 2022, Ch. 229) electrical corporations that own electrical transmission facilities are required to provide information on the development of transmission and interconnection facilities that enable renewable energy or energy storage resources which have executed interconnection agreements.⁵² SB 1174 also requires the Commission to provide an assessment of delays to interconnection or transmission approvals.⁵³

In order to implement SB 1174 this year, an interim reporting requirement for the 2023 RPS Plans is directed. In this year’s RPS Plans, electrical corporations that own transmission facilities are required to provide information detailing the impact that delays to transmission facilities and network system upgrades have

⁵² Pub. Util. Code § 399.13(a)(2)(B).

⁵³ Pub. Util. Code § 913.4(g).

had on renewable energy and energy storage resources with executed interconnection agreements. Electrical corporations shall list each transmission facility and system network upgrade that experienced a delay in the 12-month period between June 1, 2022 and May 31, 2023. Electrical corporations shall provide this information in the “IX_TX Data Template” tab of the standardized Transmission and Interconnection Delay Reporting template that is available on the Commission’s RPS Procurement website. Projects must be included if they are expected to total one million dollars or more in capital costs.

Moreover, for each delayed transmission facility and network upgrade, electrical corporations are to use the “Generation Data Template” tab of Transmission and Interconnection Delay Reporting template to list all renewable energy and energy storage projects that were delayed as a result of the transmission and network upgrade delays, tying the delayed renewable energy and energy storage projects to the specific transmission projects and/or network upgrades.

Lastly, electrical corporations with relevant projects must provide a narrative summary in the text of their RPS Plan. The narrative summary should include aggregated quantitative information to summarize the magnitude of transmission and interconnection delays as well as the magnitude of renewable energy and energy storage facilities impacted.

**6.17. Appendix A: Redlined Version
of Draft 2023 RPS Plans Required**

Each retail seller shall provide a “redlined” version of the 2023 RPS Plan to identify all changes from its Final 2022 RPS Plan to the Commission’s Energy Division Staff to facilitate review of the draft 2023 RPS Plans. The redlined version must also be made available to any party who requests a copy.

7. Resources for RPS Plans

The Commission staff has compiled a list of resources on the Commission's website for reference in developing RPS Plans. Staff encourages retail sellers to review the resources posted on the Commission's RPS Procurement webpages, which include this Ruling, the templates required for draft 2023 RPS Plan submissions, and a Frequently Asked Questions for RPS Plan submissions.⁵⁴

8. Requirements for Document Filings and Data Submissions

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Although Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents, parties are directed to only serve ALJ Atamturk electronically in this proceeding.

All retail sellers must submit the native file versions of the required Microsoft Excel spreadsheets for the Renewable Net Short calculations, Project Development Status Update, and Cost Quantification to Energy Division staff through the Commission's Secure File Transfer Protocol (FTP). This submission is in addition to including the required data in the retail sellers' RPS Plan.

To access the FTP site, retail sellers should create an account on the FTP website: <https://kwftp.cpuc.ca.gov/> to do so. Retail sellers must use the Commission's secure FTP site to send all Microsoft Excel spreadsheets to rpscompliance@cpuc.ca.gov.

⁵⁴ The CPUC RPS Procurement website is located here: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-utility-scale-rfo>.

9. Submission of Information with Claim of Confidentiality

The information in the RPS Plans should be non-confidential, to the greatest extent possible. If there is a request for confidential treatment of information, the procedures outlined in D.06-06-066, as modified by D.21-11-029 are applicable.⁵⁵ It is important for retail sellers to orient their year-specific redactions based on the year filing is made, which may differ between retail sellers' draft and final RPS Plans.

In addition to following Commission filing requirements, retail sellers are directed to use the Commission's secure FTP site to send Energy Division unredacted copies of all RPS Plan documents, including Microsoft Excel spreadsheets, to rpscompliance@cpuc.ca.gov.

10. Schedule

Parties may file comments and reply comments on the RPS Plans per the schedule outlined in Attachment A. We are not seeking comments on the Ruling as the requirements are well established at this time.

After reviewing the record in the proceeding, the Commission will accept, modify, or reject each plan or Supplement as required by Pub. Util. Code §399.13(a)(1) and (c).

11. 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

⁵⁵ D.06-06-066 was modified by D.07-05-032 and D.08-04-023. The references to D.06-06-066 here include the modifications made by D.07-05-032 and D.08-04-023.

Pub. Util. Code §1701.1 and §1701.3, as amended by SB 215, effective January 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 all three-day notices required by Rule 8.2(c)(2) for all *ex parte* meetings with decision-makers to the assigned Commissioner, the ALJs, and the service list of this proceeding.

IT IS RULED that:

1. No later than July 17, 2023, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each file a proposed 2023 Renewables Portfolio Standard Procurement Plan that addresses the elements stated herein.

2. No later than July 17, 2023, Bear Valley Electric Service Company and Liberty Utilities LLC shall file a proposed 2023 Renewables Portfolio Standard Procurement Plan that addresses the elements stated herein.

3. PacifiCorp may use its IRP on-year supplement to satisfy the requirement to prepare a renewable energy procurement plan that addresses the elements stated in this ruling.

4. No later than July 17, 2023, each Community Choice Aggregator shall file a proposed 2023 Renewables Portfolio Standard Procurement Plan to address the elements stated herein.

5. No later than July 17, 2023, each Electric Service Provider serving electricity to customers in California shall file a proposed 2023 Renewables Portfolio Standard Procurement Plan to address the elements stated herein.

6. The procedural schedule for the Commission's consideration of the 2023 Renewables Portfolio Standard Procurement Plans is outlined in Attachment A. This schedule may be adjusted as needed by the assigned Commissioner or Administrative Law Judge.

7. All retail sellers shall include an officer verified checklist using the uniform template in Attachment B, which is also the template that should be used to draft their 2023 Renewables Portfolio Standard Procurement Plans, responding to all sections unless otherwise noted on the template in Table 1 of this Ruling.

8. The Electric Service Providers and Community Choice Aggregators that shall comply with this ruling are identified in Appendix C and D of this ruling. Any retail sellers that decertify in 2023 before the proposed decision is published shall file a motion for exemption from filing final Renewables Portfolio Standard (RPS) Plans and future filings in the proceeding informing the Commission on their future RPS procurement plans.

Dated May 5, 2023, at San Francisco, California.

/s/ JOHN REYNOLDS
John Reynolds
Assigned Commissioner

/s/ NILGUN ATAMTURK
Nilgun Atamturk
Administrative Law Judge

Attachment A

**Procedural Schedule
2023 Renewables Portfolio
Standard Procurement Plans**

Process Details	DATE
Assigned Commissioner’s Ruling setting scope and schedule for annual RPS Procurement Plans	May 2023
PacifiCorp files 2023 On-Year Supplement	May 12, 2023
IOUs, Small Utilities, ESPs and CCAs file draft annual RPS Procurement Plans	July 17, 2023
Comments on RPS Procurement Plans	August 15, 2023
Motions requesting an evidentiary hearing (note: If a motion is filed and granted, the ALJ may need to issue a revised schedule.)	August 15, 2023
Motion to update RPS Procurement Plans [note 1 below]	August 29, 2023
Commission votes on Proposed Decision	Quarter 4, 2023
IOUs, Small Utilities, ESPs and CCAs file final annual RPS Procurement Plans	30 days from the effective date of the Decision
IOUs issue Request for Offers for Solicitations or otherwise pursue approved RPS Procurement Plan	14 days after Final RPS Plan filings, unless extended by Energy Division

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

2023 RPS Procurement Plan Checklist and RPS Plan Template

The Checklist must be filed with the RPS Procurement Plan and include verification.

Retail seller name:	YES/ NO	NOTES
I. Major Changes to RPS Plan		
II. Executive Summary		
III. Summary of Legislation Compliance		
IV. Assessment of RPS Portfolio Supplies and Demand		
IV.A Portfolio Supply and Demand		
IV.A.1 Voluntary Allocation and Market Offer (VAMO)		
IV.A.2 Portfolio Optimization		
IV.B Responsiveness to Local and Regional Policies		
IV.B.1 Long-term Procurement		
IV.C. Portfolio Diversity and Reliability		
IV.D Lessons Learned		
V. Project Development Status Update		
VI. Potential Compliance Delays		
VII. Risk Assessment		
VIII. Renewable Net Short Calculation		
IX. Minimum Margin of Procurement (MMoP)		
IX.A MMoP Methodology and Inputs		
IX.B MMoP Scenarios		
X. Bid Solicitation Protocol		
X.A Solicitation Protocols for Renewables Sales		
X.B Bid Selection Protocols		
X.C LCBF Criteria		
XI. Safety Considerations		
XII. Consideration of Price Adjustments Mechanisms		
XIII. Curtailment Frequency, Forecasting, Costs		

XIV. Cost Quantification		
XV. Coordination with the IRP Proceeding		
XVI. Impact of Transmission and Interconnection Delays		
Appendix A: Redlined Version of the Draft 2023 RPS Plan		

2023 RPS Procurement Plan Checklist- Task Completed

Officer Verification

I am an officer of the reporting organization herein, and am authorized to make this verification on its behalf. The statements in the foregoing document 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. The spreadsheet templates used within this filing have not been altered from the version issued or approved by Energy Division.

Executed on **[insert date]** at **[insert City and State]**.

[Insert Electronic version of Signature]

[Insert Name, Title, Organization and Contact Information]

(END OF ATTACHMENT B)

Attachment C

**List of Registered ESPs Required to File 2023 RPS Procurement Plans as
of the
Date of This Ruling**

1. 3 Phases Renewables, Inc.
2. BP Energy Retail Company California LLC (formerly EDF Industrial Power Services (CA), LLC)
3. Brookfield Renewable Energy Marketing US LLC
4. Calpine Energy Solutions, LLC
5. Calpine Power America-CA, LLC (dba Champion Energy Services, LLC)
6. Commercial Energy of Montana, Inc. (dba Commercial Energy of California)
7. Constellation NewEnergy, Inc.
8. Direct Energy Business
9. EnerCal USA, LLC (dba Yep Energy, Y.E.P.)*
10. Gexa Energy California, LLC*
11. Just Energy Solutions*
12. Palmco Power CA, LLC*
13. Pilot Power Group, LLC
14. Praxair Plainfield, Inc.*
15. Shell Energy Solutions (Shell Energy North America (US), L.P.)
16. Tenaska Power Services Co.*
17. The Regents of the University of California
18. Tiger Natural Gas, Inc.*

* The Commission determined in D.13 11-024, D.17-12-007, D.19-02-007, D.19-07-007, D.19-12-042, and D.21-01-005 that EnerCal USA, LLC, Liberty Power Delaware, LLC, Praxair Plainfield, Inc., Palmco Power CA, Liberty Power Holdings, LLC, Mansfield Power and Gas, Tiger Natural Gas, and Tenaska Power, Tenaska California Energy Marketing, Gexa Energy California, American

Power Net, and Just Energy 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 2023 Procurement Plans as of the
Date of this Ruling**

1. Apple Valley Choice Energy
2. Central Coast Community Energy
3. City of Palmdale
4. City of Pomona
5. City of Santa Barbara
6. Clean Energy Alliance
7. Clean Power Alliance of Southern California
8. CleanPowerSF
9. Desert Community Energy
10. East Bay Community Energy
11. King City Community Power
12. Lancaster Choice Energy
13. Marin Clean Energy
14. Orange County Power Authority
15. Peninsula Clean Energy
16. Pico Rivera Innovative Municipal Energy
17. Pioneer Community Energy
18. Rancho Mirage Energy Authority
19. Redwood Coast Energy Authority
20. San Diego Community Power
21. San Jacinto Power
22. San Jose Clean Energy
23. Silicon Valley Clean Energy
24. Sonoma Clean Power Authority
25. Valley Clean Energy Alliance

* 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)