

Decision **PROPOSED DECISION OF ALJ LAKHANPAL** (Mailed 12/11/2020)

**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

**DECISION ON 2020 RENEWABLES PORTFOLIO  
STANDARD PROCUREMENT PLANS**

## TABLE OF CONTENTS

Title	Page
Summary .....	2
1. Background .....	6
2. Issues Before the Commission .....	8
3. Organization of the decision .....	10
3.1. Investor-Owned Utilities .....	11
3.1.1. PG&E's Draft 2020 Procurement Plan .....	12
3.1.1.1. PG&E's Renewable Energy Credit Sales Framework .....	13
3.1.1.2. Time of Use Rate Period Information Only Data .....	14
3.1.1.3. Cost Quantification Discrepancies .....	15
3.1.1.4. PG&E's Request Not to Hold an Annual RPS Procurement Solicitation in 2021 is Reasonable .....	16
3.1.2. SCE Draft 2020 RPS Procurement Plan .....	17
3.1.2.1. SCE's Request for Authorization to Procure New RPS Resources in 2021 .....	17
3.1.2.2. SCE's Renewable Energy Credit Sales Framework .....	20
3.1.2.3. Cost Quantification Discrepancies .....	21
3.1.2.4. SCE's Minimum Margin of Procurement (MMoP) should be clearly defined .....	22
3.1.2.5. SCE's Safety section needs improvement .....	23
3.1.2.6. Curtailment Costs .....	23
3.1.3. SDG&E Draft 2020 RPS Procurement Plan .....	24
3.1.3.1. SDG&E's Renewable Energy Credit Sales Framework .....	24
3.1.3.2. SDG&E's request not to hold annual RPS procurement solicitation in 2021 .....	26
3.1.3.3. SDG&E's Safety Section Needs improvement .....	27
3.1.3.4. SDG&E's Minimum Margin of Procurement (MMoP) should be defined .....	27
3.1.3.5. SDG&E's Lessons Learned Section Needs Improvement .....	28
3.2. Small and Multijurisdictional Utilities (SMJU) .....	29
3.2.1. Bear Valley Electric Service (BVES) .....	30
3.2.2. PacifiCorp .....	32
3.2.3. Liberty Draft 2020 RPS Plans .....	35
3.3. CCAs and ESPs .....	40
3.3.1. Community Choice Aggregators (CCA) .....	41
3.3.2. Energy Service Provider (ESP) .....	42

3.3.3.	CCA and ESP Related Issues to Address in the Final 2020 RPS Plans .....	43
3.3.3.1.	Assessment of RPS Portfolio Supplies and Demand – Long-Term Contracting .....	43
3.3.3.2.	Project Development Status .....	49
3.3.3.3.	Compliance Delay .....	51
3.3.3.4.	Risk Assessment .....	51
3.3.3.5.	Renewable Net Short Calculation (RNS) .....	58
3.3.3.6.	Minimum Margin of Procurement (MMoP) .....	63
3.3.3.7.	Bid Solicitation Protocol – Least Cost Best Fit.....	67
3.3.3.7.1.	Pub. Util. Code § 399.13(a)(6)(C) – Bid Solicitation Protocol ..	67
3.3.3.7.2.	PU Code § 399.13(a)(8) – Disadvantaged Communities Considerations .....	68
3.3.3.7.3.	Pub. Util. Code § 399.13(a)(9) – Best-Fit Attributes .....	69
3.3.3.8.	Safety .....	73
3.3.3.9.	Curtailment, Forecasting and Costs .....	77
3.3.3.10.	Cost Quantification .....	80
3.3.3.11.	Integrated Resource Planning (IRP) - Conformance .....	85
3.3.3.12.	Confidentiality .....	88
3.3.3.13.	Tiger Natural Gas, Inc., American PowerNet Management, LP and Just Energy Requests to not file Final RPS Plan and Waiver from Future RPS Compliance .....	90
3.4.	Citation Program for RPS Procurement Plans .....	93
4.	Comments on Proposed Decision .....	95
5.	Assignment of Proceeding .....	96
	Findings of Fact.....	96
	Conclusions of Law .....	100
	ORDER .....	106

## DECISION ON 2020 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS

### Summary

Today's decision furthers the Renewables Portfolio Standard (RPS) program and acts on the draft 2020 Renewables Portfolio Standard Procurement Plans (RPS Plans) (with modifications adopted in this decision) of the following Retail sellers:<sup>1</sup>

- a. The large Investor-Owned Utilities the Commission regulates: Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E);
- b. The Small and Multijurisdictional Utilities (SMJU) under our jurisdiction: Bear Valley Electric Company (BVES or Bear Valley) and Liberty Utilities (CalPeco Electric), LLC (Liberty). PacifiCorp, d/b/a Pacific Power (PacifiCorp) is required to file an Integrated Resource Plan as well as an Off-Year "supplement" that provides additional information relevant to the RPS program.
- c. Community Choice Aggregators (CCA): Apple Valley Choice Energy; Butte Choice Energy; City of Baldwin Park; City of Commerce; City of Palmdale; City of Pomona; City of Santa Barbara; Clean Energy Alliance; Clean Power Alliance; CleanPowerSF; Desert Community Energy; East Bay Community Energy; King City Community Power; Lancaster Choice Energy; Marin Clean Energy; Central Coast Community Energy;<sup>2</sup> Peninsula Clean Energy; Pico Rivera Innovative Municipal Energy; Pioneer Community

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<sup>1</sup> 'Retail sellers' are defined in Public Utilities Code § 399.12(j), include Community Choice Aggregators (CCAs) (§ 399.12(j)(2)) and Energy Service Providers (ESPs) (399.12(j)(3), and require CCAs and ESPs to 'participate in the [RPS] program subject to the same terms and conditions applicable to an electrical corporation.' All further statutory references are to the Public Utilities (Pub. Util.) Code unless otherwise specified.

<sup>2</sup> Name changed from Monterey Bay Community Power.

Energy; Rancho Mirage Energy Authority; Redwood Coast Energy Authority; San Diego Community Power; San Jacinto Power; San José Clean Energy; Silicon Valley Clean Energy Authority; Solana Energy Alliance; Sonoma Clean Power; Valley Clean Energy Alliance; and Western Community Energy.

- d. Energy Service Providers (ESP): 3 Phases Renewables; American PowerNet Management, LP; Calpine Energy Solutions; Calpine PowerAmerica-CA, LLC; Commercial Energy of California; Constellation NewEnergy, Inc; Direct Energy Business; EDF Industrial Power Services (CA), LLC; Just Energy Solutions; Pilot Power Group, Inc.; Shell Energy; The Regents of the University of California; and Tiger Natural Gas, Inc.

Final Plans are due no later than 30 days following the California Public Utilities Commission (CPUC or Commission) issuance of this decision. This decision orders the following:

*Large Investor-Owned Utilities:*

PG&E

- We authorize PG&E not to hold an annual RPS procurement solicitation for new resources in 2021 and allow it to have a minimum of two RPS sales solicitations in 2021 for short-term deliveries in 2021 and 2022.
- We approve PG&E's draft 2020 RPS Procurement Plan with modifications, which requires PG&E to(a) Continue to provide Time-of-Use information only data, as ordered in Decision (D.) 17-10-026 along with information on Time of Delivery Factors as ordered in D.19-12-042, and (b) Correct or explain discrepancies in its Cost Quantification data.
- PG&E may continue to use its previously approved Renewable Energy Credit (REC) Sales pricing methodology for general REC Sales Solicitations.

SCE

- We approve SCE's draft 2020 RPS Plan with modifications. The decision grants SCE the option to hold an annual RPS procurement solicitation in 2021 if the integrated resource planning (IRP) proceeding determines a need for resource procurement.
- We approve SCE's request to hold RPS sales solicitations in 2021 for short-term deliveries with modifications. SCE shall file its final 2020 RPS Plan with the following changes:
  - (a) Provide updated information on its Plan to hold a competitive solicitation in 2021, (b) SCE is directed to use the per-vintage year volume limits approved in D.19-12-042 for its REC sales, (c) SCE shall correct or explain the reason for the Cost Quantification discrepancies, (d) Establish a minimum margin of procurement (MMoP), support it with risk analysis and scenarios and accordingly update the renewable net short (RNS) worksheet, and (e) Update its safety section, and (f) Provide direct curtailment cost impact resulting from overgeneration incidences and associated negative market prices.

SDG&E

- This decision approves SDG&E's draft 2020 RPS Plan with modifications. The decision denies SDG&E's request to seek the California Public Utilities Commission's (CPUC or Commission) approval through a Tier 1 advice letter for Renewable Energy Credit (REC) sales agreements with terms between 5 years and 10 years. Instead, it requires SDG&E to use a Tier 3 advice letter. SDG&E shall also (a) Update its Safety section to follow the guidance in this decision, (b) Establish an MMoP, support it with risk analysis and scenarios and accordingly update the RNS worksheet, and (c) Update its Lessons Learned section to provide new information to supplement the previous year's filings.
- This decision approves SDG&E's request to hold RPS sales solicitations in 2021 for short-term and long-term deliveries.

This decision also accepts, with modifications, the draft 2020 RPS Procurement Plans filed by other retail sellers of electricity subject to California's RPS program. Specifically, we require the following:

*Small and Multijurisdictional Utilities:*

- Bear Valley Electric Service shall update its Plan to (a) Provide a rationale to support its online generation's failure rate as shown in its RNS calculation, (b) Establish an MMoP, defend it with risk analysis and scenarios and accordingly update the RNS worksheet, and (c) Update the status of its Application (A.) 19-03-08.
- PacifiCorp's final 2020 RPS Plan shall (a) Establish an MMoP, support it with risk analysis and scenarios and accordingly update the RNS worksheet, (b) Address the Cost Quantification discrepancy, and (c) Submit compliant information on its Least-Cost Best-Fit bid solicitation protocol.
- Liberty may be at risk of falling short of its procurement target for the compliance period 2017-2020.

The decision approves Liberty's draft 2020 RPS Plan with modifications. Liberty shall update its final 2020 RPS Plan on the following issues –(a) Demonstrate that it has met its procurement targets for compliance period 2017-2020, (b) Verify compliance with long-term contracting; (c) Provide data on risk assessment, (d) Provide a rationale to support its online generation's failure rate in its RNS calculation, (e) Establish an MMoP, support it with risk analysis and scenarios and accordingly update the RNS worksheet, (f) Provide its bid solicitation protocol criteria, (g) Correct or explain its cost quantification discrepancies, and (h) Provide its safety protocols.

The decision denies Liberty's request to file a Tier 3 Advice Letter for approval of its Luning expansion project and instead requires Liberty to file a formal application.

Community Choice Aggregators and Energy Service Providers:

While the required CCAs and ESPs filed 2020 RPS Procurement Plans, many lacked details required by statute and Commission decision. The affected CCAs and ESPs shall provide the missing information with their final Plans due no later than 30 days following Commission issuance of this decision.

Regarding the status of procurement for CCAs and ESPs, our review shows a need for additional RPS procurement starting in 2021. The CCAs' footprint is expanding in California, and this year we reviewed plans from 29 different CCAs. In their draft RPS Procurement Plans, some CCAs claim to over-procure renewable resources, while some have not yet committed to long-term contracts and/or lack adequate support and explanation of their risk assessment strategies.

We recognize that some retail sellers have put considerable effort into meeting the Commission's requirements in their draft RPS Procurement Plans. Therefore, as we discuss issues and modifications needed, we have identified those retail sellers whose Plans serve as examples for "best practices" on specific topics.

This proceeding remains open.

**1. Background**

In Decision (D.) 12-11-016, the California Public Utilities Commission (CPUC or Commission) refined the Renewables Portfolio Standard (RPS) procurement process as part of its implementation of Senate Bill (SB) 2 (1X) (Simitian, Stats. 2011, ch.1). In 2015, SB 350 (de León, 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 that beginning January 1, 2021, at least 65 percent of the procurement a retail seller counts toward the RPS requirement of each compliance period shall be from its contracts of 10 years or more in duration or ownership or ownership agreements

for eligible renewable energy resources.<sup>3</sup> SB 100 has accelerated RPS requirements to 60 percent of retail sales from RPS-eligible resources by 2030 and a planning goal of 100 percent of the state's electricity to come from carbon-free resources by 2045.

In many prior decisions, the Commission has set forth the process for filing and evaluating the RPS Procurement Plans (Plans) of electrical corporations and other retail sellers. The statutory definition of "retail seller" includes small and large electrical corporations, Community Choice Aggregators (CCAs) and Electric Service Providers (ESPs).<sup>4</sup>

On May 6, 2020, an Assigned Commissioner and Assigned Administrative Law Judge's (ALJ's) Ruling (2020 ACR) was issued identifying issues and schedule of review for 2020 RPS Procurement Plans. On May 7, 2020, an ALJ ruling was issued correcting a typographical error in the May 6, 2020 ACR.

Following a Joint Investor-Owned Utilities (IOUs) e-mail request to extend the review schedule, an ALJ ruling was issued on May 13, 2020, with a modified schedule. The review schedule was further changed by the (1) June 24, 2020, ALJ's email ruling containing a schedule update and (2) July 10, 2020 ALJ email ruling extending the schedule to allow Parties to timely file comments and reply comments on the June 26, 2020 Renewable Market Adjusting Tariff Program Ruling.

The 2020 RPS Procurement Plans (RPS Plans) were due on July 6, 2020. Comments on the proposed plans and Staff Proposal on revising the RPS citation program were due on July 29, 2020. Reply comments on draft RPS Plans and

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<sup>3</sup> D.17-06-023, Ordering Paragraph 2.

<sup>4</sup> Pub. Util. Code §§ 399.12(f) & 218.

motions requesting evidentiary hearings were due on August 5, 2020. Motions to update RPS Plans were due on August 12, 2020.

All RPS Plans were filed on time. Comments on the Plans were filed by the California Wind Energy Association (CalWEA), Shell Energy North America, L.P. (Shell Energy); Southern California Edison Company (SCE), Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E) (Joint IOUs), Independent Energy Producers Association (IEPA), American Wind Energy Association of California (AWEA-California), Bear Valley Electric Service (BVES), Liberty Utilities (Liberty), and PacifiCorp d.b.a. Pacific Power (PacifiCorp), Small Business Utility Advocates (SBUA), Green Power Institute (GPI), Public Advocates Office (Cal Advocates), and California Choice Energy Authority (CalChoice). Reply comments were filed by SDG&E, PG&E, SCE, Alliance for Retail Energy Markets (AReM), Cal Advocates, SBUA, Apple Valley Choice Energy, Marin Clean Energy, Central Coast Community Energy,<sup>5</sup> Peninsula Clean Energy Authority, Pioneer Community Energy, Silicon Valley Clean Energy Authority, and Sonoma Clean Power Authority (Joint CCA Parties), and AWEA-California.

On December 31, 2020, Tiger Natural Gas, Inc. (Tiger) filed a Motion Entitled Motion of Tiger Natural Gas for exemption from RPS Procurement Plan Filing Requirements.

## **2. Issues Before the Commission**

In this decision, the Commission decides if retail sellers provide the information required by statute and the ACR in their draft 2020 RPS Plans and dispose any requests or proposals specific to a retail seller.

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<sup>5</sup> Name changed from Monterey Bay Community Power.

To help retail sellers organize the submission of comprehensive RPS Plans, the ACR provided a list of specific issues to address and guidance on managing the information, including quantitative analysis and narratives supporting the retail seller's assessment of its portfolio future procurement decisions.

The issues mandated by statute and the ACR reviewed in this decision are as follows:

1. Assessment of RPS Portfolio Supplies and Demand
2. Project Development Status Update
3. Potential Compliance Delays
4. Risk Assessment
5. Renewable Net Short Calculation (RNS)
6. Minimum Margin of Procurement (MMoP)
7. Bid Solicitation Protocol
8. Safety Considerations
9. Consideration of Price Adjustments Mechanisms
10. Curtailment Frequency, Forecasting, Costs
11. Cost Quantification
12. Coordination with the IRP Proceeding
13. Confidentiality
14. Citation Program Expansion

We reviewed the draft 2020 RPS Plans for completeness, accuracy, and compliance. Based on the guidance in the ACR, we also examined the draft Plans for:

1. Compliance with Table 1 of the ACR, which required all RPS Plans to be accompanied by a Checklist;
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 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 renewable resources, and engaging in the sales of RPS eligible resources.

3. Consistency of information within the RPS Plan.
4. The plans should be thorough in describing and addressing 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 strategies address state goals and satisfy statutory requirements.
5. All retail sellers should follow the format and numbering convention in Table 1 of the ACR.

### **3. Organization of the decision**

In the following sections, we first discuss our findings on the three IOUs - PG&E, SCE, and SDG&E followed by the SMJUs. We provide disposition on specific IOU and SMJU requests and modifications needed to file the final 2020 RPS Plans. The decision then addresses the CCAs' and ESPs' draft 2020 RPS Plans. Due to the commonality of issues between CCAs and ESPs, this decision gives guidance on the required modification per issue for these two seller types. Finally, the decision rules on the merits of developing a Staff proposal to include RPS Procurement Plans under the current RPS Citation Program.

The final 2020 RPS Procurement Plans, due no later than 30 days following the effective date of this decision, shall each comply with these revisions, and approval of those final Plans is conditioned on such compliance. If a final Plan does not comply, retail sellers are at risk of the Commission's enforcement action.

### 3.1. Investor-Owned Utilities

The three large IOUs – PG&E, SCE, and SDG&E – report RPS progress at or above the program procurement requirements, including a target of 31 percent RPS by 2019. For 2019, the IOUs met the following percentages of their electric load from RPS -eligible resources: PG&E 31%, SCE 38%, and SDG&E 39%.<sup>6</sup> None of the three large IOUs conducted a 2019 annual RPS procurement solicitation.

Figure 1 summarizes the large IOUs' actual and forecasted progress toward meeting the 60 percent RPS mandate by 2030. Based on the IOUs' Renewable Net Short (RNS) reporting,<sup>7</sup> we expect a need for additional procurement starting in 2027 collectively; however, that shortfall extends by several years through the forecasted use of excess Renewable Energy Credits (RECs) that have or will be "banked" as excess procurement.<sup>8</sup> Moreover, the IOUs' share of retail sales is expected to decrease from approximately 150,000 gigawatt-hours (GWh) in 2017 to 82,000 GWh in 2023, primarily due to CCAs' proliferation.<sup>9</sup> This change explains how the IOUs' RPS position increases even though their procurement level remains relatively stable.

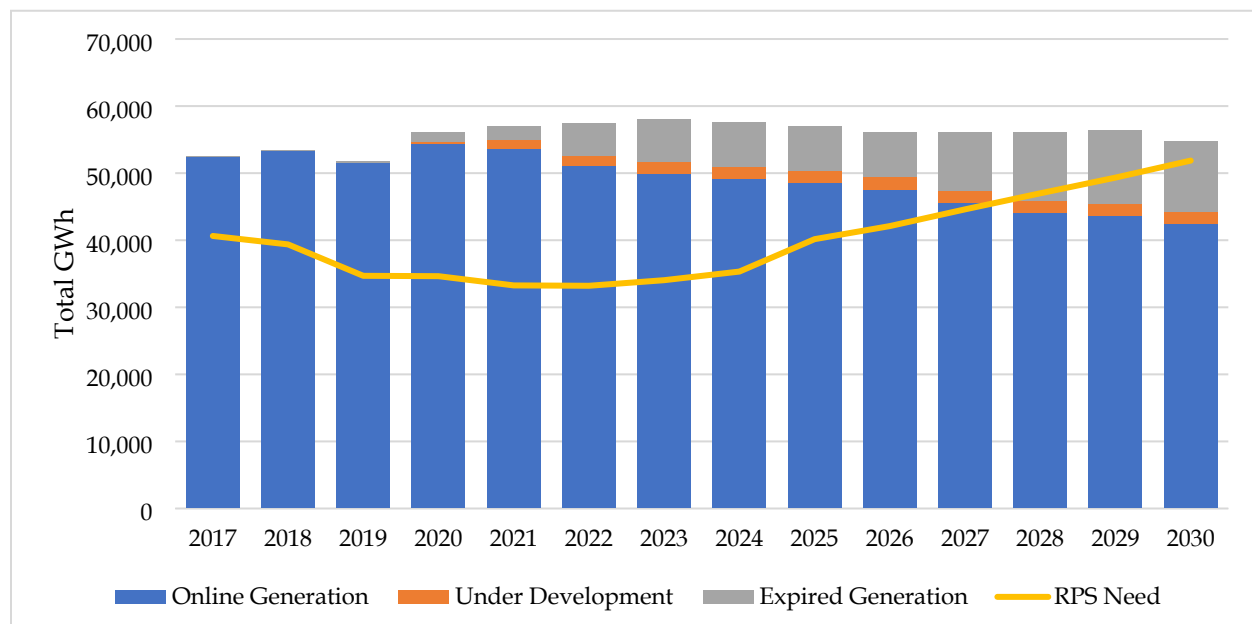
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<sup>6</sup> IOUs' Renewable Net Short Calculations, Draft 2020 RPS Procurement Plans.

<sup>7</sup> See the 2014 Administrative Law Judge Ruling on Renewable Net Short (RNS) for definitions of RNS Components of Online Generation, Under Development, and Expiring Contracts: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M091/K331/91331194.PDF>

<sup>8</sup> See D.17-06-026 Section 3.1.5 for a detailed discussion on excess procurement of RECs which can be applied in later compliance periods. The RECs carried forward are colloquially referred to as the "Bank."

<sup>9</sup> IOUs' Aggregated Renewable Net Short Calculations, Draft 2020 RPS Procurement Plans.

*Figure 1: Aggregated IOU Progress Towards 60% RPS*

### 3.1.1. PG&E's Draft 2020 Procurement Plan

The decision approves PG&E's draft 2020 RPS Plan with modifications. PG&E shall file its final 2020 RPS Plan with the following modifications:

(a) continue to provide Time-of-Use information only data, as ordered in D.17-10-026 along with information on Time of Delivery Factors as ordered in D.19-12-042; and (b) Correct or explain the discrepancy in its cost quantification information.

The decision authorizes PG&E not to hold an annual RPS procurement solicitation for new resources in 2021, it is allowed to use its previously approved REC Sales pricing methodology for general REC Sales Solicitations, and PG&E is also allowed to have a minimum of two RPS sales solicitations in 2021 for short-term sales of 5 years of RPS volumes if the sales agreement for any such sale is executed during the period after the Commission adopts this decision and before the adoption of a subsequent RPS Plan.

No party filed comments specific to PG&E's requests, and PG&E did not file reply comments.

PG&E's draft 2020 RPS Plan has sufficient detail for the Commission to evaluate its ability to meet RPS requirements. The redactions or assertions of confidentiality in PG&E's Plan are reasonable and consistent with prior years. PG&E's 2020 RPS Plan includes very comprehensive Risk Assessment and Renewable Net Short sections that, among other things, fully explain the modeling methods used to determine how much RPS energy to sell from their existing portfolio.

**3.1.1.1. PG&E's Renewable Energy  
Credit Sales Framework**

The decision allows PG&E's proposed price floor methodology for its general REC Sales Solicitations.<sup>10</sup> For general REC Sales, PG&E shall continue to use the price floor methodology adopted in D.19-02-007 and D.19-12-042.

In its Draft 2020 RPS Plan, PG&E proposes annual sales limits, solicitation sales limits (depending on how many solicitations are held in a year), and a solicitation price floor. PG&E requests to have a minimum of two solicitations for short-term sales of RPS products during the 2020 RPS Plan cycle with modifications to its pricing methodology for general REC sales. We authorize the solicitation but deny the price floor method changes to the general REC Sales Solicitations.

For general REC Sales, PG&E shall use its previously approved price floor methodology approved in D.19-02-007 and D.19-12-042. Regarding its Bioenergy

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<sup>10</sup> We distinguish between General REC Sales Solicitations from BioRAM REC Sales. General REC Sales may include RPS energy and RECs from all RPS projects in the IOUs' portfolios except BioRAM project. Whereas BioRAM specific REC Sales Solicitations includes RPS energy and RECs from the IOUs' BioRAM projects.

Renewable Auction Mechanism (BioRAM) REC Sales solicitations, we authorize PG&E to use the pricing methodology consistent with Ordering Paragraph 3 of D.18-12-003.

PG&E's request to hold a minimum of two solicitations for short-term sales of RPS products during the 2020 RPS Plan cycle is reasonable because it allows PG&E to manage its RPS portfolio with the needs of its bundled customers while having an opportunity to pursue short-term RPS sales. Short-term RPS sales allow PG&E to optimize its portfolio in the near-term by selling its excess RPS procurement to other retail sellers while also lowering costs for bundled ratepayers.

No parties commented on PG&E's REC sales methodology.

**3.1.1.2. Time of Use Rate Period  
Information Only Data**

We require PG&E to comply with D.17-01-006 and continue to file the time of use rate information ordered by the Commission.

PG&E requests that it be relieved of a requirement set in D.17-01-006 to provide a website link to its time-of-use (TOU) rate periods in its RPS Plans. PG&E contends that providing TOU rate periods is no longer relevant because PG&E does not rely on the time of delivery (TOD) periods for procurement purposes and has stopped using TOD factors in its RPS PPAs since 2018. It did not provide the TOU periods website link in its 2018 and 2019 Plans.

D.19-12-042 ordered PG&E to include in its final 2019 RPS Plans new informational-only TOD factors that are based on the most recent inputs available. PG&E complied and filed informational TOD factors in the final RPS Plans based on the Marginal Energy Cost from Phase II of its 2020 General Rate Case (GRC) application (A.19-11-019). The decision also required PG&E to file

workpapers to confirm a high correlation between the public informational-only TOD factors and confidential TOD factors based on PG&E's internal energy price forecast, demonstrating a correlation between the hourly load shapes of the two datasets.

We decline to grant PG&E's request to modify D.17-01-006 for due process reasons. The issue was not in scope for the 2020 ACR. Additionally, PG&E has not made a showing of providing notice to the parties of Rulemaking (R.) 15-12-012 about a potential change to D.17-01-006. PG&E may file a petition for modification according to the Commission's rules, including the reasoning for why filing this information is not relevant.

PG&E shall provide the relevant information and website links in its final 2020 RPS Plan.

#### **3.1.1.3. Cost Quantification Discrepancies**

Per the ACR Requirements for Data Submissions, "All retail sellers must submit the native file versions of the required Microsoft Excel spreadsheets for the RNS calculations, Project Development Status Update, and Cost Quantification to Energy Division staff through the CPUC's Secure File Transfer Protocol (FTP). This submission is in addition to including the required data in the retail sellers' RPS Plan." It is also reasonable to expect a retail seller's filing to be internally consistent between the documents. We find the following discrepancies in PG&E's draft Plan:

- Table 2, bundled retail sales; 2020-2030 does not match RNS sheet variable A, "Total Retail Sales."
- Table 4, the sum of variables 14 and 28 (all RPS-Eligible deliveries) does not match RNS sheet variable F, "Total RPS Eligible procurement" for 2021-2030.

PG&E shall correct or explain the discrepancies between RNS and cost quantification information when filing its final 2020 RPS Plan.

**3.1.1.4. PG&E's Request Not to Hold an Annual RPS Procurement Solicitation in 2021 is Reasonable**

PG&E seeks approval to not procure any incremental RPS products for compliance purposes during this RPS planning cycle. PG&E's draft RPS Plan demonstrates that PG&E is well-positioned to meet its RPS compliance requirements and has no need to hold an annual RPS procurement solicitation for new resources in 2021. In its draft 2020 Plan, PG&E states that there is no procurement need to complete the Commission's long-term contracting requirements, and it expects to continue to exceed the 65 percent long-term procurement requirement for the foreseeable future. PG&E adds a cautionary note that while its renewable portfolio is well positioned, it is concerned about the impacts of 1) an upcoming PCIA proceeding decision on Portfolio Optimization, and 2) a decrease in their overall retail sales to CCA growth on its long-term Renewable Net Short position.

We grant PG&E's request not to hold an annual RPS procurement solicitation in 2021. This authorization not to hold an RPS solicitation shall last from the time the final 2020 RPS Plans are approved through the time the next year's RPS Plan is approved. PG&E's existing portfolio of executed RPS contracts, its forecasted RPS-eligible generation, and its expected "Bank" balance should ensure compliance with its near-term and medium-term RPS requirements. Should PG&E determine that an RPS solicitation or bilateral contracts are needed during the time covered by the 2020 solicitation cycle, or prior to the Commission issuing a decision on the 2021 RPS Procurement Plans, PG&E shall seek Commission permission in a manner consistent with the

Commission's Rules of Practice and Procedure. The authorization granted in this decision solely exempts PG&E from holding an annual solicitation for the 2020 RPS planning cycle.

### **3.1.2. SCE Draft 2020 RPS Procurement Plan**

The decision approves SCE's draft 2020 RPS Plan with modifications.

The decision grants SCE the option to hold an annual RPS procurement solicitation for added resources in 2021. We authorize SCE's request to hold RPS sales solicitations in 2021 for short-term deliveries, with modifications.

SCE shall file its final 2020 RPS Plan with the following modifications:

(a) Provide updated information on its Plan to hold a solicitation in 2021, (b) Use the per-vintage year volume limits approved in D.19-12-042 for its REC sales, (c) Correct or explain in the appropriate RPS Plan section the cost quantification discrepancies, (d) Establish an MMoP, support it with risk analysis and scenarios and accordingly update the RNS worksheet, and (e) Updates its safety section, and (f) Report direct costs incurred, to date, for overgeneration incidences and associated negative market prices in its final 2020 RPS Plan.

SCE's draft 2020 RPS Plan has sufficient detail for the Commission to evaluate its ability to meet RPS requirements. SCE's Plan is reasonable in its redactions or assertions of confidentiality, and it is consistent with prior years.

Cal Advocates and GPI timely filed comments on SCE's draft RPS Plans. SCE filed Reply Comments. We discuss their comments under relevant issues in the following sections.

#### **3.1.2.1. SCE's Request for Authorization to Procure New RPS Resources in 2021**

We grant SCE the option to hold an RPS competitive solicitation in 2021 if the need arises.

In its revised draft 2020 RPS Plan, SCE requests Commission approval for the option to hold an RPS procurement solicitation resulting from recent developments in the PCIA and IRP proceedings.<sup>11</sup> SCE states that preliminary results in the IRP proceeding<sup>12</sup> indicate a need for 250 megawatts (MW) of new GHG free resources beginning in 2026, and by granting SCE an option to procure RPS resources during this RPS cycle, SCE can test the competitive market for eligible renewable resources to meet this need. SCE describes a potential need for additional RPS resources due to issues under consideration in the PCIA proceeding.<sup>13</sup> The Commission is currently evaluating the Voluntary Allocation and Market Offer (VAMO) mechanism submitted in the PCIA Working Group 3 Final Report, which includes a proposed allocation of RPS-eligible resources in IOUs' portfolios to other qualifying retail sellers.

Both Cal Advocates and GPI filed comments on SCE's draft 2020 RPS Plan. In its opening comments, Cal Advocates asserts that SCE's request to hold an RPS procurement solicitation for needs in 2026 and beyond is too dependent on outcomes of other Commission proceedings. GPI states that coordination between retail sellers' 2020 RPS plans and their IRPs is weak and fails to achieve the IRP's intention to coordinate procurement programs and mandates.

SCE replies that its draft 2020 RPS Plan contains sufficient information to support its request for RPS procurement authority, clarifying that SCE may not have adequate time to conduct competitive solicitations if they wait for a Commission decision in the PCIA and IRP proceedings, and notes that PCIA is not a procurement proceeding. SCE claims that its updated draft 2020 RPS Plan,

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<sup>11</sup> See SCE's Revised Draft Plan, August 12, 2020.

<sup>12</sup> R.20-05-003.

<sup>13</sup> R.17-06-026.

filed August 12, 2020, includes the preliminary results of its IRP, and states that SCE should have the option to fill needs identified in the IRP for GHG free resources through an RPS procurement solicitation for which Commission-adopted contracts and solicitation protocols are readily available.

SCE's IRP related GHG reduction need is based on preliminary modeling results and will be decided in the IRP proceeding. It could be judicious to procure a renewable resource that meets the GHG reduction goals and RPS obligations and we find that SCE's request for an option to solicit additional resources depending on the results from IRP proceedings is reasonable. If a need for new resources is identified in the IRP proceeding, then approval in the RPS proceeding will help SCE proceed with procurement without a regulatory delay to obtain permission to hold an RPS eligible procurement solicitation. If the IRP decision does not find a need for added resources, then SCE may not exercise its option.

However, we cannot grant SCE the same approval in anticipation of PCIA proceeding results. We find that SCE is well-positioned to meet its RPS compliance requirements through at least 2027. SCE's existing portfolio of executed RPS contracts, its forecasted RPS-eligible generation, and its expected "Bank" balance are a sign that it complies with the near-term RPS requirements. Comments from Cal Advocates and GPI show that under a PCIA scenario SCE states that "[U]nder the PCIA allocation scenario using SCE's assumptions, SCE forecasts a net short position starting in 2023 without the use of bank (as shown in Appendix C.4). But, with the use of bank, SCE forecasts a net short position starting in CP 6 (2028-2030). Using the Commission's assumptions, SCE also forecasts a net short position starting in 2023 without the use of bank (as shown in Appendix C.3). But, with the use of bank, SCE forecasts a net short position

starting in CP 5 (2025- 2027).”<sup>14</sup> Based on SCE’s own analysis of RPS data in the PCIA proceeding we do not see the need to authorize SCE the option to “quickly hold” an RPS competitive solicitation in 2021. Furthermore, as noted by SCE, the PCIA proceeding is about cost allocation of costs incurred to serve load that is now departing utility service.<sup>15</sup>

Therefore, we grant SCE the opportunity to hold RPS competitive solicitation in 2021 for renewable procurement authorized in the IRP decision. SCE shall update its final 2020 RPS Plan with the status of its plans to procure RPS eligible resources in 2021.

#### **3.1.2.2. SCE's Renewable Energy Credit Sales Framework**

We approve SCE's request to hold solicitations for short-term sales of RPS products during the 2020 RPS Plan cycle with modifications. SCE shall modify its final Plan to use sales limits that comply with its authorized per-vintage year volume limits approved in D.19-12-042.

SCE's request to hold REC sales solicitations for RPS products during the 2020 RPS Plan cycle is reasonable because it allows SCE to manage its RPS portfolio and balance its bundled customers' needs. Short-term RPS sales allow SCE to optimize its portfolio in the near term by selling its excess RPS procurement to other retail sellers while also lowering costs for bundled ratepayers. SCE also requested authorization to conduct bilateral REC sales transactions. We approve SCE's request to engage in bilateral REC sales transactions, consistent with Ordering Paragraph 19 in D.19-12-042. We

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<sup>14</sup> See Cal Advocates Comments at 6 and GPI Comments at 4.

<sup>15</sup> SCE Reply Comments at 3.

authorize SCE's short-term sales of five years or less of RPS volumes if the sales agreement is executed before the Commission adopts a subsequent RPS Plan.

For its RPS Sales Solicitations, SCE proposed determining annual sales volume limits and specifying a solicitation price floor. We reject SCE's request on the volume of RECs it plans to sell because we find it is excessive, and the proposal appears to lower their RPS procurement below their compliance obligation without a sufficient buffer. SCE does not give supporting information on why it wants to increase the annual REC sales limit. Without evidence to justify the reasonableness of selling a higher volume of RECs in 2021, we reject SCE's request to sell higher REC Sales volume than the existing per-vintage year volume limits approved in D.19-12-042.

We find that SCE's proposed price floor methodology is reasonable for general REC sales and Bioenergy Renewable Auction Mechanism (BioRAM) REC sales and approve it. SCE's supporting information for its REC sales strategy is marked confidential.

### **3.1.2.3. Cost Quantification Discrepancies**

The decision requires SCE to correct or explain the cost quantification discrepancies in its final 2020 RPS Plans.

Per the ACR Requirements for Data Submissions, "All retail sellers must submit the native file versions of the required Microsoft Excel spreadsheets for the RNS calculations, Project Development Status Update, and Cost Quantification to Energy Division staff through the CPUC's Secure File Transfer Protocol (FTP). This submission is in addition to including the required data in the retail sellers' RPS Plan. It is also reasonable to expect a retail seller's filing to be internally consistent between the documents. We find the following discrepancies in SCE's draft plan:

- Table 2, bundled retail sales; 2025-2030 does not match RNS sheet variable A, "Total Retail Sales."
- Table 3 and 4, Total RPS-Eligible Procurement does not match RNS sheet, variable F, Total RPS Eligible procurement for 2017-2030.

SCE shall correct or explain the discrepancies between RNS and cost quantification information when filing its final 2020 RPS Plan.

**3.1.2.4. SCE's Minimum Margin of Procurement (MMoP) should be clearly defined**

SCE does not establish a definitive MMoP, but refers to its probabilistic risk-adjustment methodology for discounting expected energy deliveries from projects under development modeled to represent project development success rates, that would make meeting its RPS goals less likely. SCE claims that this method provides an appropriate MMoP "necessary to comply with the renewables portfolio standard to mitigate the risk that renewable projects planned or under contract are delayed or canceled."<sup>16</sup> SCE performs a sensitivity analysis of its MMoP and its RNS position by running two standard scenarios: CPUC's assumptions and SCE's assumptions.

This approach is not fully responsive to the ACR requirements. SCE has not quantified the marginal amount of over-procurement or linked it back to the RNS worksheets. Accordingly, SCE should update the MMoP narrative in their Plan with a quantifiable MMoP, such as a GWh amount or percentage above the RPS requirement on an annual basis, for the ten years covered in their RPS Plan. SCE shall also update its RNS table related to its risk-adjusted portfolio that incorporates its MMoP.

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<sup>16</sup> See SCE's Draft 2020 RPS Plan at 45.

### **3.1.2.5. SCE's Safety section needs improvement**

SCE's Safety section does not provide sufficient detail on the safety considerations listed in the ACR. SCE shall update its Safety section to address its actions related to facility decommissioning, wildfire mitigation efforts, climate change impacts, and safe operations during PSPS events. SCE should include any applicable procurement activities it undertakes related to wildfire mitigation and vegetation management beyond its BioRAM contracts.

### **3.1.2.6. Curtailment Costs**

This decision requires SCE's final 2020 RPS Plan to report direct costs incurred, to date, for overgeneration incidences and associated negative market prices in its final 2020 RPS Plan.

We find that SCE has not complied with D.19-12-042, requiring the IOUs to quantify any direct cost impacts resulting from overgeneration incidences and associated negative market prices to better inform their strategy managing incidences of curtailment. SCE reports a few negative pricing instances in the day-ahead market and explains its strategy for scheduling variable energy resources into the day-ahead market to limit customer exposure to negative prices. SCE gives a qualitative description of its overall experience with managing exposure to negative market prices through contract terms that include economic curtailment rights or a pre-determined curtailed amount of energy per year. However, SCE has not quantified its costs resulting from instances of curtailment. Accordingly, SCE shall include direct costs incurred, to date, for incidences of overgeneration and associated negative market prices in its final 2020 RPS Plan.

### **3.1.3. SDG&E Draft 2020 RPS Procurement Plan**

The decision approves SDG&E's draft 2020 RPS Plan with modifications. The decision approves SDG&E's request to enter into short-term and long-term sales agreements. However, we deny SDG&E's request to seek approval of short-term contracts of more than 5 years and up to 10 years via a Tier 1 advice letter and require use of a Tier 3 advice letter for terms of those lengths. SDG&E shall update its MMoP and Safety section to comply with the standards outlined in this decision. Further, SDG&E shall update its Lessons Learned section to provide new information to supplement the data from the previous year's filings. The decision approves SDG&E's request to hold RPS sales solicitations in 2021 for short-term deliveries and long-term deliveries.

SDG&E's draft 2020 RPS Plan has sufficient detail for the Commission to evaluate its ability to meet RPS requirements. The redactions and assertions of confidentiality in SDGE's Plan are reasonable and consistent with prior years. The Portfolio Supply & Demand section of SDG&E's 2020 RPS Plan is very well-done, particularly its retail sales forecast explanation.

Cal Advocates timely filed comments on SDG&E's draft 2020 RPS Plans.

#### **3.1.3.1. SDG&E's Renewable Energy Credit Sales Framework**

We approve SDG&E's request to hold solicitations for short-term and long-term sales of RPS products during the 2020 RPS Plan cycle. SDG&E's request is reasonable because it allows SDG&E to optimize its portfolio in the near term by selling its excess RPS procurement to other retail sellers while also lowering costs for bundled ratepayers.

As part of its REC Sales Framework, SDG&E proposes using the Tier 1 advice letter mechanism to seek approval of its REC sales agreements of up to 10 years. It also seeks approval to use portfolio "right-sizing" approaches using

contract assignments, contract novation, contract termination with buyout options, or contract amendments.

Cal Advocates object to SDG&E's request to use a Tier 1 advice letter mechanism to seek contract approval of REC sales agreements of up to 10-years. Cal Advocates cited D.14-11-042, which authorizes a Tier 1 advice letter for approving sales agreements only for procurement with a term of five years or less. Cal Advocates states that changing market conditions make long-term REC sales risky. In response, SDG&E asserts that 10-year REC sales agreements are more efficient and effective because preapproved and expedited treatment of long-term REC sales will allow retail sellers looking to buy RECs an opportunity to meet D.17-06-026's 65 percent long-term contracting requirement. SDG&E states that a Commission Resolution is a longer approval process than a Tier 1 advice letter, thus delaying SDG&E's approval process compared to other market players.

We find that D.14-11-042<sup>17</sup> limits the use of Tier 1 advice letters to REC sales agreements with a term of five years or less, and SDG&E has not provided a compelling reason for the modification. There is no evidence that the Commission's approval process has disadvantaged SDG&E's contractual and procurement abilities. Therefore, it is proper for SDG&E to continue to use a Tier 3 advice letter for sales agreements for greater than five years.

For its RPS Sales Solicitations, SDG&E proposed determining annual sales volume limits and specifying a solicitation price floor. We find that SDG&E's proposed price floor methodology is reasonable for general REC sales and

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<sup>17</sup> D.14-12-042 OP 27.

BioRAM REC sales. SDG&E's supporting information for its REC sales strategy is appropriately marked confidential.

Cal Advocates also objected to SDG&E's request for alternate REC portfolio "right-sizing" approaches, where among the listed options, Cal Advocates specifically objected to the use of contract termination with buyouts.<sup>18</sup> Cal Advocates stated the procurement plan did not include sufficient details on SDG&E's terms for a potential buyout, such as price. In its reply comments SDG&E suggests that it will submit an appropriate Tier 3 advice letter if it needs Commission's approval of any of its portfolio "right-sizing" approaches. We find SDG&E's proposed process reasonable.

**3.1.3.2. SDG&E's request not to hold annual RPS procurement solicitation in 2021**

The decision allows SDG&E not to hold an annual RPS procurement solicitation in 2021.

SDG&E seeks approval in its draft procurement plan to not procure any incremental RPS products for compliance purposes other than mandated SDG&E procurement. Its draft RPS Plan shows that SDG&E is well-positioned to meet its RPS compliance requirements and does not need to hold an annual RPS procurement solicitation for new resources in 2021. SDG&E states that 97% of SDG&E's renewable energy in 2019 was from long-term contracts and that beginning in 2020, all RPS contracts will be long-term. Thus, there is no procurement need to meet the Commission's long-term contracting requirements, and it expects to continue to exceed the 65 percent requirement for the foreseeable future.

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<sup>18</sup> Contract buyouts would allow SDG&E to make one payment to the counterparty (generator) to terminate the contract and have no ongoing contract payment obligation.

We grant SDG&E's request not to hold annual RPS solicitations in 2021. This authorization shall span from the time the Final RPS Plans are approved through the time the subsequent years' RPS Plan is approved. SDG&E's existing portfolio of executed RPS contracts, its RPS-eligible generation, and its expected "Bank" balance should ensure compliance with the near-term RPS requirements.

**3.1.3.3. SDG&E's Safety Section  
Needs improvement**

SDG&E's safety section only briefly mentions its biomass procurement in the context of preventing wildfires and otherwise does not mention the criteria listed in the ACR.

SDG&E shall update its Safety section to provide the specific information sought in the ACR and articulate a proactive safety-related role to renewable procurement.

SDG&E should detail any plans responsive to the ACR related to PSPS actions, climate change impacts, and facility decommissioning. SDG&E should further include any applicable procurement activities it undertakes or causes to be conducted on wildfire mitigation and vegetation management beyond just biomass procurement via their BioRAM contract.

If SDG&E does not currently have policies and planning for these strategies, it should develop them for the 10-year horizon in their Final Plans. Also, SDG&E's Plan should describe any contractual provisions responsive to ACR elements.

**3.1.3.4. SDG&E's Minimum Margin of  
Procurement (MMoP) should be defined**

SDG&E does not identify or quantify an MMoP but states that it has established a Voluntary Margin of Procurement (VMoP). Per Section 399.13(a)(5)(D), SDG&E should set an appropriate MMoP above the

minimum procurement level necessary to comply with the RPS to mitigate delivery risk for renewable projects under development. The establishment of an MMoP does not preclude SDG&E from voluntarily proposing a margin of procurement above the appropriate MMoP, which SDG&E defers to in its RNS calculations. However, this does not constitute a sufficient response to the MMoP section of the ACR. Also, SDG&E identifies its VMoP as zero in Row D of its RNS calculations.<sup>19</sup>

Accordingly, we order SDG&E to appropriately update its RPS Plan with a risk-informed MMoP amount following Commission direction and clearly explain their MMoP methodology. SDG&E should provide the following information in its final 2020 RPS Plan:

- Quantifiable MMoP, such as a GWh amount or percentage above the RPS requirement on an annual basis for the ten years covered in the RPS Plan.
- An MMoP methodology to mitigate risk and supporting scenarios.
- Update its RNS table related to its risk-adjusted portfolio that incorporates its MMoP and, if applicable, a VMoP.
- Clearly distinguish between its statutory MMoP and its VMoP. SDG&E should not have a VMoP in the place of an MMoP, but should only have a VMoP after it has established and quantified its MMoP.

#### **3.1.3.5. SDG&E's Lessons Learned Section Needs Improvement**

The Lessons Learned section requires retail sellers to show their engagement with prudent and proactive risk mitigation approaches to ensure that they will comply with RPS requirements. Given California's dynamic

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<sup>19</sup> SDG&E draft 2020 RPS Plan, Appendix 1.

energy environment, these should address current and emerging elements such as load departure and climate challenges. Merely reiterating the information in past plans' lessons learned does not give us insight into any new lessons learned. SDG&E should update this section to reflect new or evolved lessons learned since the previous procurement plan.

### **3.2. Small and Multijurisdictional Utilities (SMJU)**

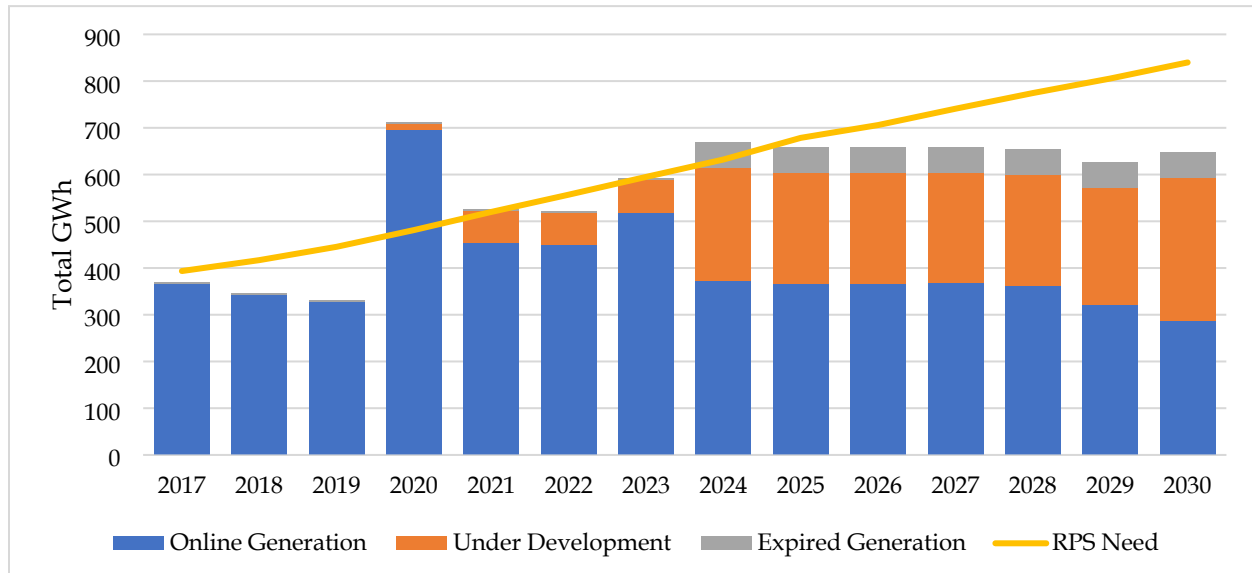
While SMJUs make up a small share of California's energy market, they are still subject to RPS requirements.<sup>20</sup> The three SMJUs, BVES, PacifiCorp, and Liberty, collectively need more procurement after 2020 to meet their respective RPS requirements (*See Figure 2*).

The RPS procurement requirements for SMJUs are different from those for the large IOUs. The RPS statute allows these utilities to meet their RPS procurement obligations without regard to the Portfolio Balance Requirement (PBR) limitations in Public Utilities Code Section 399.16.<sup>21</sup> The PBR limitations are designed to ensure that most renewable energy procurement takes the form of high value new in-state generation, rather than pure compliance instruments such as unbundled RECs. Given their near-term need, as noted above, the Commission continues to encourage SMJUs to consider early and timely procurement of resources rather than last-minute unbundled REC purchases.

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<sup>20</sup> Their load is 1,500 GWh, or 1 percent of the total CPUC regulated retail load.

<sup>21</sup> Pub. Util. Code § 399.17(b). The PBR limitations in Section 399.16 are explained in D.11-12-052, §§ 3.5-3.7.

*Figure 2: Aggregated SMJU Progress Towards 60% RPS*

### 3.2.1. Bear Valley Electric Service (BVES)

The decision approves BVES's 2020 RPS Plans with modifications. For a compliant final 2020 RPS Plan, Bear Valley must update its Plan as follows:

(a) Provide a rationale to support its online generation's failure rate in its RNS calculation, (b) Establish an MMoP, support it with risk analysis and scenarios and accordingly update the RNS worksheet, and (c) Update on the status of its A.19-03-08.

No party filed comments specific to Bear Valley's requests, and Bear Valley did not file reply comments.

**Bear Valley shall provide more details on its determination of failure rates for the online generation.** We find that Bear Valley's discussion of general project failure risks contradicts its conclusion of a zero percent online generation's failure rate given on the RNS sheet; although a risk mitigation approach is described, the discussion does not articulate the analysis undertaken to estimate potential risk. Accordingly, the risk section of Bear Valley's final Plan

should include analysis that clearly translates to quantitative values or otherwise demonstrates the rationale determining the reported RNS worksheet failure rates.

**Bear Valley's final 2020 RPS Plan shall establish an MMoP, with a supporting MMoP Method, Input, and Scenarios** - BVES's MMoP section is not fully responsive to the ACR. The ACR required a narrative and a quantitative description of the method, inputs, and scenarios used in calculating MMoP for the 2021 Procurement cycle and RPS Compliance Period 4 (2021-2024). We find that BVES has not identified an MMoP or developed a method to establish an MMoP. California Public Utilities Code § 399.13(a)(5)(D) requires retail sellers to procure an "appropriate minimum margin of procurement above the minimum procurement level" necessary to mitigate the risk of delays, inaccurate load forecasts, or other factors that would cause non-compliance with RPS requirements. BVES states it can address fluctuations in retail sales and corresponding RPS targets and procure additional sufficient unbundled RECs to meet its RPS procurement obligations.<sup>22</sup> The Commission requires that the MMoP should be reflected in the retail seller's risk-adjusted portfolio.<sup>23</sup> Even though BVES may use all unbundled RECs to meet its RPS requirements, BVES is required to establish a MMoP as part of its risk assessment strategy forecasts to compensate for delays or insufficient supply.

Every retail seller is required to set a MMoP and has flexibility on the method it uses to establish a MMoP, however, BVES's qualitative explanation

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<sup>22</sup> *Id.*

<sup>23</sup> See August 2, 2012 ALJ Ruling in R.11-05-005 (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology Into The Record, and (3) Extending the Date for Filing Updates to the 2012 Procurement Plans and D.12-11-016, Attachment A, Renewable Net Short (RNS) Methodology.

does not adequately detail how it will support its minimum margin above the minimum procurement requirement.

We find BVES's narrative lacking a tangible MMoP and description of metrics to establish a MMoP. Therefore, for its final RPS Plan, BVES shall submit a risk assessment that determines the amount of excess RPS resources necessary to mitigate the risk of RPS non-compliance, support it with a method and scenarios used to estimate the excess procurement needed, and quantify its specific MMoP.

**BVES shall update the status of its Application 19-03-008** – In its draft RPS Plan, BVES explained that it was awaiting a Commission decision on its solar utility-owned generation A.19-03-008. We understand that BVES's Motion to Withdraw its Application has been approved. BVES should update its Final Plan to reflect this procedural update and any additional information that BVES considers in further pursuing the solar project.

### **3.2.2. PacifiCorp**

This decision approves PacifiCorp's draft 2020 RPS Plan with modifications. PacifiCorp's final 2020 RPS Plan shall include an MMoP, provide supporting information, address discrepancies in its cost quantification information, and submit compliant information on the least-cost best-fit bid protocol.

PacifiCorp's Plan was responsive and supported with references to information in its 2019 IRP. The draft Plan gives sufficient detail for the Commission to assess PacifiCorp's ability to meet its RPS requirements.

PacifiCorp is well-positioned to meet its RPS requirements. The Commission has observed a pattern with PacifiCorp procuring much more RPS

(unbundled RECs) at the end of the compliance period, depending on how much generation comes from its already-online resources.

No party filed comments specific to PacifiCorp, and PacifiCorp did not file reply comments.

**PacifiCorp shall establish an MMoP and provide supporting information** - We find that PacifiCorp did not identify an MMoP or explain the method or scenarios used to establish an MMoP. PacifiCorp only made qualitative statements indicating that it procures excess RECs, and it seems to indicate that the excess procurement will satisfy the over-procurement requirement. PacifiCorp states that due to the excess procurement rules, when procuring RECs, PacifiCorp will seek to minimize RECs above its procurement quantity requirement. It further states that PacifiCorp also plans to bank any RECs above the procurement quantity requirement and eligible for banking.<sup>24</sup> However, PacifiCorp does not explain how or when it will procure RECs or determine whether there is a need, or how it will implement a procurement margin to minimize risk of under-procurement.

The Commission requires the MMoP be considered as part of the retail seller's risk-adjusted portfolio.<sup>25</sup> Therefore, we require PacifiCorp to identify an MMoP and provide the below supporting information as required by the ACR:

- Quantifiable MMoP, such as a percentage above the RPS requirement for the ten years covered in the RPS Plan.
- An MMoP methodology and scenarios to mitigate risk.

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<sup>24</sup> See PacifiCorp draft 2020 RPS Plan (Off-Year IRP Supplement) at 13.

<sup>25</sup> See August 2, 2012 ALJ Ruling in R.11-05-005 (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology Into The Record, and (3) Extending the Date for Filing Updates to the 2012 Procurement Plans and D.12-11-016, Attachment A, Renewable Net Short (RNS) Methodology.

- Commensurately, update its RNS table related to its risk-adjusted portfolio.

**PacifiCorp shall correct or explain the cost quantification discrepancies in its final RPS Plan** - we find PacifiCorp should correct or explain why it has the following data discrepancies:

- Table 3 Total RPS-Eligible Procurement does not match the RNS sheet, variable F, Total RPS Eligible procurement for 2018.
- Table 4, the sum of variable 14 and 28 (all RPS-Eligible deliveries) does not match RNS sheet variable F, "Total RPS Eligible procurement" for 2020-2030

**PacifiCorp shall include in its final 2020 RPS Plans information to comply with PU Code Sections 399.13(a)(6)(C), 399.13(a)(8) and 399.13(a)(9).**

We find PacifiCorp's draft RPS Plans did not include a description of their bid solicitation protocol, bid selection process and evaluation methodology, and bid selection criteria as required by Pub. Util. Code § 399.13(a)(6)(C). The draft Plan fails to describe how they consider and/or provide preference to projects that provide environmental and economic benefits to communities located in areas with high socioeconomic and environmental burdens as required by Pub. Util. Code § 399.13(a)(8). Lastly, their Plan did not include a description of how they consider a project's best-fit attributes and the contribution to grid reliability when procuring renewables, as required by Pub. Util. Code § 399.13(a)(9).

Bid selection protocols and evaluation methodologies are required by statute and the 2020 ACR. PacifiCorp may provide past RPS solicitation materials if they do not have pro-forma/standardized documents for future solicitations. This information is necessary for the CPUC to ensure that utilities consider grid reliability, portfolio diversity, locational diversity, and impacts to disadvantaged communities when they conduct RPS procurement. Therefore,

PacifiCorp shall comply with the statute and include the Bid Protocol Information identified above in its final RPS Plan.

**PacifiCorp shall update its Safety section to demonstrate its safety planning** – PacifiCorp' safety consideration section did not change from its 2019 IRP "On Year" supplement. As the Commission explained in its 2020 ACR, non-responsiveness on safety is not acceptable. PacifiCorp did not include information on procurement activities related to addressing vegetation management, wildfire mitigation efforts, decommissioning facilities at the end of useful life, potential climate change impacts and design for adaptation, resiliency, and impacts during Public Safety Power Shut-off (PSPS) events. PacifiCorp shall appropriately address the topics mentioned above in its final 2020 RPS Plan.

### **3.2.3. Liberty Draft 2020 RPS Plans**

The decision finds that Liberty may be short on its procurement target for compliance period 2017-2020. While this decision approves Liberty's Draft 2020 RPS Plan with modifications Liberty must ensure that its final 2020 RPS Plan provides complete and accurate information on the following issues – procurement targets for compliance period 2017-2020; long-term contracting; risk assessment; failure rates for online generation; MMoP; cost quantification; safety; and bid solicitation protocol. The decision denies Liberty's request to file a Tier 3 Advice Letter for approval of its Luning expansion project and instead requires Liberty to file a formal application.

No party filed comments specific to Liberty's requests, and Liberty did not file reply comments.

Liberty must modify and update the following topics in its Final 2020 RPS Plan:

**Liberty shall appropriately update its renewable net short calculations to demonstrate its procurement target status for compliance period 2017-2020 –**

Based on our review of Liberty's draft RPS Plan, we find that Liberty is at risk of being short on its procurement for Compliance Period 3 (2017-2020).<sup>26</sup> 2020 marks the end of the third RPS Compliance Period, after which the Commission will assess whether Liberty met its RPS requirements. Liberty should update its final 2020 RPS Plan, the RNS section, and spreadsheets to reflect any additional procurement since filing its Draft RPS Plan.

**Liberty shall provide more details on its Long-Term Contracting requirement –** We find that Liberty did not demonstrate how it will meet the long-term contracting criteria. In its final RPS Plan, Liberty should explain how its current and planned RPS portfolios will meet the long-term contracting rules. Liberty should cite tangible actions it will take to support its claims. Accordingly, Liberty's final RPS Plan should include a timeline for RFOs, contracting, and deliveries compared to requirements, demonstrating how it is meeting the long-term contracting requirement.

**Liberty shall provide essential details on its Risk Assessment -** While Liberty can meet its RPS requirements entirely with unbundled RECs, we find that it is relying on last-minute PCC 3 REC purchases. This approach can prove risky for Liberty's reliability and ratepayers. Liberty must provide a more detailed risk assessment that explains how it will mitigate potential shortfalls from the inadequate performance from its utility-owned generation or Energy Services Agreement. Further, it should address any risk from last-minute REC purchases, particularly related to the ability to procure small amounts of RECs.

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<sup>26</sup> Liberty's 2020 RPS Procurement Plan, Attachment B, Renewable Net Short Template, Confidential Version.

**Liberty shall provide more details on its determination of failure rates for online generation.** We find that Liberty's discussion of general project failure risks does not clearly support its determination of zero percent online generation's failure rate given on the RNS sheet. Accordingly, the risk section of Liberty's final Plan should include analysis that clearly translates to quantitative values or otherwise demonstrates the rationale determining the reported RNS sheet failure rates.

**Liberty shall provide its MMoP and supporting information** - Liberty states that it has not adopted a specific MMoP.<sup>27</sup> The ACR required a narrative and a quantitative description of the method, inputs, and scenarios used in calculating MMoP for the 2021 Procurement cycle and RPS Compliance Period 4 (2021-2024). We find that Liberty has not developed a method to establish an MMoP. California Pub. Util. Code § 399.13(a)(5)(D) requires retail sellers to procure an "appropriate minimum margin of procurement above the minimum procurement level" to mitigate the risk of delays and/or inaccurate forecasts that would cause non-compliance with RPS requirements. The Commission requires that retail sellers should develop their own methodology in identifying a MMoP as reflected in the retail seller's risk-adjusted portfolio.<sup>28</sup> Therefore, for its final RPS Plan, Liberty shall describe the risk assessment it used as part of its risk adjusted portfolio to determine the margin of excess RPS resources necessary to mitigate the risk of RPS non-

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<sup>27</sup> Liberty Plan, at 18.

<sup>28</sup> See August 2, 2012 ALJ Ruling in R.11-05-005 (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology Into The Record, and (3) Extending the Date for Filing Updates to the 2012 Procurement Plans and D.12-11-016, Attachment A, Renewable Net Short (RNS) Methodology.

compliance, support it with a method and scenarios used to estimate the margin of excess procurement, and quantify its specific MMoP.<sup>29</sup>

**Liberty shall correct its Cost Quantification table to address discrepancies or otherwise explain the discrepancies -** Liberty's Cost Quantification table contains discrepancies compared to its RNS table. Liberty should make corrections that address:

1. Table 1 and 2, bundled retail sales; 2019-2030 does not match RNS sheet variable A, "Total Retail Sales."
2. Table 3 and 4, Total RPS-Eligible Procurement does not match the RNS sheet, variable F, Total RPS Eligible procurement for 2019-2030.

If Liberty chooses not to address these discrepancies, then it should support its position with an explanation.

**Liberty shall update its Safety section to demonstrate its safety planning -**

Liberty states that it has "no incremental or special safety considerations related to any of the RPS energy procurement information provided in this RPS Plan."

As the Commission explained in its 2020 ACR, non-responsiveness on safety is not acceptable. Liberty owns two solar plants and has signaled that it is planning to invest in more utility-owned generation (UOG). At a minimum, Liberty should explain the safety measures that it implements at its existing generation facilities and plan for safety with any future UOG planning, including bid criteria and contractual language. Also, Liberty's service territory is situated in a high fire-threat region, and it should explain how its renewables procurement and planning play a role in safety, resilience, and reliability, including

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<sup>29</sup> See Section 3.3.3.6 of this decision for a detailed explanation on MMoP

coordination with other stakeholders. Liberty shall appropriately address the topics mentioned above in its final 2020 RPS Plan.

**Liberty shall include in its final 2020 RPS Plans information to comply with PU Code Sections 399.13(a)(6)(C), 399.13(a)(8) and 399.13(a)(9).**

We find Liberty's draft RPS Plans did not include a description of their bid solicitation protocol, bid selection process and evaluation methodology, and bid selection criteria as required by Pub. Util. Code § 399.13(a)(6)(C). The draft plan was missing a description of how they consider and/or provide preference to projects that provide environmental and economic benefits to communities located in areas with high socioeconomic and environmental burdens as required by Pub. Util. Code § 399.13(a)(8). Lastly, Liberty's Plan did not describe how it considers a project's best-fit attributes and the contribution to grid reliability when procuring renewables as required by Pub. Util. Code § 399.13(a)(9).

Bid selection protocols and evaluation methodologies are required by statute and the 2020 ACR. Liberty may provide past RPS solicitation materials if they do not have pro-forma/standardized documents for future solicitations. This information is necessary for the CPUC to ensure that retail sellers consider grid reliability, portfolio diversity, locational diversity, and impacts to disadvantaged communities when they conduct RPS procurement. Therefore, Liberty shall comply with the statute and include the Bid Protocol Information identified above in its final RPS Plan.

**Liberty's request to submit a Tier 3 advice letter to approve its solar and battery expansion project at its Luning facility is denied.** Pursuant to California Pub. Util. Code § 399.14, an electrical corporation must file a formal application seeking approval of UOG so that the Commission can "apply

traditional cost-of-service ratemaking" and ensure compliance for both of the following conditions:

- "(1) The eligible renewable energy resource utilizes a viable technology at a reasonable cost.
- (2) The eligible renewable energy resource provides comparable or superior value to ratepayers when compared to then-recent contracts for generation provided by eligible renewable energy resources."<sup>30</sup>

The statute is clear on requiring a formal application for eligible renewable energy resources. Therefore, we deny Liberty's request to file an advice letter seeking approval of its solar and battery expansion project.

### **3.3. CCAs and ESPs**

The decision approves the CCAs and ESPs draft 2020 RPS Plans with modifications.

The Commission reviewed 29 CCA and 13 ESP draft RPS Plans for completeness and accuracy of information. Both retail seller types exhibited similar issues in their RPS Plans. Therefore, for brevity and efficiency, the decision provides the Commission's disposition on CCAs and ESPs under this section.

We have footnoted the draft 2020 RPS Plans that serve as 'best practices' under each issue discussed in the following subsections.<sup>31</sup> Retail sellers that are

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<sup>30</sup>

[https://leginfo.Legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=PUC&division=1.&title=&part=1.&chapter=2.3.&article=16.#:~:text=399.14.,an%20eligible%20renewable%20energy%20resource.](https://leginfo.Legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=PUC&division=1.&title=&part=1.&chapter=2.3.&article=16.#:~:text=399.14.,an%20eligible%20renewable%20energy%20resource.)

<sup>31</sup> Draft 2020 RPS Plans that provide the best examples of robust risk assessment include: PG&E, Valley Clean Energy Alliance, Sonoma Clean Power Authority, Silicon Valley Clean Energy Authority, Peninsula Clean Energy, Marin Clean Energy, East Bay Community Energy, Desert Community Energy, and CleanPowerSF.

identified to provide more detailed information may refer to the RPS Plans footnoted in the specific issue.

### **3.3.1. Community Choice Aggregators (CCA)**

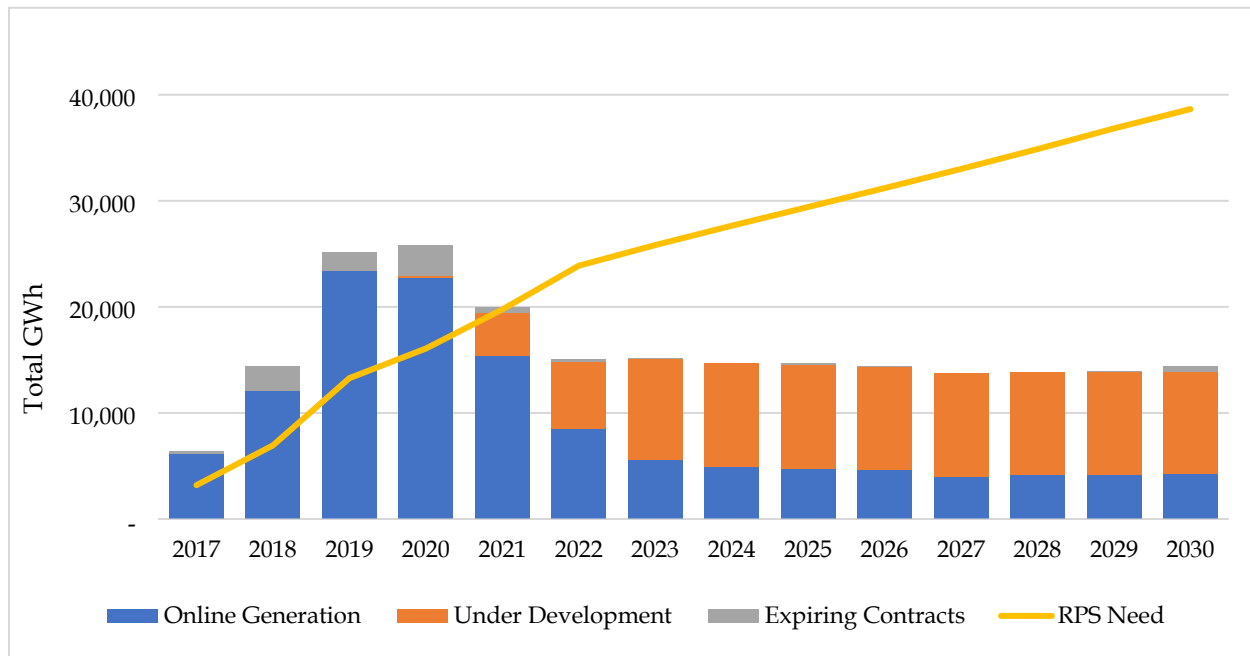
All current CCAs are identified in the Summary section of this decision. All the CCAs that were required to file draft RPS Procurement Plans did so. This Decision reviews draft RPS Plans for 29 CCAs, including CCAs currently serving retail load or planning to start serving retail load in 2021 or 2022. Together the CCAs plan to serve 55,000 GWh of retail load in 2021.

The 2020 ACR did not scope the impact of COVID -19 as an issue. However, we note that most CCAs commented on it. The comments varied in nature from a request for the Commission to intervene and work with the Legislature if there are compliance delays to CCAs monitoring the situation. We acknowledge these comments and note that the Commission is watching the situation. Likewise, the CCAs should continue to monitor the pandemic situation and take appropriate action to inform and work with the Commission staff on any potential compliance issues.

In D.19-12-042, we noted that the CCAs' share of retail sales is projected to grow from less than 10,000 GWh in 2016 to 52,000 GWh in 2023.<sup>32</sup> In this decision, we revise that estimate, and within a year, projected CCA retail sales growth in 2023 has increased to 62,000 GWh. Based on the CCAs' RNS reporting, they are expected to need additional RPS procurement beginning in 2021 collectively (*See Figure 3*).

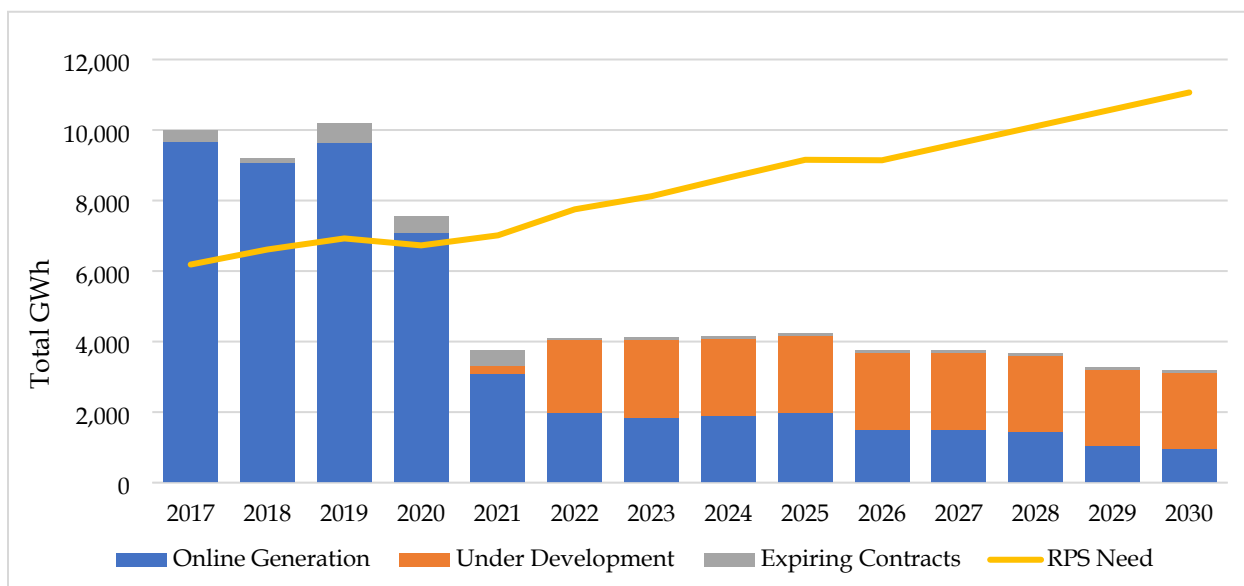
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<sup>32</sup> D.19-12-042, Section 2.

*Figure 3: Aggregated CCAs Progress Towards 60% RPS*

### 3.3.2. Energy Service Provider (ESP)

ESPs are expected to need additional procurement, starting in 2021 (*See Figure 4*). Historically, the ESPs have relied on short-term contracts to match their RPS obligation to their overall retail sales, which explains the lack of expected procurement beginning in the near term.

*Figure 4: Aggregated ESP Progress Towards 60% RPS*

### 3.3.3. CCA and ESP Related Issues to Address in the Final 2020 RPS Plans

#### 3.3.3.1. Assessment of RPS Portfolio Supplies and Demand – Long-Term Contracting

This decision requires retail sellers identified in this section to provide information on their long-term contracts and demonstrate that they have adequately planned to achieve at least 65 percent of their RPS procurement requirement from long term contracts in 2021-2024 compliance period 2021-2024.<sup>33</sup>

To verify that the retail sellers are on-track to comply with Pub. Util. Code Sections 399.13(a)(5)(A) and 399.13(b), the Commission must receive relevant information, such as the timeline for RFOs, contracting, and energy deliveries compared to the retail sellers' RPS requirements.

<sup>33</sup> Pub. Util. Code Section 399.13(b) requires 65 percent long-term requirement becomes effective for all retail sellers beginning in the 2021-2024 compliance period.

Our review of the draft 2020 RPS Plans found that some retail sellers are prudently procuring new renewables with sufficient lead-time to allow for potential delays in project development.<sup>34</sup> On the other hand, many retail sellers have not adequately addressed long-term renewable procurement. The table summarizes the Commission's findings on how well each CCA and ESP has planned for achieving their long-term contracting obligation.

<b>Table I: Forecasted Long-Term Contracting Positions for 2021-2024 Compliance Period</b>		
<b>Achieved 65% Long-Term Requirement</b>	<b>Achieved More Than 5% of Requirement but Less Than the 65% Requirement</b>	<b>No Long-Term Contracts or Less Than 5% of Long-Term Requirement</b>
CleanPowerSF	Apple Valley Choice Energy	Butte Choice Energy
Marin Clean Energy	Clean Power Alliance	City of Baldwin Park
Central Coast Community Energy	East Bay Community Energy	City of Commerce
Redwood Coast Energy Authority	Lancaster Choice Energy	City of Palmdale
Sonoma Clean Power	Peninsula Clean Energy	City of Pomona
Direct Energy Business	Pico Rivera Innovative Muni Energy	City of Santa Barbara
Shell Energy North America	Pioneer Community Energy	Clean Energy Alliance
The Regents of the University of California	Rancho Mirage Energy Authority	Desert Community Energy

<sup>34</sup> Valley Clean Energy Alliance demonstrated prudent long-term planning through the discussion of their newly executed long-term contracts, reference to ongoing solicitations for new procurement, and robust sections on risk assessment and potential compliance delays. CleanPowerSF demonstrated prudent planning by providing context beyond their statement that they are well positioned to meet the long-term contracting requirement by comparing their procurement needs to contracts executed to-date, including a graphic of commercial online dates for their various projects in development. Silicon Valley Clean Energy Authority included a table in its draft 2020 RPS Plan comparing the expected generation from executed long-term contracts to its long-term requirements, referenced ongoing solicitations for additional long-term procurement, and stated the intent for its future solicitations in 2021 and beyond for renewables and carbon-free resources to meet statewide GHG reduction targets.

	San Jacinto Power	King City Community Power <sup>35</sup>
	San José Clean Energy	San Diego Community Power
	Silicon Valley Clean Energy Authority	Solana Energy Alliance
	Valley Clean Energy Alliance	Western Community Energy
	3 Phases Renewables	American PowerNet Management
	Calpine Energy Solutions	Commercial Energy of CA
	Calpine PowerAmerica	Just Energy Solutions
	Constellation NewEnergy	EDF Industrial Power Services
	Tiger Natural Gas	

A few newer CCAs argue for additional time to procure resources needed to meet their imminent long-term RPS requirements.<sup>36</sup> We previously declined this request in D.19-12-042 because the statute does not provide for a ramp-up process for new retail sellers. Further, all retail sellers must adhere to RPS rules to meet California's statewide goals on an aggregated basis. The CPUC will continue to implement SB 155<sup>37</sup> (Bradford, 2019), inform retail sellers of their non-compliance risk annually, and provide recommendations for meeting the RPS requirements on time.

Accordingly, retail sellers' current and planned RPS portfolios should demonstrate how they intend to comply with the long-term contracting rules. All RPS Plans must include a timeline for how retail sellers will meet the 65 percent long-term procurement requirement. Simple statements that a retail

<sup>35</sup> King City Community Power provides no information on its long-term procurement.

<sup>36</sup> See draft 2020 RPS Procurement Plans of AVCE, Baldwin Park, Commerce, CEA, LCE, Palmdale, Pioneer, PRIME, Pomona, RMEA, SDCP, SJP, and Santa Barbara.

<sup>37</sup> SB 155 requires the Commission, as part of its annual RPS compliance reports review process, to (a) notify retail sellers that are at risk of not meeting the renewable procurement requirements for the current or future RPS compliance period and (b) provide recommendations regarding satisfying those requirements.

seller intends to procure adequate resources to meet the long-term procurement requirement, without providing details, is insufficient to address statutory and Commission requirements for RPS Plans. Retail sellers should cite tangible planning activities and timelines to support their claims. The use of templates and ambiguous long-term planning language is a trend that is a cause for concern for both newer CCAs with limited experience holding solicitations and contracting for long-term renewable resources, and ESPs with uncertain load forecasts.

Retail sellers identified in the table below shall update their final 2020 RPS Plans with relevant supporting information, such as results of ongoing contract negotiations and solicitations mentioned in their draft RPS Plans and a timeline for meeting long-term contracting for Compliance Period 2021-2024. Ongoing contract negotiations refer to contracts executed between the filing of the draft Plan until adopting this decision. Retail sellers should make corresponding updates to RNS worksheets, cost information, and project development status data. As non-IOU retail sellers' share of total RPS procurement ramps up over time, it is crucial that the Commission has the visibility and accurate and up-to-date information to inform decision-makers and respond to legislative inquiries.

We have identified long-term procurement planning provided in draft 2020 RPS Plans to serve as 'best practices' for CCAs and ESPs to consult with when developing their Final 2020 RPS Plans.<sup>38</sup> Although some retail sellers are on track for meeting their long-term procurement requirements as detailed in Table I, the retail sellers included in Table II need to provide updated information on their solicitations and contract negotiations that may have

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<sup>38</sup> Draft 2020 RPS Plans that provide the best examples of long-term procurement planning include CleanPowerSF, Direct Energy Business, and Valley Clean Energy Alliance.

finalized between the filing of their draft RPS Plan and the issuance of this decision.

Table II: Retail Sellers Long-Term Procurement Assessments		
Retail Seller Category	Retail Seller Name	Commission Findings - Missing Information to be Included in Final Plan
CCA	Silicon Valley Clean Energy Authority	Results of 2020 Joint Solicitation with CCCE
CCA	Central Coast Community Energy	Results of 2020 Joint Solicitation with SVCE
CCA	Marin Clean Energy	Results of 2020 Open Season RFO and ongoing contract negotiations
CCA	San José Clean Energy	Results of July 2020 RFO with PCE; Results of pending contract negotiations from 2019 RFO
CCA	San Diego Community Power	Results of June 2020 RFO; Timeline for contracting, deliveries, and future RFOs
ESP	EDF Industrial Power Services	Results of ongoing contract negotiations
CCA	Peninsula Clean Energy	Results of ongoing contract negotiations; Results of July 2020 RFO with SJCE
CCA	Lancaster Choice Energy	Results of ongoing contract negotiations; Timeline for future joint solicitations, contracting, and deliveries compared to requirements
CCA	Pico Rivera Innovative Municipal Energy	
CCA	Pioneer Community Energy	
CCA	Rancho Mirage Energy Authority	
CCA	San Jacinto Power	
ESP	Constellation NewEnergy	

CCA	Valley Clean Energy Alliance	Results of ongoing negotiations; Remove references to terminated long-term contract
CCA	Clean Power Alliance	Results of pending negotiations and 2020 Clean Energy RFO
CCA	Desert Community Energy	Results of pending negotiations from May 2020 RFO; Timeline for contracting, deliveries, and future RFOs
CCA	Solana Energy Alliance	Timeline for contracting and deliveries compared to requirements
CCA	Western Community Energy	
CCA	Apple Valley Choice Energy	Timeline for RFOs, contracting, and deliveries compared to requirements
CCA	Butte Choice Energy	
CCA	City of Baldwin Park	
CCA	City of Commerce	
CCA	City of Palmdale	
CCA	City of Pomona	
CCA	City of Santa Barbara	
CCA	Clean Energy Alliance	
CCA	East Bay Community Energy	
CCA	King City Community Power	
ESP	3 Phases Renewables	
ESP	American PowerNet Management	
ESP	Calpine Energy Solutions	
ESP	Calpine PowerAmerica	
ESP	Commercial Energy of CA	

ESP	Just Energy Solutions	
ESP	Pilot Power Group	
ESP	Tiger Natural Gas	

### 3.3.3.2. Project Development Status

In their draft 2020 RPS Plans, most CCAs and ESPs include their respective Project Development Status Update attachments. In many cases, the draft Plans only provide basic information on project development that is only marginally useful for RPS analyses.

Retail sellers have a statutory requirement to include the development schedule of all eligible renewable energy resources currently under contract in their RPS Plans.<sup>39</sup> This information is important for the Commission to monitor retail sellers' ability to meet RPS compliance obligations. Additionally, the Commission is required to report RPS capacity additions and contracts signed for new RPS projects to the Legislature. Without the information in RPS Plans, the Commission cannot accurately report to the Legislature.

Retail sellers must develop a robust narrative describing their approach for adding new renewable energy capacity to their portfolios and report any significant deviations from preceding Project Development Status attachments.<sup>40</sup>

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<sup>39</sup> Pub. Util. Code Section 399.13(a)(6)(D).

<sup>40</sup> Major deviations include projects that have been added or removed from the Project Development Status attachment.

To further support Commission oversight of the RPS program, the final RPS Plans should explain the reasons for any project delays, including but not limited to supply chain disruptions, interconnection issues, financing issues, or construction interruptions.

We have identified Project Development Status Update narratives provided in draft 2020 RPS Plans that can serve as 'best practices' for retail sellers to consult when developing their Final 2020 RPS Plan, and they include: East Bay Community Energy, CleanPowerSF, and Sonoma Clean Power Authority.

Retail sellers identified in the table below should update the Project Development Status Update section in their Final 2020 RPS Plans with an expanded narrative describing how contracted projects in development are progressing. They should also include any near-term project risks, need for system upgrades, and other applicable criteria discussed above.

**Table III- Retail Sellers Identified to Update Project Development Status**

<b>Retail Seller Category</b>	<b>Retail Seller Name</b>
CCA	Central Coast Community Energy
CCA	City of Baldwin Park
CCA	City of Commerce
CCA	City of Palmdale
CCA	City of Pomona
CCA	Clean Power Alliance
CCA	Lancaster Choice Energy
CCA	Pico Rivera Innovative Municipal Energy

CCA	Pioneer Community Energy
CCA	Rancho Mirage Energy Authority
CCA	Redwood Coast Energy Authority
CCA	San Jacinto Power
CCA	San José Clean Energy
CCA	Silicon Valley Clean Energy Authority
ESP	Calpine PowerAmerica
ESP	Constellation NewEnergy

#### **3.3.3.3. Compliance Delay**

No retail seller has reported any expected RPS compliance delays. Most CCAs noted that they expect to meet the State's RPS requirements and would inform the Commission if that status changed in the future. However, many ESPs identified potential delays in meeting future RPS requirements, such as long-term contracting and increasing RPS quantities, may impact compliance delays. The Commission will continue to monitor potential compliance delays reported in the RPS Plans pursuant to Pub. Util. Code § 399.13(a)(6)(B) and conditions described Pub. Util. Code § 399.15(b)(5) to evaluate enforcement waiver requests.

#### **3.3.3.4. Risk Assessment**

The decision rejects the practice of applying a zero percent failure rate to both new and existing renewable generation. The retail sellers identified in Table IV below shall, in their final RPS Plans, demonstrate a more robust risk assessment strategy that realistically assesses risk and justifies the adopted failure rate.

Section 399.13(a)(6)(F) requires an assessment of the risk that an eligible renewable energy resource will not be built, or that construction will be delayed or reduced in size, with the result that electricity will not be delivered as required by the contract.

GPI filed comments addressing the risk assessments provided in CCAs' and ESPs' RPS Plans. In opening comments on the RPS Plans, GPI expressed concern that CCAs have increasing responsibility for California load but have yet to prove their ability to conduct a thorough risk assessment.<sup>41</sup> GPI believes that CCAs are overly confident in new RPS projects meeting anticipated commercial online dates for energy deliveries expected to meet both long-term contracting requirements and RPS procurement needs in 2021. In response to the risk assessments included in ESPs' RPS Plans, GPI objects to reliance on procurement from existing resources to mitigate the risk of less than an expected eligible renewable generation.

In reply comments on the RPS Plans, CalChoice asserts that solicitations administered in 2020 by CalChoice on behalf of CCAs are intended to identify additional long-term renewable supply opportunities and states that future solicitations will supplement existing long-term supply commitments to promote compliance with RPS procurement requirements.

We agree with GPI that most ESPs' reliance on existing facilities is not an adequate strategy to mitigate the risk of project failure. However, we are encouraged to see the joint solicitations and innovative procurement strategies employed by many CCAs.

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<sup>41</sup> See GPI Comments filed on July 29, 2020.

Our review of the CCAs' and ESP's risk assessment section finds that some retail sellers are reporting an arbitrary or zero percent failure rate without adequate justification. We also find that many retail sellers plan to contract only with existing generation to mitigate compliance risk, without demonstrating that this strategy is adequate to ensure compliance. Many retail sellers rely on seller/developer track record without consideration of market risks (supply chain issues, Covid-19 impacts, regional issues, and natural disasters).

We reject the practice of applying zero percent failure rates to both new and existing renewable generation, without citing any underlying or historical data to support the assumption. This is an especially concerning trend for newer retail sellers with limited experience contracting renewable resources and serving retail load. A more in-depth discussion of failure rates is considered in a later section on RNS reporting.

We have identified risk assessments provided in draft 2020 RPS Plans to serve as 'best practices' for retail sellers to consult when developing their Final 2020 RPS Plan.<sup>42</sup> In Final 2020 RPS Plans, retail sellers shall update their risk assessments to address the Commission findings as shown in the table below.

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<sup>42</sup> Draft 2020 RPS Plans that provide the best examples of robust risk assessment include: PG&E, Valley Clean Energy Alliance, Sonoma Clean Power Authority, Silicon Valley Clean Energy Authority, Peninsula Clean Energy, Marin Clean Energy, East Bay Community Energy, Desert Community Energy, and CleanPowerSF.

<b>Table IV - Summary of Retail Sellers' Risk Assessments</b>	
<b>CCA</b>	<b>Commission Finding</b>
Apple Valley Choice Energy	Discussion should explain how the reliance on developer track record and an arbitrary planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
Butte Choice Energy	Although retail seller is not yet serving load, risk assessment should include more concrete risk policies, definitive contracting criteria, and a conclusive margin of over-procurement. System reliability should also be considered in risk assessment.
City of Baldwin Park	Discussion should explain how the reliance on developer track record and the adopted planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
City of Commerce	Discussion should explain how the reliance on developer track record and the adopted planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
City of Palmdale	Discussion should explain how the reliance on developer track record and the adopted planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
City of Pomona	Discussion should explain how the reliance on developer track record and the adopted planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.

City of Santa Barbara	Discussion should explain how the reliance on developer track record and an arbitrary planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
Clean Energy Alliance	Discussion should explain how the reliance on developer track record and an arbitrary planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. Risk assessment should discuss how the retail seller will meet RPS obligations in the case that its recent renewable energy solicitation does not result in any contracted resources. System reliability should also be considered in risk assessment.
East Bay Community Energy	Discussion should explain how the expectation of procuring unspecified excess renewable energy to exceed RPS obligations is considered in mitigating the risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
King City Community Power	Although retail seller currently has no RPS resources under contract, risk assessment should include more concrete risk policies, definitive contracting criteria, and a conclusive margin of over-procurement. System reliability should also be considered in risk assessment.
Lancaster Choice Energy	Discussion should explain how the reliance on developer track record and an arbitrary planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
Pico Rivera Innovative Municipal Energy	Discussion should explain how the reliance on developer track record and an arbitrary planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required

	by the contract. System reliability should also be considered in risk assessment.
Pioneer Community Energy	Discussion should explain how the reliance on developer track record and an arbitrary planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
Rancho Mirage Energy Authority	Discussion should explain how the reliance on developer track record and an arbitrary planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
San Jacinto Power	Discussion should explain how the reliance on developer track record and an arbitrary planning reserve is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
San José Clean Energy	Discussion should include the role that over-procurement, discussed in other RPS Plan sections, plays in the retail seller's risk assessment. System reliability should also be considered in risk assessment.
<b>ESP</b>	<b>Commission Finding</b>
3 Phases Renewables	Discussion should explain how the reliance on existing generation and the identified amount of over-procurement is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
American PowerNet Management	Discussion should explain how the reliance on existing generation and an undefined market-based risk strategy is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.

Calpine Energy Solutions	Risk assessment should include more concrete risk policies and definitive contracting criteria.
Calpine PowerAmerica	Risk assessment should discuss how the retail seller will meet RPS obligations in the case that its RPS projects in development should lead to delayed or not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
Commercial Energy of CA	Risk assessment should include more concrete risk policies, definitive contracting criteria, and how the retail seller will meet RPS obligations in the case that its RPS projects in development should lead to delayed or not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
Constellation NewEnergy	Risk assessment should include more concrete risk policies and how the retail seller will meet RPS obligations in the case that its existing RPS projects or projects in development should generate delayed or not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
EDF Industrial Power Services	Discussion should explain how the reliance on existing generation is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. An expended discussion of system reliability impacts should be included in the risk assessment.
Just Energy Solutions	Risk assessment should be greatly expanded to include more concrete risk policies, definitive contracting criteria, and how the retail seller will meet RPS obligations in the case that its RPS projects in development should lead to delayed or not receiving electricity deliveries as required by the contract. Discussion of system

	reliability should be expanded in risk assessment.
Pilot Power Group	Discussion should explain how the reliance on existing generation is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. An expanded discussion of system reliability impacts should be included in the risk assessment.
Shell Energy North America	Risk assessment should discuss how the retail seller will meet RPS obligations in the case that its RPS projects in development should lead to delayed or not receiving electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.
Tiger Natural Gas	Discussion should explain how the reliance on existing generation is sufficient to mitigate risk of not receiving electricity deliveries as required by the contract. An expanded discussion of system reliability impacts should be included in the risk assessment.
The Regents of the University of California	Risk assessment should be expanded to include more concrete risk policies and how the retail seller will meet RPS obligations in the case that its existing RPS projects should generate less than expected electricity deliveries as required by the contract. System reliability should also be considered in risk assessment.

### 3.3.3.5. Renewable Net Short Calculation (RNS)

This decision requires retail sellers identified in this section to address the following issues for their final 2020 RPS Plans: (a) update the RNS calculation worksheet with failure rates based on the risk assessment of their RPS net short for “online” and “in development” RPS generation; (b) support the proposed failure rates in the spreadsheet with a narrative, and (c) remove the RNS calculations entries in the "pre-approved generic REC" category.

We find that some retail sellers made two discrete errors while responding to this section –(a) did not provide the relevant failure rates, (b) incorrectly used "Pre-Approved Generic RECs" category.

Regarding the need to provide relevant failure rates – the Renewable Net Short Calculation spreadsheet includes two failure rate variables, one for “online RPS facilities”<sup>43</sup> and a second for “RPS Facilities in Development.”<sup>44</sup> We find that many retail sellers with procurements under the above two categories did not provide associated failure rates, and for those that did, the supporting rationale was often missing, inadequate, or unclear. Without accounting for potential project failures, retail sellers risk overestimating RPS supplies and falling short of requirements. Pursuant to the 2014 RNS Ruling in R.11-05-005 (2014 RNS Ruling), “Risk-Adjusted RECs from Online RPS Facilities” is defined as “Risk-adjusted RPS generation (RECs) from projects currently under contract and online.” Likewise, “Risk-adjusted Forecast RECs from RPS Facilities in Development” is defined as “RPS Generation (RECs) forecast to come online, which is risk-adjusted using the retail seller’s own internal project viability analysis. This includes RECs from all RPS projects that have an executed contract.” To mitigate this risk, the 2020 ACR required that each plan “shall include an assessment of the risk that an eligible renewable energy resource will not be built,” and required that both RNS calculations include failure rates for both Online and In Development projects.

Regarding the issue of "Pre-Approved Generic RECs," these are linked to the Renewable Net Short Calculation sheet.<sup>45</sup> As defined in the 2014 RNS Ruling,

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<sup>43</sup> Variable Faa on row 14 of RNS sheet.

<sup>44</sup> Variable Fbb on row 16 of RNS sheet.

<sup>45</sup> Variable Fc on RNS sheet.

Pre-approved Generic RECs are: "RPS generation (RECs) from the Commission's pre-approved RPS procurement programs such as Renewable Auction Mechanism (RAM) solicitations, Renewable Feed-in-Tariff (FIT), SB 1122, and Solar Photovoltaic Programs (SPVP)." Fourteen CCAs included entries under this category in their draft 2020 RPS plans. Staff inquiries found that the category had been used to record RPS procurement contracts that the CCAs intend to execute in the future. As this usage is not in line with the category definition and IOUs are the only retail sellers eligible to participate in the listed programs, these REC entries are not valid and cannot be counted towards meeting a CCA's RPS mandates. In Final 2020 RPS Plans, as listed in the table below, retail sellers are required to update their RNS calculations to remove entries in the "pre-approved generic REC" category.

In Final 2020 RPS Plans as listed in the table below, retail sellers shall link their risk assessment to their RPS net short for online and in development generation. It includes both updating their RNS calculations sheet with 'online' or 'in development' failure rates if they have associated procurement, as well as ensuring that section 7 of the procurement plan, "Risk Assessment," provides the narrative rationale behind the modeling approaches, including articulation of failure rate methodology, thus supporting the quantified failure rates in the spreadsheet.

We have identified risk assessments provided in draft 2020 RPS Plans to serve as 'best practices' for retail sellers to consult with developing their Final 2020 RPS Plan.<sup>46</sup>

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<sup>46</sup> Draft 2020 RPS Plans that provide the best examples of failure rate risk assessments include: San Diego Gas & Electric Company, Southern California Edison Company, Redwood Coast Energy Authority, Central Coast Community Energy, and Direct Energy Business

As noted in the table below, a few RNS spreadsheet submissions also contained excel errors and should be corrected by the retail seller in its Final RPS Plan.

**Table V - Renewable Net Short Calculation based on Risk Assessment**

CCA	Commission Finding
Apple Valley Choice Energy	Improper use of "Pre-Approved Generic REC's" Needs failure rates for online and in-development procurement with supporting discussion
City of Baldwin Park	Improper use of "Pre-Approved Generic REC's"
City of Commerce	Improper use of "Pre-Approved Generic REC's"
City of Palmdale	Improper use of "Pre-Approved Generic REC's"
City of Pomona	Improper use of "Pre-Approved Generic REC's"
City of Santa Barbara	Improper use of "Pre-Approved Generic REC's"
Clean Energy Alliance	Improper use of "Pre-Approved Generic REC's"
Clean Power Alliance	Needs failure rates for online generation with supporting discussion Correct excel error in RPS sheet- Variable Fb, "Risk-Adjusted REC's from RPS Facilities in Development (MWh)" in the CP4 and CP5 columns is a fixed value instead of the sum of the previous years
East Bay Community Energy	Discussion must clearly explain methodology for determining failure rates for online generation and facilities in development.
King City Community Power	Discussion must clearly explain methodology for determining online generation failure rates
Lancaster Choice Energy	Improper use of "Pre-Approved Generic REC's" Needs failure rates for procurement with supporting discussion
Marin Clean Energy	Improper use of "Pre-Approved Generic REC's" Needs failure rates for online generation with supporting discussion
Peninsula Clean Energy	Provides a good explanation on project risk but does not support it with failure rates. Needs failure rates for online and in-development procurement
Pico Rivera Innovative Municipal Energy	Improper use of "Pre-Approved Generic REC's" Needs failure rates for online and in-development procurement with supporting discussion
Pioneer Community Energy	Improper use of "Pre-Approved Generic REC's"

	Needs failure rates for online and in-development procurement with supporting discussion
Rancho Mirage Energy Authority	Improper use of "Pre-Approved Generic REC's" Needs failure rates for online and in-development procurement with supporting discussion
San Diego Community Power	Improper use of "Pre-Approved Generic REC's"
San Jacinto Power	Improper use of "Pre-Approved Generic REC's" Needs failure rates for online and in-development procurement with supporting discussion
San José Clean Energy	Needs failure rates for online and in-development procurement with supporting discussion
Silicon Valley Clean Energy Authority	Discussion must clearly explain methodology for determining failure rates for online generation and facilities in development
Valley Clean Energy Alliance	Risk adjustments to expected generation should be displayed separately in variable Faa/Fbb, rather than incorporated into line Fa/Fb.
<b>ESP</b>	<b>Commission Finding</b>
3 Phases Renewables	Discussion must clearly explain methodology for determining online generation failure rates
American PowerNet Management	Discussion must clearly explain methodology for determining online generation failure rates
Calpine Energy Solutions	Discussion must clearly explain methodology for determining online generation failure rates
Calpine PowerAmerica	Needs failure rates for online and in-development procurement with supporting discussion
Commercial Energy of CA	Needs failure rates for online and in-development procurement with supporting discussion
Constellation NewEnergy	Needs failure rates for online and in-development procurement with supporting discussion
EDF Industrial Power Services	Correct excel error in RPS sheet- Failure rates for "online" and "in-development" generation were reversed.
Just Energy Solutions	Discussion must clearly explain methodology for determining online generation failure rates
Pilot Power Group	Discussion must clearly explain methodology for determining online generation failure rates
Shell Energy North America	Discussion must clearly explain methodology for determining online generation failure rates

Tiger Natural Gas	Discussion must clearly explain methodology for determining online generation failure rates
The Regents of the University of California	Discussion must clearly explain methodology, with risk adjustments to expected generation displayed separately in variable Faa/Fbb, rather than incorporated into variable Fa/Fb. Correct excel error in RPS sheet - Variable Gb, 'Annual Gross RPS Position (%)' in the CP4 and CP5 columns, is blank instead of reflecting the expected percentage

### 3.3.3.6. Minimum Margin of Procurement (MMoP)

This decision requires the retail sellers identified in this section to

- (a) Quantify MMoP from eligible RPS on an annual basis for the next 10 years;
- (b) Describe MMoP methodology based on Risk Assessment that supports quantified MMoP within Risk-adjusted portfolio, and
- (c) Make commensurate adjustments to RNS Table, risk-adjusted portfolio.

We find that some RPS Plans had no or limited information on MMoP, and thus fail to comply with the ACR. We require the CCAs and ESPs, identified later in this section, to provide the complete MMoP information for the final 2020 RPS Plan submission.

Section 399.13(a)(5)(D) directs the Commission to adopt for retail sellers a MMoP to include in renewable energy procurement plans. The Commission previously directed retail sellers to propose their own methodology for determining MMoP and clarified the MMoP should be reflected in the retail seller's risk-adjusted portfolio.<sup>47</sup> The Commission's 2014 RNS Ruling also provides clear direction on how retail sellers should incorporate MMoP to

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<sup>47</sup> See August 2, 2012 ALJ Ruling in R.11-05-005 (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology Into The Record, and (3) Extending the Date for Filing Updates to the 2012 Procurement Plans and D.12-11-016, Attachment A, Renewable Net Short (RNS) Methodology pp 2-3.

develop their risk-adjusted portfolios, distinct from a voluntary margin of over-procurement.<sup>48</sup>

However, many retail sellers failed to include an MMoP in their RPS Plans and most did not provide the methodology used to determine the proposed MMoP. The retail sellers who do not consider a MMoP tend to fall into two categories: those whose procurement goals exceed the RPS<sup>49</sup> and those that set arbitrary MMoPs without explaining how the value was determined. Some retail sellers also state they will use their bank of RECs to mitigate risks. None of these approaches are adequate. The minimum amount of over-procurement that is necessary to mitigate risk of project delay or cancellation must be quantified and justified.

In their comments on the proposed decision, the Joint CCA Parties state that many of these CCAs report their MMoP as the percentage by which their locally-adapted targets exceed the statutory minimum.<sup>50</sup> The Commission does not disagree with that approach. However, Section 399.13(a)(5)(D) requires a minimum margin over the minimum procurement and is further guided by the RNS Methodology to develop risk-adjusted portfolios. Locally-adopted targets that exceed statute are a local policy mechanism that may aid in mitigating risk. Retail sellers have to show the bases of risk analysis that inform the Commission

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<sup>48</sup> See R.11-05-005 Administrative Law Judge's Ruling on Renewable Net Short, May 21, 2014. .

<sup>49</sup> For example, several CCAs state in their Draft 2020 RPS Plans that their procurement above the annual RPS requirement is a buffer that functions as their MMoP, including Clean Power Alliance (at 15-16), East Bay Community Energy (at 22), Peninsula Clean Energy (at 22-24), Silicon Valley Clean Energy Authority (at 28-29), San José Clean Energy (at 16-17), Marin Clean Energy (at 27), and Sonoma Clean Power Alliance (at 20).

<sup>50</sup> See December 31, 2020 Comments of the Joint CCA Parties on 2020 RPS Plans at 6.

whether RPS Portfolios are on-track to meet the State's policy and reliability goals.

Accordingly, we order retail sellers to appropriately update their Plans with a risk-informed MMoP following Commission direction and clearly explain their MMoP methodology as described above. Retail sellers should provide the following information in the narrative of its MMoP section:

- Quantifiable MMoP, such as a percentage above the RPS requirement for the ten years covered in the RPS Plan.
- The MMoP methodology utilized.
- Commensurately, update its RNS table related to its risk-adjusted portfolio, if needed.

The table below identifies retail sellers required to modify the MMoP section of their Plans commensurate with guidance provided in this section. For the best practice of approaching the MMoP section, we point retail sellers to the 2020 RPS Procurement Plan of CleanPowerSF.

<b>Table VI – MMoP Findings and Corrective Action Needed</b>	
Describe MMoP methodology to support the proposed quantified MMoP within Risk-adjusted portfolio; Make commensurate adjustments to RNS Table, risk-adjusted portfolio entries	Quantify MMoP from eligible RPS on an annual basis for the next 10 years, support with a risk-informed methodology; Make commensurate adjustments to RNS Table, risk-adjusted portfolio entries
<b>CCAs</b>	
Apple Valley Choice Energy City of Baldwin Park City of Commerce City of Palmdale City of Pomona Lancaster Choice Energy Pioneer Community Energy Rancho Mirage Energy Authority San Jacinto Power Western Community Energy	Valley Clean Energy Alliance Clean Energy Alliance Butte Choice Energy Central Coast Community Energy City of Santa Barbara Clean Power Alliance Desert Community Energy East Bay Community Energy King City Community Power Marin Clean Energy Peninsula Clean Energy Pico Rivera Innovative Municipal Energy San Diego Community Power San José Clean Energy Silicon Valley Clean Energy Authority Solana Energy Alliance Sonoma Clean Power
	<b>ESPs</b>
	3 Phases Renewables American PowerNet Management Calpine Energy Solutions Calpine PowerAmerica Commercial Energy of CA Direct Energy Business EDF Industrial Power Services
	Just Energy Solutions Pilot Power Group Shell Energy North America
	Tiger Natural Gas The Regents of the University of California

### **3.3.3.7. Bid Solicitation Protocol – Least Cost Best Fit**

This decision rejects retail sellers' assertions that guidance in Section 5.10 of the 2020 ACR relating to Pub. Util. Code § 399.13 applies only to IOUs. This decision requires retail sellers identified in this section (Table VII) to include in their final 2020 RPS Plans information per the three Pub. Util. Code Sections identified here- (a) Description of their bid solicitation protocol, bid selection process and evaluation methodology, and bid selection criteria (Pub. Util. Code § 399.13(a)(6)(C)); (b) Description of how they consider and/or provide preference to projects that provide environmental and economic benefits to communities located in areas with high levels of socioeconomic and environmental burdens (Pub. Util. Code § 399.13(a)(8)); and (c) Description of how they consider a project's best-fit attributes and the contribution to grid reliability when procuring renewables (Pub. Util. Code § 399.13(a)(9)).

#### **3.3.3.7.1. Pub. Util. Code § 399.13(a)(6)(C) – Bid Solicitation Protocol**

We find several retail sellers did not comply with Pub. Util. Code § 399.13(a)(6)(C), which requires them to provide a bid solicitation protocol to set their need for eligible RPS resources under each deliverability type (peaking/non-peaking/baseload), set online dates, and locational preferences. The 2020 ACR also required all retail sellers to describe their bid selection process/evaluation methodology, consistent with D.04-07-029, D.11-04-030, D.12-11-016, D.14-11-042, and D.16-12-044.

Non-complying retail sellers<sup>51</sup> contend that the bid solicitation protocol (including least-cost best-fit methodologies) requirement only applies to IOUs.

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<sup>51</sup> See Table VII below for a list of CCAs and ESPs that have not provided bid solicitation protocols, consistent with Pub. Util. Code § 399.13(a)(6)(C).

Some retail sellers' RPS Plans provided ambiguous and non-responsive information, while some provided no details on bid solicitation protocol.

We reject the assertion that the guidance in Section 5.10 of the 2020 ACR applies only to IOUs. Sections 399.12(j)(2) and (3) unambiguously require that CCAs and ESPs "shall participate in the [RPS] program subject to the same terms and conditions applicable to an electrical corporation." RPS Plans of retail sellers listed in Table VII must address Pub. Util. Code § 399.13(a)(6)(C) by including bid solicitation information setting forth the need for eligible renewable energy resources of each deliverability characteristic, required online dates, and locational preferences, if any.

**3.3.3.7.2. PU Code § 399.13(a)(8) –  
Disadvantaged Communities  
Considerations**

Pursuant to Pub. Util. Code § 399.13(a)(8) and the 2020 ACR, retail sellers should describe how their solicitations give preference to RPS projects that provide environmental and economic benefits to communities with high levels of socioeconomic and environmental burdens.<sup>52</sup> The ACR also directed retail sellers to describe how their procurement evaluation methodologies address state policies on equity, safety, and economic development.

Several CCAs, including but not limited to: Clean Power Alliance, East Bay Community Energy, Marin Clean Energy, Peninsula Clean Energy, Pioneer Community Energy, Redwood Coast Energy Authority, San José Clean Energy, and Valley Clean Energy Alliance explicitly consider DACs, equity, and

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<sup>52</sup> 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 greenhouse gases.

economic development in their least-cost best-fit evaluations, consistent with Pub. Util. Code § 399.13(a)(8) and the 2020 ACR. On the other hand, some retail sellers simply provide boilerplate responses that acknowledge the need to consider DACs in the future but do not explain how DACs will be considered in their procurement process. Some retail sellers also state that their service territory is not located in a DAC, and they fail to address Pub. Util. Code § 399.13(a)(8) and Section 10 in the 2020 ACR altogether.

Some retail sellers again argue that they are only required to comply with a portion of the RPS program. As pointed out above, (*see, e.g.*, footnote 1 above) Sections 399.12(j)(2) and (3) unambiguously require that CCAs and ESPs “shall participate in the [RPS] program subject to the same terms and conditions applicable to an electrical corporation.” Thus, such responses are inconsistent with the statute and the ACR.

We also reject the assertion that if a retail seller does not have a DAC in their service territory, they are not required to provide information on how DACs are considered in their procurement. All retail sellers must include a description of how they consider and/or provide preference to projects that provide environmental and economic benefits to communities located in areas with high levels of socioeconomic and environmental burdens.

#### **3.3.3.7.3. Pub. Util. Code § 399.13(a)(9) – Best-Fit Attributes**

The 2020 ACR and Pub. Util. Code § 399.13(a)(9) also requires all retail sellers to include the “best fit” attributes used to evaluate bids.<sup>53</sup> For example, when evaluating bids in their solicitations, retail sellers should consider at a

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<sup>53</sup> Pub. Util. Code § 399.13(a)(9) states – In soliciting and procuring eligible renewable energy resources, each retail seller shall consider the best-fit attributes of resource types that ensure a balanced resource mix to maintain the reliability of the electrical grid.

minimum the following attributes: energy and capacity value, congestion cost, locational preference potential for curtailment, and operational flexibility that will ensure a balanced resource mix to maintain the reliability of the electrical grid.

As demonstrated in Draft 2020 RPS Plans, some retail sellers are prudently procuring new renewables by evaluating a project's best-fit attributes listed above for their portfolios and considering the project's contribution to grid reliability.<sup>54</sup> However, in their draft 2020 RPS Plans, most ESPs stated that Pub. Util. Code § 399.13(a)(9) applies only to IOUs. This is an incorrect interpretation of the statute; as stated above, CCAs and ESPs "shall participate in the [RPS] program subject to the same terms and conditions applicable to an electrical corporation." Thus, all retail sellers must demonstrate that they consider the best-fit attributes of various resource types to ensure a balanced resource mix to serve their load and contribute to their portfolio's reliability. The CCAs and ESPs listed in Table VII must address Pub. Util. Code § 399.13(a)(9) by describing how they consider best-fit attributes. If the retail sellers do not currently consider best-fit attributes when procuring RPS resources, they must provide a framework for how they will approach incorporating best-fit attributes into their RPS procurement planning in the future.

In the Final 2020 RPS Plans, the retail sellers identified in the tables below shall update Section 10 in their Final RPS Plans to conform to Pub. Util. Code § 399.13(a)(6)(C), Pub. Util. Code § 399.13(a)(8), Pub. Util. Code

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<sup>54</sup> Draft 2020 RPS Plans that provide the best examples of responses that meet the statute and the ACR include but are not limited to: Pacific Gas & Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Peninsula Clean Energy and Valley Clean Energy Alliance.

§ 399.13(a)(9), the ACR guidance, and this decision. Retail sellers listed in the below table should provide the missing information related to their bid selection protocols and evaluation methodologies, evaluation criteria, solicitation materials, best-fit attributes, and approach to giving preference to renewables in DACs, as described above.

As additional guidance, we have identified the 2020 RPS Plans of individual retail sellers that serve as “best practices” for revising Section 10 of the Final 2020 RPS Plans.<sup>55</sup> The following retail sellers are required to make modifications to their Final RPS Plans as determined in the Commission Finding below.

**Table VII – Bid Solicitation Protocol and Commission Findings**

CCA	Commission Finding
Butte Choice Energy	Address Pub. Util. Code § 399.13(a)(6)(C) and Pub. Util. Code § 399.13(a)(8); Include bid solicitation protocols and evaluation criteria
City of Baldwin Park	
City of Commerce	
City of Palmdale	
City of Pomona	
City of Santa Barbara	
Clean Energy Alliance	
Solana Energy Alliance	
San Diego Community Power	
King City Community Power	Address Pub. Util. Code § 399.13(a)(6)(C), Pub. Util. Code § 399.13(a)(9)

<sup>55</sup> Draft 2020 RPS Plans that provide the best examples of responses that meet the statute and the ACR include but are not limited to: Pacific Gas & Electric, Southern California Edison, Clean Power Alliance, CleanPowerSF, Peninsula Clean Energy, and Valley Clean Energy Alliance.

Apple Valley Choice Energy	Address Pub. Util. Code 399.13(a)(8)
Central Coast Community Energy	
Lancaster Choice Energy	
Pico Rivera Innovative Municipal Energy	
Pioneer Community Energy	
Rancho Mirage Energy Authority	
San Jacinto Power	
Silicon Valley Clean Energy Authority	
Sonoma Clean Power	Address Pub. Util. Code § 399.13(a)(6)(C); Include bid solicitation protocols and evaluation criteria
Western Community Energy	

ESP	Commission Finding
3 Phases Renewables	Address Pub. Util. Code § 399.13(a)(8)
American PowerNet Management	Address Pub. Util. Code § 399.13(a)(6)(C), Pub. Util. Code § 399.13(a)(8) and Pub. Util. Code § 399.13(a)(9); Include bid solicitation protocols and evaluation criteria
Commercial Energy of CA	Address Pub. Util. Code § 399.13(a)(6)(C), Pub. Util. Code § 399.13(a)(8) and Pub. Util. Code § 399.13(a)(9); Include bid solicitation protocols and evaluation criteria
Calpine Energy Solutions	

Tiger Natural Gas	Address Pub. Util. Code § 399.13(a)(6)(C), Pub. Util. Code § 399.13(a)(8) and Pub. Util. Code § 399.13(a)(9)
Constellation NewEnergy	Address Pub. Util. Code § 399.13(a)(8)
Calpine PowerAmerica	Address Pub. Util. Code § 399.13(a)(6)(C), Pub. Util. Code § 399.13(a)(8) and Pub. Util. Code § 399.13(a)(9)
Direct Energy Business	
EDF Industrial Power Services	
Just Energy Solutions	
Pilot Power Group	
Shell Energy North America	
The Regents of the University of California	Pub. Util. Code § 399.13(a)(6)(C); Include bid solicitation protocols and evaluation criteria

### 3.3.3.8. Safety

The 2020 ACR directed the retail sellers to describe how they incorporate safety considerations into their RPS planning and procurement decisions. The ACR provided relevant safety issues to address, including vegetation management, wildfire mitigation efforts, decommissioning facilities at the end of useful life, potential climate change impacts and design for adaptation, impacts during Public Safety Power Shut-off (PSPS) events, and forest biomass procurement.<sup>56</sup>

In the draft 2020 RPS Plans, some retail sellers provided sufficient detail to describe their safety considerations, but most retail sellers did not meet the ACR

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<sup>56</sup> 2020 ACR at 26.

requirements. Most retail sellers did not show adequate safety measures considered in their procurement process and failed to address the specific safety-related topics included in the ACR. Some retail sellers simply omitted any mention of safety considerations in their procurement process. The safety sections of many retail sellers' draft RPS Plans are boilerplate and shift accountability to developers and facilities for handling safety measures.

Retail sellers should not shift the entire burden of safety considerations onto facility developers or contractual counterparties. Given the importance of safety in energy procurement, all retail sellers should treat safety considerations as a responsibility.

The RPS Plans of retail sellers identified in Table VIII gives us limited insight into their renewable procurement safety planning practices.

AReM's comments on the proposed decision urge the Commission to eliminate safety requirements for ESPs for wildfire safety, decommissioning facilities, climate change impacts, vegetation management, and Public Power Shut Offs (PSPS) because the ESPs do not control these events.<sup>57</sup> The comments further state that to require that their contracts address these issues at this time will be counterproductive and potentially harmful to efforts to negotiate contracts for new resources. We disagree with AReM's comments. Pursuant to D.13-11-024, entities filing RPS Procurement Plans are required to submit safety information. Pub. Util. Code 399.11 requires that procurement of renewable energy resources contribute to a "safe and reliable" operation of the electric grid. The Commission clarifies that it does not require retail sellers to implement safety measures at the renewable generation facility. Wildfire safety, PSPS

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<sup>57</sup> See December 31, 2020, Comments of the AReM on the Proposed Decision on 2020 RPS Plan at 10.

events are important evolving safety trends that all retail sellers in California need to plan for proactively. We understand ESPs may not have control over certain events like PSPS shut offs, but they still must plan to respond to those kind of events. ESPs are encouraged to review the RPS Plans of Peninsula Clean Energy and Sonoma Clean Power to learn how these entities incorporate safety elements in evaluating their renewable procurements.

Retail sellers should be responsive to the ACR on vegetation management, wildfire mitigation, PSPS actions, forest biomass procurement, and, where applicable facility decommissioning.

Comments on the proposed decision suggest that not all retail sellers have policies and plans for all the safety strategies mentioned above. This decision requires retail sellers to update their final 2020 RPS Plans and indicate to the Commission that they will be establishing safety strategies, covering the areas mentioned above, in the 2021 RPS Plan cycle for the 10-year horizon. It is particularly essential for retail sellers that own (or have ownership agreements), build, operate, or maintain generation facilities, though retail sellers that contract with developers also must satisfy these criteria.

If retail sellers do not own or operate renewable resources under contract then they must demonstrate in their final 2020 RPS Plan how they will incorporate safety measures into their future RPS procurement process. We have identified safety sections provided in draft 2020 RPS Plans to serve as ‘best practices’ for retail sellers to consult when developing their Final 2020 RPS Plan.<sup>58</sup>

**Table VIII – Safety Measures and Commission Findings**

CCA	Commission Findings
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<sup>58</sup> Draft 2020 RPS Plans that provide the best examples of robust safety sections include: Pacific Gas and Electric, Peninsula Clean Energy and Sonoma Clean Power.

Apple Valley Choice Energy	Insufficient response on wildfire safety, decommissioning facilities, climate change impacts, vegetation management and PSPS events.
Butte Choice Energy	Insufficient response on wildfire safety, decommissioning facilities, climate change impacts, vegetation management and PSPS events.
Central Coast Community Energy	Insufficient response on wildfire safety and PSPS events.
City of Baldwin Park	Insufficient response on wildfire safety, decommissioning facilities, climate change impacts, vegetation management and PSPS events.
City of Commerce	
City of Palmdale	
City of Pomona	
City of Santa Barbara	
Clean Energy Alliance	
CleanPowerSF	
Desert Community Energy	
East Bay Community Energy	
King City Community Power	
Lancaster Choice Energy	
Pioneer Community Energy	
Rancho Mirage Energy Authority	
Redwood Coast Energy Authority	
San Diego Community Power	
San Jacinto Power	
San José Clean Energy	Insufficient response on decommissioning facilities and climate change impacts.
Silicon Valley Clean Energy Authority	Insufficient response on wildfire safety, decommissioning facilities, climate change impacts, vegetation management and PSPS events
Solana Energy Alliance	
Valley Clean Energy Alliance	Insufficient response on decommissioning facilities.
Western Community Energy	Insufficient response on wildfire safety, decommissioning facilities, climate change impacts, vegetation management and PSPS events
<b>ESP</b>	<b>Commission Findings</b>

3 Phases Renewables	Insufficient response on wildfire safety, decommissioning facilities, climate change impacts, vegetation management and PSPS events
American PowerNet Management	
Calpine Energy Solutions	
Calpine PowerAmerica	
Commercial Energy of CA	
Constellation NewEnergy	
Direct Energy Business	
EDF Industrial Power Services	
Just Energy Solutions	
Shell Energy North America	
Tiger Natural Gas	
Pilot Power Group	
The Regents of the University of California	

### 3.3.3.9. Curtailment, Forecasting and Costs

This decision requires the retail sellers, identified in this section, to provide an expanded curtailment analysis that meets the criteria outlined in the ACR for Final 2020 RPS Plan submissions. RPS Plans submitted with no or limited curtailment assessment do not comply with the ACR.

In D.14-11-042, the Commission approved curtailment terms for the IOUs' *pro forma* contracts and required additional information about curtailment in annual RPS Procurement Plans and regular reporting to Procurement Review Groups. Other retail sellers, however, are not required to seek Commission approval for standard contract terms, including curtailment provisions, highlighting the importance of complete and in-depth assessments of curtailment, forecasting, and costs in those retail sellers' RPS Plans. In D.19-12--042, the Commission ordered all Load Serving Entities to analyze the impact of

economic curtailment, overgeneration or oversupply events on their resource portfolios in their future Renewables Portfolio Standard Procurement Plans.<sup>59</sup>

Accordingly, the ACR required all retail sellers to address the following issues specifically:

- i. Factors having the most impact on the projected increases in incidences of overgeneration and negative market price hours;
- ii. A written description of quantitative analysis of the forecast of the number of hours per year of negative market pricing for the next ten years;
- iii. Experience, to date, with managing exposure to negative market prices and or lessons learned from other retail sellers in California;
- iv. Direct costs incurred, to date, for incidences of overgeneration and associated negative market prices; and,
- v. An overall strategy for managing the overall cost impact of increasing incidences of overgeneration and negative market prices.

We find that most CCAs attempted to address curtailment in their RPS Plans by analyzing their efforts to predict and manage curtailment and negative price events more accurately. We have identified a set of curtailment analyses in draft 2020 RPS Plans to serve as ‘best practices’ for retail sellers when developing their Final 2020 RPS Plans.<sup>60</sup>

Some ESPs claim that they are not responsible for curtailment events because they do not own the generation facilities. Though it is true that generators often take curtailment risk and pricing into account when contracting

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<sup>59</sup> See D.12-12-042, OP 20.

<sup>60</sup> Draft 2020 RPS Plans that provide the best examples of robust assessments of curtailment frequency, cost, and forecasting include CleanPowerSF, Peninsula Clean Energy, and Sonoma Clean Power.

their generation and that ESPs do not have operational control of the facility, ESPs should explain how they plan for potential curtailment and their approach to contractual terms with generators to protect them from the risk of curtailment. It is not sufficient for retail sellers to merely shift their obligation to consider curtailment impacts to third-party generators.

In the Final 2020 RPS Plans, retail sellers listed below should show how expected economic curtailment affects their RPS planning while addressing the Commission findings in the table below.

<b>Table IX Summary of Retail Sellers' Assessment of Curtailment, Forecasting and Costs</b>	
<b>CCA</b>	<b>Commission Finding</b>
Butte Choice Energy, City of Baldwin Park, City of Commerce, City of Palmdale, the City of Pomona, City of Santa Barbara, Clean Energy Alliance, King City Community Power, San Diego Community Power, San Jose Clean Energy, Solana Energy Alliance	Insufficient description of the quantitative analysis of the forecast of the number of hours per year of negative market pricing for the next 10 years.
Clean Power Alliance, King City Community Power, Solana Energy Alliance	Insufficient description of experience, to date, with managing exposure to negative market prices and or lessons learned from other retail sellers in California.
<b>ESP</b>	<b>Commission Finding</b>
American PowerNet Management, Calpine Energy Solutions, Calpine PowerAmerica, Commercial Energy, Just Energy Solutions, Pilot	Insufficient description of the quantitative analysis of the forecast of the number of hours per year of negative market pricing for the next 10 years.

Power Group, Shell Energy North America	
American PowerNet Management, Calpine PowerAmerica, Commercial Energy, Constellation NewEnergy, Just Energy Solutions, Pilot Power Group, Shell Energy North America, Tiger Natural Gas	Insufficient description of experience, to date, with managing exposure to negative market prices and or lessons learned from other retail sellers in California.

### 3.3.3.10. Cost Quantification

This decision requires Western Community Energy and Desert Community Energy to submit Cost Quantification sheets and other retail sellers, as listed in this section, to modify or update their RPS Plans to either correct or explain discrepancies between the submitted renewable net short calculations and Cost Quantification sheets.

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

We find that Western Community Energy and Desert Community Energy did not provide native file, unredacted Cost Quantification sheets as part of their draft 2020 RPS Plans.

We find four CCAs, namely, Cities of Baldwin, Commerce, Palmdale, and Pomona, submitted blank cost quantification sheets. These four CCAs are not yet serving load, so it is understandable for them to not report past retail sales in

Table 1, and since they have not procured RECs, Tables 3 and 4 would not have information either. However, for planning purposes, the CCAs should provide retail sales forecast in Table 2, which should match their renewable net short calculations worksheet. In those cases where there is no sales or procurement, the retail seller should enter "0" instead of leaving the cell empty, to avoid any confusion.

Additionally, the Commission review found several cost data inconsistencies, such as where the values of Cost and renewable net short calculation worksheets did not align. The table below lists the CCAs and ESPs with Commission Findings on missing and/or cost data discrepancies. The retail sellers should review and correct or explain the differences in the Final RPS Plan.

**Table X – Cost Quantification and Commission Findings**

CCA	Commission Finding
Apple Valley Choice Energy	Table 4 is consistent if “Pre-Approved Generic RECs” are removed from REC sheet
Butte Choice Energy	Table 2, bundled retail sales; 2022-2030 does not match RNS sheet variable A, “Total Retail Sales”
Central Coast Community Energy	Table 3, variable 13, “RPS-Eligible Sales” does not match RNS sheet variable Fe “Executed REC Sales” for 2019
City of Baldwin Park	Blank Cost Sheets - Table 2, bundled retail sales; 2021-2030 does not match RNS sheet variable A, “Total Retail Sales”
City of Commerce	
City of Palmdale	
City of Pomona	
City of Santa Barbara	Table 2, bundled retail sales; 2021-2030 does not match RNS sheet variable A, “Total Retail Sales” Table 4 is consistent if “Pre-Approved Generic RECs” are removed from REC sheet
Clean Energy Alliance	RNS report, Eligible Procurement (Row 19), should be consistent with Cost sheet

Clean Power Alliance	Table 3, variable 14, Total RPS-Eligible Procurement does not match RNS sheet, variable F, Total RPS Eligible procurement for 2019 Table 4, the sum of variable 14 and 28 (all RPS-Eligible deliveries) does not match RNS sheet variable F, "Total RPS Eligible procurement" for 2021-2030
CleanPowerSF	Table 2, bundled retail sales; 2021-2030 does not match RNS sheet variable A, "Total Retail Sales" Table 3 Total RPS-Eligible Procurement, and Table 4, the sum of variable 14 and 28 (all RPS-Eligible deliveries) does not match RNS sheet, variable F, Total RPS Eligible procurement for 2017-2030
Desert Community Energy	Missing Cost Sheet
East Bay Community Energy	Table 3, variable 14, Total RPS-Eligible Procurement does not match RNS sheet, variable F, Total RPS Eligible procurement for 2018
King City Community Power	Correct or explain the listing of UOG in Table 1 and Table 3
Lancaster Choice Energy	Table 4 is consistent if "Pre-Approved Generic RECs" are removed from REC sheet
Marin Clean Energy	Table 3, variable 13, "RPS-Eligible Sales" does not match RNS sheet variable Fd "Executed REC Sales" for 2017-2019 Table 4 is consistent if "Pre-Approved Generic RECs" are removed from REC sheet
Pico Rivera Innovative Municipal Energy	Table 4 is consistent if "Pre-Approved Generic RECs" are removed from REC sheet
Pioneer Community Energy	Table 4 is consistent if "Pre-Approved Generic RECs" are removed from REC sheet
Rancho Mirage Energy Authority	Table 4 is consistent if "Pre-Approved Generic RECs" are removed from REC sheet
Redwood Coast Energy Authority	Table 3, variable 14, Total RPS-Eligible Procurement does not match RNS sheet, variable F, Total RPS Eligible procurement for 2019 Table 4, the sum of variable 14 and 28 (all RPS-Eligible deliveries) does not match RNS sheet

	variable F, "Total RPS Eligible procurement" for 2021-2030
San Diego Community Power	RNS report, Eligible Procurement (Row 19), should be consistent with Cost sheet
San Jacinto Power	Table 4 is consistent if "Pre-Approved Generic RECs" are removed from REC sheet
San José Clean Energy	Table 1, bundled retail sales; 2019 does not match RNS sheet variable A, "Total Retail Sales" Table 2 and Table 4, 2020-2021 data not filled in Table 4, the sum of variable 14 and 28 (all RPS-Eligible deliveries) does not match RNS sheet variable F, "Total RPS Eligible procurement" for 2020-2030
Silicon Valley Clean Energy Authority	Table 3, variable 14, Total RPS-Eligible Procurement does not match RNS sheet, variable F, Total RPS Eligible procurement for 2017-2018 Table 4, the sum of variable 14 and 28 (all RPS-Eligible deliveries) does not match RNS sheet variable F, "Total RPS Eligible procurement" for 2020-2030
Sonoma Clean Power	Table 3, variable 14, Total RPS-Eligible Procurement does not match RNS sheet, variable F, Total RPS Eligible procurement for 2018
Valley Clean Energy Alliance	Table 1 and 2, bundled retail sales; 2019-2030 does not match RNS sheet variable A, "Total Retail Sales"
Western Community Energy	Missing Cost Sheet

ESP	Commission Finding
3 Phases Renewables	Table 3, Row 20: Total RPS-eligible procurement values (2017-2019) do not match RNS report row 19: Total RPS eligible procurement. Table 3, Row 11: Unbundled RECs (2017-2018) values do not match RNS report row 23: Category 3 RECs Table 4, Row 25: Unbundled RECs (2021-2030) values do not match RNS report row 23, Category 3 RECs

Calpine Energy Solutions	Tables 3 and 4, Total RPS-eligible procurement/deliveries is not consistent with RNS report, Row F, Total RPS Eligible Procurement
Calpine PowerAmerica	Table 1 is not filled in. Table 2, Row 15, Bundled Retail Sales is not complete Tables 3 and 4, Total RPS-eligible procurement/deliveries is not consistent with RNS report, Row F, Total RPS Eligible Procurement
Direct Energy Business	Table 1 and 2, bundled retail sales; 2018-2020 does not match RNS sheet variable A, "Total Retail Sales" Table 4, variable 27, "RPS-Eligible Sales" does not match RNS sheet variable Fd "Executed REC Sales" for 2021 Table 3 Total RPS-Eligible Procurement, and Table 4, the sum of variable 14 and 28 (all RPS-Eligible deliveries) does not match RNS sheet, variable F, Total RPS Eligible procurement for 2017-2030
EDF Industrial Power Services	Table 2, bundled retail sales; 2022-2030 does not match RNS sheet variable A, "Total Retail Sales" Table 3, variable 14, Total RPS-Eligible Procurement does not match RNS sheet, variable F, Total RPS Eligible procurement for 2017 Table 4, the sum of variable 14 and 28 (all RPS-Eligible deliveries) does not match RNS sheet variable F, "Total RPS Eligible procurement" for 2020
Just Energy Solutions	Table 3, variable 14, Total RPS-Eligible Procurement does not match RNS sheet, variable F, Total RPS Eligible procurement for 2017-2018
Shell Energy North America	Table 1 and 2, bundled retail sales; 2017-2019 does not match RNS sheet variable A, "Total Retail Sales" Table 3 Total RPS-Eligible Procurement, and Table 4, the sum of variable 14 and 28 (all RPS-Eligible deliveries) does not match RNS sheet, variable F,

	Total RPS Eligible procurement for 2018-2019, 2021-2030
Tiger Natural Gas	Table 1 RPS procurements categories do not match Table 3 RPS procurement categories 2017 actual RPS Eligible procurement does not agree with quantity in RNS report 2020 total RPS-Eligible deliveries do not agree with quantity in RNS report Table 4, Row 25: Unbundled REC values do not match RNS report row 23, Category 3 RECs
The Regents of the University of California	Although Table 3 totals match RNS sheet variable E, REC sales do not match RNS sheet variable Fe. Table 4, 2020 unbundled rec purchase does not match 2020 RNS value. Total is similarly inconsistent. Table 4, from 2021 and on, RPS generation amounts are not consistent with RNS online generation (Variable Fa)

### **3.3.3.11. Integrated Resource Planning (IRP) - Conformance**

This decision requires retail sellers identified in this section to submit comprehensive information on IRP-RPS conformance in their final RPS Plans. We find that retail sellers presented a varying degree of information as they waited to file their IRPs. Now that the IRPs are filed, we require the identified retail sellers to update their RPS Plans by incorporating the applicable criteria discussed in this section.

RPS procurement planning and IRP share several renewable energy procurement goals and require substantial resource planning through 2030. SB 100 has accelerated the RPS requirement to 60 percent retail sales from RPS eligible resources by 2030 and a planning goal of generating 100 percent of the state's electricity from carbon-free resources by 2045. While each IRP cycle is designed to assess the 2030 GHG emission planning target for the electric sector

and identify the optimal mix of electricity resources to meet state GHG emissions and reliability goals, RPS reporting requirements are intended to provide a holistic view into each retail sellers' planning and procurement strategies and to address the State's renewable energy goals and satisfy RPS requirements. Multi-year IRP cycles in the IRP proceeding<sup>61</sup> serve as the primary venue for resource planning for the electric sector. However, the Commission directed retail sellers in the 2020 ACR to provide a thorough narrative in their annual RPS Plans that describe the overlap of their respective RPS obligations and resources identified in their Conforming Portfolios.<sup>62</sup>

In draft 2020 RPS Plans, only a few retail sellers provided sufficient detail to describe the RPS-eligible resource needs identified in preliminary results of their Conforming Portfolios. The majority of retail sellers declined to provide details on their Conforming Portfolios, asserting that their IRP filings were due after submitting their draft 2020 RPS Plans.

The Administrative Law Judge's Ruling Finalizing Load Forecasts and Greenhouse Gas Benchmarks for Individual 2020 IRP Filings and Assigning Procurement Obligations Pursuant to D.19-11-016<sup>63</sup> was issued on April 15, 2020, providing sufficient time for retail sellers to review and plan for their procurement needs to meet IRP's 46 MMT and 38 MMT scenarios. The June 24, 2020 E-mail Ruling Denying the Joint Motion to Modify 2020

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<sup>61</sup> R.20-05-003.

<sup>62</sup> Retail sellers are required to produce and submit at least two Conforming Portfolios in their 2020 IRPs. Referred to as the Preferred Conforming Portfolios, retail sellers must provide one portfolio that emits their proportional share of the 46 MMT GHG target and another that achieve emissions that are equal to or less than their proportional share of a 38 MMT GHG target. *See* IRP filing requirements overview: [ftp://ftp.cpuc.ca.gov/energy/modeling/Filing\\_Requirements\\_Overview.pdf](ftp://ftp.cpuc.ca.gov/energy/modeling/Filing_Requirements_Overview.pdf).

<sup>63</sup> <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M333/K160/333160852.PDF>.

Renewables Portfolio Standard Plan Schedule and Modifying Schedule of Review to Accommodate Revisions to Table 4 of the Assigned Commissioner and Administrative Law Judge's Ruling<sup>64</sup> also noted that retail sellers RPS and IRP plans should be on a consistent trajectory to meet the state goals.

In Final 2020 RPS Plans, retail sellers are required to provide a complete analysis of the RPS-eligible resources identified in their Conforming Portfolios that support compliance with the RPS and meet the 2030 GHG emissions benchmarks assigned to retail sellers in the current IRP cycle.<sup>65</sup> Retail sellers identified in the table below are required to modify their Final 2020 RPS Plans as determined in the Commission Finding. We have identified a few IRP conformance analyses in draft 2020 RPS Plans to serve as 'best practices' for retail sellers when developing their Final 2020 RPS Plans.<sup>66</sup>

<b>Table XI - These retail sellers shall file updated and comprehensive IRP-RPS Conforming information in the final 2020 RPS Plan</b>	
<b>CCA</b>	<b>ESP</b>
Apple Valley Choice Energy	3 Phases Renewables
Butte Choice Energy	Calpine Energy Solutions
Central Coast Community Energy	Calpine PowerAmerica
City of Baldwin Park	Commercial Energy of CA
City of Commerce	Constellation NewEnergy
City of Palmdale	EDF Industrial Power Services
City of Pomona	Just Energy Solutions
City of Santa Barbara	Pilot Power Group
Desert Community Energy	Shell Energy North America

<sup>64</sup> <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M341/K370/341370408.PDF/>.

<sup>65</sup> See Table 1: Load Forecast and GHG Emissions Benchmarks by LSE.  
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M333/K160/333160852.PDF>.

<sup>66</sup> Draft 2020 RPS Plans that provide the best examples of robust IRP conformance analyses include: East Bay Community Energy, Valley Clean Energy Alliance, and Western Community Energy.

King City Community Power	The Regents of the University of California
Lancaster Choice Energy	Tiger Natural Gas
Marin Clean Energy	
Peninsula Clean Energy	
Pico Rivera Innovative Municipal Energy	
Pioneer Community Energy	
Rancho Mirage Energy Authority	
Redwood Coast Energy Authority	
San Diego Community Power	
San Jacinto Power	
San José Clean Energy	
Silicon Valley Clean Energy Authority	
Solana Energy Alliance	
Sonoma Clean Power	

### 3.3.3.12. Confidentiality

The motions for confidentiality of retail sellers named in Table XII are partially approved. The Commission reviewed draft RPS Plans to ensure retail sellers did not excessively redact information in the RNS calculations and Cost sheets. The decision orders CCAs and ESPs identified in the table below to correct their excess redactions in their final 2020 RPS Plans.

Retail sellers may request redactions for forecast information for 2020-2023 and historical price information for 2019. All redaction requests outside of this period must be supported by their motion to file under seal, citing specific reasons tied to a suitable matrix category in an Appendix to D.06-06-066.

The underlying principle of confidentiality per the 2020 ACR and D.06-06-066 is about making information publicly accessible to the greatest extent possible, while protecting certain market-sensitive information. As such, the

party seeking confidentiality protection for data in RPS Plans must make claims consistent with the confidentiality matrices in D.06-06-066, as amended. The party seeking confidentiality bears the burden of proof. Rulemaking 05-06-040 directs the IOUs to use Appendix 1, the IOU Matrix, while ESPs and CCAs must use Appendix 2, the ESP Matrix. The applicable categories include:

- Detailed load forecasts (a year ahead) - Front three years of forecast data is confidential.
- Recorded (Historical) Data and Information – Electric data made public after one year.
- RPS Contracts - Contract summaries are public, including: counterparty, resource type, location, capacity, expected deliveries, delivery point, length of the contract, and online date. Other terms are confidential for three years or until one year following expiration, whichever comes first.

Additionally, the IOU Matrix contains Category VI(B) for Utility Bundled Net Open (Long or Short) Position.

Per the above categories, the renewable net short spreadsheet should not be redacted before one year or after three, with some allowances for the bank to prevent back-calculation. Referring to the Tables in the Cost spreadsheet of the RPS Plans, any redactions in Table 1 and Table 2 outside of the 2019-2023 period should not include the bundled sales amount. Table 3 and Table 4 should also not be redacted outside of 2019-2023, including RPS types' breakdown. For the project development status sheet, most of the data categories are included in the list of RPS Contract information that must be public.

We find some retail sellers have excessively redacted the information, thus disregarding prior Commission guidance. The table below lists retail sellers for whom CPUC review found unauthorized redactions. Final 2020 RPS plans must be revised to comply with the guidance in D.06-06-066.

<b>Table XII – Confidentiality Redactions and Commission Findings</b>	
<b>CCA</b>	<b>Commission Finding</b>
Clean Power Alliance	RNS sheet: Excess redactions after 2023 Cost sheet: Excess redactions in Tables 3 and 4
Desert Community Energy	Cost sheet: Excess redactions in Table 4
East Bay Community Energy	RNS sheet: Excess redaction of 2024
Redwood Coast Energy Authority	Cost sheet: Excess redactions in Table 3 and Table 4
Solana Energy Alliance	Cost sheet: Excess redactions in Table 3 and Table 4
Western Community Energy	Cost sheet: Excess redactions in Table 4
<b>ESP</b>	<b>Commission Finding</b>
3 Phases Renewables	RNS sheet: Excess redactions after 2023 Cost sheet: Excess redactions in Table 2
Calpine PowerAmerica	RNS sheet: Excess redactions before 2019 and after 2023 Cost sheet: Complete redaction is unacceptable Project Development Status: Excess Redactions beyond Project Name and Location
Constellation NewEnergy	Excess redactions and citing non-matrix categories
EDF Industrial Power Services	RNS sheet: Excess redactions after 2023
Shell Energy North America	RNS sheet: Excess redactions before 2019 Cost sheet: Excess redactions in Table 1 and Table 3
Tiger Natural Gas	RNS sheet: Excess redactions after 2023 Excess Redactions in Table 2

**3.3.3.13. Tiger Natural Gas, Inc., American PowerNet Management, LP and Just Energy Requests to not file Final RPS Plan and Waiver from Future RPS Compliance**

Today's decision grants, in part, the December 31, 2020 motion by Tiger Natural Gas, Inc. (Tiger) entitled *Motion of Tiger Natural Gas for exemption from*

*RPS Procurement Plan Filing Requirements.*<sup>67</sup> We will not require Tiger to file an annual procurement plan in the future pursuant to § 399.13(a)(1). We deny Tiger's request not to file an updated final 2020 RPS Plan. We also reject a similar request from American PowerNet Management, LP (APN) and Just Energy to not file final 2020 RPS Plan. These ESPs are required to file their updated final 2020 RPS Plans as directed below.

Tiger, APN, and Just Energy are ESPs that served retail load in California in 2020.

Tiger filed a motion indicating that as of January 1, 2021, Tiger will not serve any Direct Access customers in California.<sup>68</sup> Tiger requests that it be excused from filing a final 2020 RPS Plan and requests further that it be exempted from the filing requirements for future RPS Procurement Plan until it resumes offering Direct Access service to California customers.<sup>69</sup>

APN<sup>70</sup> and Just Energy<sup>71</sup> filed comments on the proposed decision stating that they will no longer serve load after 2020, they have no plans to undertake any procurement, renewable or otherwise, in 2021 or beyond. They request that the proposed decision be modified to exempt them from any requirement to submit a final 2020 RPS Plan or any future RPS plans.

The information filed by all three ESPs that they will no longer serve load beyond 2020 is a new fact and is not part of the record in this decision. Pursuant to Commission's Rules of Practice and Procedure 14.3 (C) we deny the request.

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<sup>67</sup> See Tiger Natural Gas Comments on PD at 3.

<sup>68</sup> *Id.*

<sup>69</sup> See Tiger Natural Gas Comments on PD at 4.

<sup>70</sup> See American PowerNet Management Comments on PD at 1.

<sup>71</sup> See Just Energy Comments on PD at 2.

All three ESPs shall file their updated final 2020 RPS Plans as required by the decision. The final RPS Plans may be updated to reflect their future status on not serving retail load in California.

We approve Tiger's request for exemption from the filing requirements for future RPS Procurement Plan until it resumes offering Direct Access service to customers in California. Since Tiger is not serving load in the near future, it is not required to purchase renewable energy under the Commission's RPS Program. Therefore, as long as Tiger does not serve retail load and remain a registered ESP, we will not require future annual procurement plan (2021 and beyond) to be filed in pursuant to § 399.13(a)(1). This waiver only applies to the RPS Procurement Plans filing requirement. Tiger must continue to file annual RPS compliance reports.

APN and Just Energy refer to past decisions as a basis for the Commission to grant them a waiver to file future RPS Plans. In D.13-11-024, the Commission clearly directed ESPs to file a motion when seeking a provisional waiver from the future RPS compliance requirements.<sup>72</sup> Moreover, comments filed on a proposed decision do not help support a clean record in the proceeding on provisional waivers for RPS compliance. To seek a future waiver, a retail seller must follow due process and file a proper motion seeking a provisional waiver from future RPS compliance.

To further reduce administrative burdens, we encourage the ESPs to consider seeking permission to withdraw their registration if they have no near-term plans to serve load.

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<sup>72</sup> See D.13-11-024 at 67.

### **3.4. Citation Program for RPS Procurement Plans**

This decision orders the expansion of the RPS Citation Program to include citations for late draft RPS Procurement Plan filings and late and/or deficient final RPS Procurement Plan filings. Energy Division Staff should develop a staff proposal to add RPS Procurement Plans to the existing RPS Citation Program by July 2021. In developing the proposal, the Energy Division Staff should also consider Commission Appellate Rules, the existing IRP citation program, and recently adopted CPUC Enforcement Policy.<sup>73</sup>

The current RPS Compliance Citation Program does not include fines for late or deficient RPS Procurement Plans. Per Pub. Util. Code Sections 702, 2102, 2015, 2017, 2108, and 2114, the CPUC is authorized to enforce compliance with the RPS program. The RPS Citation Program is initially -administered by the CPUC's Energy Division Staff to enforce compliance with RPS reporting requirements.<sup>74</sup> The RPS Citation Program includes fines for non-compliance with CPUC requirements for submission of RPS Compliance Reports and non-responsiveness to requests for information by Staff related to RPS Compliance Reports.<sup>75</sup> If Compliance Reports are not timely filed or requested information is not provided to Staff within 10 days, the Staff is authorized to penalize the retail seller as specified in Appendix A to Resolution E-4720. Since the RPS Citation Program was implemented, there has been a decrease in late submitted

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<sup>73</sup> See Resolution ALJ-377 for Citation Appellate Rules, Resolution E-5080 for the IRP Citation Program and Resolution M-4846 for the CPUC's Enforcement Policy.

<sup>74</sup> See [E-4257](#) and [E-4720](#) for more information on the specifics of the RPS Citation Program.

<sup>75</sup> The citation program applies to retail sellers subject to the Commission's RPS reporting requirements. Staff has the authority to draft and issue citations and levy fines for specific violations as set forth in Appendix A of E-4720.

Compliance Reports and increased responsiveness to Staff requests for information and compliance documentation.

In addition to the annual RPS Compliance Reports, retail sellers must also submit annual RPS Procurement Plans (Pub. Util. Code Section 399.13(a)(1)). As the state heads toward 100 percent carbon-free energy, the information provided in retail sellers' RPS Procurement Plans is necessary to provide the CPUC, the Legislature, and the public with a complete picture of the State's RPS procurement to support electric reliability and development of new renewable generation. The 2020 ACR proposed expanding the current RPS Citation Program to include the authority to issue citations for late draft RPS Plans and non-compliant and late final RPS Plans. This decision finds that expanding the Citation Program to include RPS Procurement Plans will support the Commission and parties by ensuring retail sellers submit complete and responsive RPS Plans on time.

In comments and replies to the ACR submitted on July 29 and August 5, parties supported Citation Program expansion to include RPS Procurement Plans. The following parties filed comments on the proposal to expand the Citation Program presented in the 2020 ACR: AReM; AWEA-California; Joint CCAs; Joint IOUs; and Shell Energy. Cal Advocates filed reply comments. Parties recognized that an expanded Citation Program could deter non-compliance and ensure that RPS Plans are responsive to Commission orders.<sup>76</sup>

The Joint IOUs, Joint CCAs, AReM, and Shell Energy state that retail sellers should be allowed to cure RPS Plan deficiencies identified in the RPS Plans Decision both before and after the citation process is initiated. AWEA

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<sup>76</sup> Joint IOUs at 2, Joint CCAs at 1 and 3, AReM at 2, AWEA at 5, Shell Energy at 2-3, Cal Advocates at 2.

supports the CPUC's efforts to develop clear and predictable compliance protocols that apply at the beginning and end of a compliance period.<sup>77</sup> Cal Advocates states that the CPUC should issue a full proposal for party comment that outlines standards for each section of the Plan for which retail sellers can be penalized for deficiencies.<sup>78</sup>

Therefore, we order the expansion of the RPS Citation Program to include the enforcement of late draft RPS Procurement Plan filings and late and/or deficient final RPS Procurement Plan filings. The Commission directs Energy Division to develop a comprehensive and practical proposal to incorporate late draft, late or deficient final RPS Procurement Plans into the RPS Citation Program. The Energy Division should consider the parties' initial comments in the development of the Staff Proposal. The Director of Energy Division is authorized to publish a Resolution with the Staff Proposal for public comments by July 1, 2021. The final Staff Proposal may be adopted via a Commission Resolution for the next applicable RPS Procurement Plan cycle.

#### **4. Comments on Proposed Decision**

The proposed decision of ALJ Lakhanpal in this matter was mailed to the parties in accordance with Section 311 of the Pub. Util. Code and comments were allowed under Rule 14.3 of the Rules. Comments were filed on December 31, 2020 by American PowerNet, AReM, AWEA-CA, BVES, Cal Advocates, Cal Choice Energy Authority, East Bay Community Energy, GPI, Joint CCAs, Just Energy, Liberty, MCE, PacifiCorp, PG&E, SCE, SDG&E, Shell Energy North America, and UC Regents.

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<sup>77</sup> AWEA at 5.

<sup>78</sup> Cal Advocates at 3.

Reply comments were filed on January 5, 2021 by Cal Advocates, GPI, Joint CCAs, PG&E, SBUA, SCE, and SDG&E.

All comments and reply comments have been considered and, where appropriate, revisions have been incorporated into this decision.

## **5. Assignment of Proceeding**

Clifford Rechtschaffen is the assigned Commissioner, and Carrie Sisto and Manisha Lakhanpal are the co-assigned ALJs in this proceeding.

## **Findings of Fact**

1. The three IOUs--PG&E, SCE, and SDG&E--have adequate RPS-eligible generation contracted for the next several years with no need to hold procurement solicitations for added RPS resources in 2021.
2. PG&E and SDG&E do not request to hold RPS solicitations to purchase RPS volumes for the period covered by the 2020 RPS Procurement Plans.
3. SCE requests approval for an option to hold RPS procurement solicitation based on a preliminary analysis in its IRP.
4. PG&E's, SCE's, and SDG&E's aggregate Renewable Net Short (RNS) reporting shows a need for additional procurement starting in 2026.
5. PGE's, SCE's, and SDG&E's share of retail sales is expected to decrease from approximately 150,000 GWh in 2017 to 82,000 GWh in 2023, primarily due to the proliferation of CCAs.
6. CCA's share of retail sales is projected to grow from less than 10,000 GWh in 2016 to 62,000 GWh in 2023.
7. PG&E's price floor methodology for its general REC Sales Solicitations, as described in Appendix H of PG&E's Draft 2020 RPS Plan, is reasonable and prudent.

8. PG&E requests not to provide information on its time-of-use (TOU) rate periods in its RPS Plans.

9. PG&E and SCE have data discrepancies in their spreadsheets for the RNS calculations, Project Development Status Update, and Cost Quantification.

10. SCE's proposed REC Sales limit is higher than its authorized per-vintage year volume limits approved in D.19-12-042.

11. SCE and SDG&E did not quantify an MMoP and establish a link between the MMoP and RNS calculations in their respective draft RPS Plans.

12. SCE's and SDG&E's respective draft 2020 RPS Plans did not explain in detail the safety protocols on wildfire mitigation and vegetation management beyond their BioRAM contracts.

13. SDG&E seeks approval to use a Tier 1 Advice Letter as the mechanism to seek Commission approval of its REC sales agreements of up to 10 years.

14. Cal Advocates comments that D.14-11-042 limits the use of Tier 1 Advice Letters for CPUC approval to REC sales agreements with term lengths of five years or less.

15. SDG&E does not describe any new Lessons Learned since its previous RPS Procurement Plan.

16. With the exceptions noted above, the three IOUs' draft 2020 RPS Plans contain the required elements of the 2020 ACR.

17. PGE's, SCE's, and SDG&E's confidential redactions are consistent with the confidentiality matrices in D. 06-06-066 and reasonable.

18. The three SMJUs, BVES, PacifiCorp, and Liberty, will need to procure additional RPS eligible resources after 2020.

19. The draft 2020 RPS Plans submitted by the three SMJUs, BVES, PacifiCorp and Liberty, do not contain all the required elements of the 2020 ACR.

20. PacifiCorp and Liberty have Cost Quantification data discrepancies in their respective RNS worksheets.

21. We find BVES did not provide complete information per the ACR's requirement on - failure rates for online generation facilities, a quantifiable MMoP, and an MMoP methodology with scenarios.

22. It is reasonable to require BVES to update the status of its solar utility-owned generation A.19-03-008 in its final 2020 RPS Plan.

23. PacifiCorp supports its 2020 RPS Plan with references to information in its 2019 IRP.

24. We find PacifiCorp did not provide complete information per the ACR's requirement to establish a quantifiable MMoP, an MMoP methodology with scenarios, a description of their bid solicitation protocol, and the bid selection process and evaluation methodology, and bid selection criteria, and its safety protocols.

25. We find that Liberty may be at risk of being short on its procurement target for the compliance period 2017-2020.

26. We find that Liberty did not meet the ACR's criteria on the following issues – demonstrating long-term contracting requirement, describing its risk assessment strategy, failure rates for online generation facilities, establishing a quantifiable MMoP, its safety protocols; and bid solicitation protocol.

27. We do not find Liberty's request to use an advice letter mechanism to seek approval for expanding its solar and storage battery capital project is reasonable.

28. Based on the RNS reporting, the CCAs and ESPs are projected to need additional RPS procurement beginning in 2021.

29. The draft 2020 RPS Plans submitted by the 29 CCAs and 13 ESPs do not completely satisfy all the elements required in the 2020 ACR.

30. It is reasonable for CCAs and ESPs to update their RPS Plans to comply with the statute and the 2020 ACR requirements.

31. We find that several CCAs and ESPs did not provide a risk failure rate for new and existing renewable generation facilities.

32. The practice of applying a zero percent risk failure rate to both new and existing renewable generation by some CCAs and ESPs is not reasonable.

33. Some CCAs and ESPs rely on existing or over-procured generation to mitigate the risk of not receiving electricity deliveries as required by their contract.

34. We find that some CCAs have incorrectly used the "pre-approved generic REC" category in the RNS worksheet to record RPS procurement contracts that they intend to execute in the future.

35. It is not reasonable for CCAs and ESPs to use over-procured RPS resources or banked RECs as a substitute to MMoP or to set an arbitrary MMoP without proper supporting analyses.

36. We disagree with the argument presented by some retail sellers that information under Section 5.10 of the 2020 ACR relating to Pub. Util. Code § 399.13 on least-cost best fit methodology applies to IOUs only.

37. Some CCAs and ESPs have not met their safety protocol requirement.

38. Retail sellers' failure to consider the potential impacts and costs of curtailment events or discuss ways to manage those impacts is unduly risky and unreasonable because they do not own the generation facilities.

39. We find that Western Community Energy and Desert Community Energy did not submit cost quantification worksheets.

40. There are cost quantification discrepancies in some CCAs' and ESPs' data, which does not align with their RNS calculations.

41. Some CCAs and ESPs did not provide conforming information between their IRP and RPS proceedings.

42. Redacting RPS related forecast information outside of 2020-2023 and historical price information for 2019 is not reasonable.

43. Tiger Natural Gas is an ESP that served retail load in California in 2020.

44. Tiger Natural Gas will not serve retail load after December 31, 2020.

45. It is reasonable to expand the current RPS Citation Program's authority to issue citations for late Draft RPS Plans and non-compliant and late Final RPS Plans.

46. Evidentiary hearings are not necessary for this proceeding.

### **Conclusions of Law**

1. Each IOU, CCA, and ESP remains responsible for meeting its RPS Program procurement requirements implemented in D.16-12-040 and D.19-06-023.

2. Based on PG&E's and SDG&E's current stated RPS compliance positions, it is reasonable to approve of PG&E's and SDG&E's requests not to hold an RPS procurement solicitation in 2021.

3. It is reasonable to approve SCE's request for an option to hold an RPS-eligible procurement solicitation in 2021 if the IRP proceeding determines a need for resource procurement.

4. Due to their long RPS positions through the current 2017-2020 compliance period, it is reasonable to authorize PG&E, SCE, and SDG&E to engage in sales of RPS volumes for the period covered by the 2020 RPS Procurement Plans.

5. This decision should approve PG&E's REC sales framework as described in Appendix H of its draft 2020 RPS Plan. The general REC sales pricing PG&E seeks is consistent with the price floor methodology adopted in D.19-02-007 and D.19-12-042.

6. According to the Commission's rules, to seek exemption from filing time-of-use information, PG&E must file a petition for modification.

7. PG&E should update its final 2020 RPS Plan with the time-of-use information and website links required in D.17-01-006 and D.19-12-024.

8. PG&E and SCE should correct or explain Cost Quantification data discrepancies in their respective final 2020 RPS Plan.

9. SCE's REC sales framework should be approved with modification. SCE's final 2020 RPS Plan should comply with its authorized per-vintage year volume limits approved in D.19-12-042.

10. SCE and SDG&E should set up their respective numeric and quantifiable MMoP and accordingly update their individual RNS calculations.

11. SCE's and SDG&E's final 2020 RPS Plans should include information related to safety protocols on wildfire mitigation and vegetation management beyond their BioRAM contracts.

12. SDG&E's REC sales framework should be approved with modifications.

13. SDG&E's request to use Tier 1 advice letters to seek approval of REC sales agreement with a term of more than five years should be denied, and instead, SDG&E should file a Tier 3 advice letter .

14. The three SMJUs, BVES, PacifiCorp, and Liberty, should plan for actions required to meet the RPS procurement requirement for compliance period 2021-2024.

15. PacifiCorp and Liberty should correct or explain Cost Quantification data discrepancies in their respective RNS worksheets.

16. BVES's final 2020 RPS Plan should provide information on failure rates for online generation facilities, a quantifiable MMoP, and a MMoP methodology with scenarios.

17. BVES should update the status of its solar utility-owned generation A.19-03-008 in its final 2020 RPS Plan.

18. PacifiCorp's final 2020 RPS Plan, which is based on its off-year IRP Supplement, should establish a quantifiable MMoP and support it with a MMoP methodology and scenarios; describe its bid solicitation protocol, bid evaluation methodology, and bid selection criteria; and its safety protocols for its RPS procurements.

19. Liberty's final 2020 RPS Plan should show evidence that it will not be short on procurement for compliance for compliance period 2017-2020.

20. In its final 2020 RPS Plan, Liberty should demonstrate its compliance towards the long-term contracting requirement, describe its risk assessment strategy, establish a quantifiable MMoP with a supporting methodology and scenarios, explain its RPS procurement-related safety policy, and provide its bid solicitation protocol.

21. Liberty should appropriately update its failure rate or provide evidence on why a zero percent failure rate for online generation facilities is suitable for RNS calculations.

22. Liberty should file a formal application per Pub. Util. Code Section 399.14 to seek approval for expanding its solar and storage battery capital project.

23. CCAs and ESPs should plan now for actions required to meet the RPS procurement requirement for compliance period 2021-2024.

24. This decision should not accept as final the Plan of any CCA or ESP with missing data. The CCAs and ESPs with missing data should be required to complete their final Plans using the 2020 ACR and the guidance given under Section 3.3. of this decision.

25. CCAs and ESPs identified in Table II, should update their final 2020 RPS Plans with relevant supporting information, such as results of ongoing contract negotiations and solicitations mentioned in their draft RPS Plans and a timeline for meeting long-term contracting for Compliance Period 2021-2024. .

26. CCAs and ESPs identified in Table III, whose draft RPS Plans do not provide a complete project development status update as required by Pub. Util. Code Section 399.13(a)(5)(D), should update their Final 2020 RPS Plans with an expanded narrative on the status of contracted projects under development, any near-term project risks, need for system upgrades, the reasons for any project delay.

27. This decision should reject the practice of applying an arbitrary or zero percent risk failure rate to both new and existing renewable generation without retail sellers providing any supporting information.

28. The final 2020 RPS Plan for CCAs and ESPs identified in Table IV – Summary of Retail Sellers’ Risk Assessment and Table V – RNS based on Risk Assessment, should establish a failure rate for online and in development generation, explain the basis of their risk assessment failure rate and support it with tangible risk policies to show how the retail seller will meet RPS obligations in the case that its existing RPS projects or projects in development are delayed or generate less than expected electricity deliveries.

29.CCAs identified in Table V should update their RNS calculations to remove RPS procurement data incorrectly entered in the "pre-approved generic REC" category in the RNS worksheet, as this category is only available for the IOUs.

30.CCAs and ESPs listed in Table VI- MMoP Findings and Corrective Actions, should establish a quantifiable MMoP, support it with a MMoP methodology, and commensurately update its RNS table to its risk-adjusted portfolio.

31.Under Pub. Util. Code Section 399.12(j)(2), 399.12(j)(3), and D.19-12-042, CCAs and ESPs participating in the RPS program are subject to the same terms and conditions applicable to an electrical corporation.

32.CCAs and ESPs identified in Table VII- Bid Solicitation Protocol, should describe in their final 2020 RPS Plans their bid solicitation protocol, bid selection process and evaluation methodology, and bid selection criteria per Pub. Util. Code § 399.13(a)(6)(C); describe how they consider and/or provide preference to projects that provide environmental and economic benefits to communities located in areas with high levels of socioeconomic and environmental burdens per Pub. Util. Code § 399.13(a)(8); and describe how they consider a project's best-fit attributes and the contribution to grid reliability when procuring renewables as required by Pub. Util. Code § 399.13(a)(9).

33.CCAs and ESPs identified in Table VIII- Safety Measures should update their final 2020 RPS Plan to demonstrate how they will meet the safety protocols in their future RPS procurements.

34.CCAs and ESPs should analyze the impact of economic curtailment, overgeneration, or oversupply events on their resource portfolios in their future

Renewables Portfolio Standard Procurement Plans and include a strategy for managing those impacts.

35. This decision should require Western Community Energy and Desert Community Energy to submit their cost quantification sheets.

36. New CCAs and ESPs planning to serve load in the 2021 procurement cycle should either provide forecasted procurement costs if they have contracts short-listed from solicitations or submit a blank spreadsheet with \$0 represented in all years if they cannot estimate cost.

37. Retail sellers that served load in 2020 should serve and file a final 2020 RPS Plan as directed in this decision.

38. It is reasonable to not require Tiger Natural Gas, to file procurement plans in 2021 and beyond because it will not serve any retail load in California.

39. This decision should order expansion of the RPS Citation Program to include the enforcement of late draft RPS Procurement Plan filings and late and/or deficient final RPS Procurement Plan filings.

40. The Director of Energy Division should be authorized to issue a draft Resolution for public comments to expand the RPS Citation Program by July 1, 2021.

41. Motion for the confidentiality of the retail sellers identified in Table XII - Confidentiality Redactions and Commission Findings should be partially granted because of excess redactions. All other motions for confidential treatment are consistent with Commission decisions and should be granted.

42. The original determination that hearings may be necessary should be changed because hearings were not necessary.

**O R D E R****IT IS ORDERED** that:

1. Pursuant to the authority provided in Public Utilities Code Section 399.13(a)(1), the draft 2020 Renewables Portfolio Standard Procurement Plans, including the related Solicitation Protocols, filed by Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company are approved with modification.

2. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company, investor-owned-utilities (IOUs) shall each file Final 2020 Renewables Portfolio Standard (RPS) Procurement Plans, with the modifications required by this decision, within 30 days of the issuance date of this decision. Each IOU shall also file a redlined copy of their modified RPS Procurement Plans. The IOUs may issue solicitations to sell RPS volumes following the limitations of this decision 10 days after filing final 2020 RPS Procurement Plans unless the Energy Division Director suspends their RPS Procurement Plan within the 10 day period.

3. Pacific Gas and Electric Company (PG&E) is authorized not to hold a 2020 Renewables Portfolio Standard (RPS) procurement solicitation. It shall indicate in its Final 2020 RPS Procurement Plans to be filed pursuant to the schedule adopted herein that it will seek permission from the Commission to procure any amounts, other than amounts separately mandated by the Commission (*i.e.*, Feed In Tariff during the time period covered by the 2020 solicitation cycle.) This authorization to not hold a solicitation only applies to the 2020 RPS solicitation cycle. PG&E is authorized to conduct a minimum of two solicitations for short term sales of five years or less of sales of RPS volumes if the sales agreement for any such sale is executed before the adoption of a subsequent RPS Plan.

Deliveries may commence at any time after the Commission approves the contract and continue until the contract's term expiration. PG&E must seek Commission approval of short term sales resulting from a solicitation or any bilateral transaction that both utilizes the *pro forma* sales agreement submitted with its 2020 RPS Procurement Plan, showing any necessary modifications, and is executed after PG&E receives bids for a sales solicitation resulting from its 2020 RPS Procurement Plan. Executions and requests for approval must be consistent with Decision (D.) 14-11-042's rules for expedited approval of short term contracts and D.09-06-050's rules regarding bilateral contracts. PG&E may also engage in bilateral sales transactions that do not utilize the *pro forma* sales agreement submitted with its 2020 RPS Procurement Plan or that are not executed after PG&E receives bids for a sales solicitation resulting from its 2020 RPS Procurement Plan, subject to the Commission's review and approval as established in D.09-06-050. PG&E shall file a final 2020 RPS Procurement Plan with any updated solicitation materials.

4. Pacific Gas and Electric Company's (PG&E) Renewable Energy Credit sales framework included as Appendix H of its draft 2020 Renewables Portfolio Standard Procurement Plan is approved.

5. Pacific Gas and Electric Company's (PG&E) request to not provide time-of-use information in the Renewables Portfolio Standard Procurement Plan (RPS Plan) is denied. PG&E shall update the final 2020 RPS Plan with the time-of-use information and website links required in Decision (D.) 17-01-006 and D.19-12-024.

6. Pacific Gas and Electric Company shall correct or explain the reason for the following cost quantification discrepancies – (a) Table 2, bundled retail sales; 2020-2030 does not match Renewable Net Short (RNS) sheet variable A, "Total

Retail Sales,” (b) Table 4, the sum of variables 14 and 28 (all Renewables Portfolio Standard (RPS)-Eligible deliveries) does not match RNS sheet variable F, “Total RPS Eligible procurement” for 2021-2030.

7. Southern California Edison Company (SCE) is granted an option to hold a 2020 Renewables Portfolio Standard (RPS) procurement solicitation if the Commission determines a need for additional resource procurement for SCE in the Integrated Resource Planning (IRP) proceeding, Rulemaking 20-05-003. SCE shall indicate in its Final 2020 RPS Procurement Plan to be filed according to the schedule adopted herein that it will seek permission from the Commission to procure any amounts, other than amounts separately mandated by the Commission (*i.e.*, Feed-In Tariff, Renewable Auction Mechanism and IRP during the time period covered by the 2020 solicitation cycle.) SCE is authorized to conduct solicitations for the short term sales of five years or less of sales of RPS volumes if the sales agreement for any such sale is executed during the period after the Commission adopts this decision and before the adoption of a subsequent RPS Plan. Deliveries under any such short term sales agreement, including any agreement with a delivery term of five years or less, may commence at any time after the Commission approves the contract and continue until the expiration of the contract’s term. SCE must seek Commission approval of short term sales resulting from a solicitation or any bilateral transaction that both utilizes the *pro forma* sales agreement submitted with its 2020 RPS Procurement Plan, showing any necessary modifications, and is executed after SCE receives bids for a sales solicitation resulting from its 2020 RPS Procurement Plan consistent with Decision (D.) 14-11-042’s rules for expedited approval for short term contracts and D.09-06-050’s rules regarding bilateral contracts. SCE may also engage in bilateral sales transactions that do not utilize the *pro forma*

sales agreement submitted with its 2020 RPS Procurement Plan or that are not executed after SCE receives bids for a sales solicitation resulting from its 2020 RPS Procurement Plan, subject to the Commission's review and approval of completed transactions, as established in D.09-06-050. SCE shall file a final 2020 RPS Procurement Plan with any updated solicitation materials.

8. Southern California Edison Company's (SCE) Renewable Energy Credit (REC) sales framework is approved with modifications. SCE's price floor methodology for general REC sales and Bioenergy Renewable Auction Mechanism (BioRAM) REC sales are approved. SCE's request to increase its REC Sales volume is denied. SCE is directed to use the per-vintage year volume limits approved in Decision 19-12-042.

9. Southern California Edison Company shall correct or explain the reason for the following cost quantification discrepancies – (a) Table 2, bundled retail sales; 2025-2030 does not match Renewable Net Short (RNS) sheet variable A, "Total Retail Sales," and (b) Table 3 and 4, Total RPS-Eligible Procurement does not match RNS sheet, variable F, Total RPS Eligible procurement for 2017-2030.

10. In its final 2020 Renewables Portfolio Standard Procurement Plan, Southern California Edison Company shall quantify any direct cost impacts, to date, resulting from overgeneration incidences and associated negative market prices to better inform their strategy in managing incidences of curtailment. The quantified impact shall include the amount paid for generating during negative pricing for all RPS eligible resources.

11. San Diego Gas & Electric Company (SDG&E) is authorized not to hold a 2020 Renewables Portfolio Standard (RPS) procurement solicitation. It shall indicate in its Final 2020 RPS Procurement Plan to be filed according to the schedule adopted herein that it will seek permission from the Commission to

procure any amounts, other than amounts separately mandated by the Commission (*i.e.*, Feed In Tariff during the time period covered by the 2020 solicitation cycle.) This authorization to not hold a solicitation only applies to the 2020 RPS solicitation cycle. SDG&E is authorized to conduct solicitations for sales of both short term and long term RPS volumes if the sales agreement for any such sale is executed during the period after the Commission adopts this decision and before the adoption of a subsequent RPS Plan. Deliveries under any such short term sales agreement, including any agreement with a delivery term of five years or less, may commence at any time after the Commission approves the contract and continue until the expiration of the contract's term. SDG&E must seek Commission approval of short term sales resulting from a solicitation or any bilateral transaction that both utilizes the *pro forma* sales agreement submitted with its 2020 RPS Procurement Plan, showing any necessary modifications, and is executed after SDG&E receives bids for a sales solicitation resulting from its 2020 RPS Procurement Plan consistent with Decision (D.) 14-11-042's rules for expedited approval of short term contracts, and D.09-06-050's rules regarding bilateral contracts. SDG&E may also engage in bilateral sales transactions that do not utilize the *pro forma* sales agreement submitted with its 2020 RPS Procurement Plan or that are not executed after SDG&E receives bids for a sales solicitation resulting from its 2019 RPS Procurement Plan, subject to the Commission's review and approval. SDG&E shall file a final 2020 RPS Procurement Plan with any updated solicitation materials.

12. San Diego Gas & Electric Company's (SDG&E) request for approval of sales agreements of greater than five years via a Tier 1 Advice Letter is denied. SDG&E shall continue to use a Tier 3 advice letter as adopted in D.14-11-042.

13. San Diego Gas & Electric Company's (SDG&E) final 2020 Renewables Portfolio Standard Procurement Plan should be updated to reflect new or evolved lessons learned since SDG&E's earlier procurement plan.

14. Southern California Edison Company and San Diego Gas & Electric Company shall update their respective final 2020 Renewables Portfolio Standard Procurement Plans with more detailed information on the safety measures as required in the 2020 Assigned Commissioner's Ruling and articulate proactive measures undertaken related to wildfire mitigation and vegetation management for renewable procurement beyond just biomass procurement via their Bioenergy Renewable Auction Mechanism contracts.

15. Southern California Edison Company and San Diego Gas & Electric Company (SDG&E) shall update their respective final 2020 Renewables Portfolio Standard Procurement Plans (RPS Plan) with a quantifiable minimum margin of procurement (MMoP), a MMoP methodology to mitigate risk and supporting scenarios, and update its Renewable Net Short (RNS) table related to its risk-adjusted portfolio that incorporates its MMoP. SDG&E should also distinguish between its statutory MMoP and its Voluntary Margin of Procurement (VMoP). SDG&E should not have a VMoP in the place of a MMoP, but should only have a VMoP after it has established and quantified its MMoP.

16. In the event Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), or San Diego Gas & Electric Company (SDG&E) decide to hold a 2020 Renewables Portfolio Standard solicitation or execute bilateral contracts, PG&E, SCE, or SDG&E shall first seek permission from this Commission in a manner consistent with the Commission's Rules of Practice and Procedure.

17. Pursuant to the authority provided in Public Utilities Code Section 399.13(a)(1), the draft 2020 Renewables Portfolio Standard Procurement Plans filed by Bear Valley Electric Company, PacifiCorp, and Liberty Utilities are conditionally approved. Their Final 2020 Renewables Portfolio Standard Procurement Plans shall be modified following this decision and they shall each file a clean version and a redlined copy showing the modifications with the Commission within 30 days of this decision's issuance date.

18. In its final 2020 Renewables Portfolio Standard Procurement Plan (RPS Plan) Bear Valley Electric Company shall - (a) establish a quantifiable minimum margin of procurement (MMoP), a MMoP methodology to mitigate risk and supporting scenarios, and update its Renewable Net Short (RNS) table related to its risk-adjusted portfolio that incorporates its MMoP, (b) provide a rationale to support its online generation's failure rate in its RNS calculations, and (c) update the status of its Application 19-03-08.

19. In its final 2020 Renewables Portfolio Standard Procurement Plan (RPS Plan) PacifiCorp, d/b/a Pacific Power (PacifiCorp) shall (a) establish a quantifiable minimum margin of procurement (MMoP), a MMoP methodology to mitigate risk and supporting scenarios, and update its Renewable Net Short (RNS) table related to its risk-adjusted portfolio that incorporates its MMoP; (b) correct or explain the reason for cost quantification data discrepancies, which include (1) Table 3 Total RPS-Eligible Procurement does not match the RNS sheet, variable F, Total RPS Eligible procurement for 2018, and (2) Table 4, the sum of variable 14 and 28 (all RPS-Eligible deliveries) does not match RNS sheet variable F, "Total RPS Eligible procurement" for 2020-2030, and (c) provide information on its Least-Cost Best-Fit bid solicitation protocol per Public Utilities Code Sections 399.13(a)(6)(C), 399.13(a)(8) and 399.13(a)(9).

20. Liberty Utilities (CalPeco Electric), LLC shall update its final 2020 Renewables Portfolio Standard Procurement Plan (RPS Plan) to meet the following requirements (a) demonstrate that it has completed its procurement targets for compliance period 2017-2020, (b) show how it will meet the long-term contracting requirements, (c) provide a more detailed risk assessment analysis that explains how it will mitigate potential shortfalls from its utility owned generation or Energy Services Agreement, (d) provide rationale to support its online generation's failure rate in its renewable net short (RNS) calculations (e) establish quantifiable minimum margin of procurement (MMoP), a MMoP methodology to mitigate risk and supporting scenarios, and update its RNS table related to its risk-adjusted portfolio that incorporates its MMoP, (f) correct or explain the reason for its cost quantification discrepancies –(1) Table 2, bundled retail sales; 2019-2030 does not match RNS sheet variable A, "Total Retail Sales," (2) Table 3 and 4, Total RPS-Eligible Procurement does not check RNS sheet, variable F, Total RPS Eligible procurement for 2019-2030, (g) provide more details on its safety protocols, and ( h) provide information on its Least-Cost Best-Fit bid solicitation protocol per Public Utilities Code Sections 399.13(a)(6)(C), 399.13(a)(8) and 399.13(a)(9).

21. Liberty Utilities (CalPeco Electric), LLC shall file a formal application to seek approval to expand its solar and battery storage project at its Luning solar facility.

22. Pursuant to the authority provided in Public Utilities Code Section 399.12(j)(2), 399.12(j)(3) and 399.13(a)(1), the draft 2020 Renewables Portfolio Standard Procurement Plans filed by community choice aggregators and energy service providers shall be modified following this decision and shall

each file a clean and a redlined copy showing the modification with the Commission within 30 days of this decision's issuance date.

23. The final 2020 Renewables Portfolio Standard Procurement Plans of Silicon Valley Clean Energy Authority, Central Coast Community Energy, Marin Clean Energy, San José Clean Energy, San Diego Community Power, EDF Industrial Power Services, Peninsula Clean Energy, Lancaster Choice Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Rancho Mirage Energy Authority, San Jacinto Power, Constellation NewEnergy, Valley Clean Energy Alliance, Clean Power Alliance, Desert Community Energy, Solana Energy Alliance, Western Community Energy, Apple Valley Choice Energy, Butte Choice Energy, City of Baldwin Park, City of Commerce, City of Palmdale, City of Pomona, City of Santa Barbara, Clean Energy Alliance, East Bay Community Energy, King City Community Power, 3 Phases Renewables, American PowerNet Management, Calpine Energy Solutions, Calpine PowerAmerica, Commercial Energy of California, Just Energy Solutions, Pilot Power Group, and Tiger Natural Gas, also identified in Table II - Retail Sellers Long-Term Procurement Assessments in Section 3.3 of this decision, shall each provide relevant supporting information on the timeline of contracts, project deliveries and results of ongoing contract negotiations that were executed from the time the draft 2020 Renewables Portfolio Standard Procurement Plan was submitted until adopting this decision to demonstrate that they are on a path to meet their long-term contract planning requirement for compliance period 2021-2024.

24. The final 2020 Renewables Portfolio Standard Procurement Plans of Central Coast Community Energy, City of Baldwin Park, City of Commerce, City of Palmdale, City of Pomona, Clean Power Alliance, Lancaster Choice Energy,

Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Jacinto Power, San José Clean Energy, Silicon Valley Clean Energy Authority, Calpine PowerAmerica, and Constellation NewEnergy, also identified in Table III - Retail Sellers Identified to Update Project Development in Section 3.3 of this decision, shall each provide a comprehensive narrative on their contracted projects in development are progressing.

25. In their final 2020 Renewables Portfolio Standard Procurement Plans, community choice aggregators and electric service providers shall not apply a zero percent failure risk rate to new and existing renewable generation without underlying or historical data to support the assumption.

26. In their final 2020 Renewables Portfolio Standard Procurement Plans, Apple Valley Choice Energy, Clean Power Alliance, East Bay Community Energy, King City Community Power, Lancaster Choice Energy, Marin Clean Energy, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Rancho Mirage Energy Authority, San Jacinto Power, San José Clean Energy, Silicon Valley Clean Energy Authority, Valley Clean Energy Alliance, 3 Phases Renewables, American PowerNet Management, LP, Calpine Energy Solutions, Calpine PowerAmerica-CA, LLC, Commercial Energy of California, Constellation NewEnergy, Inc, EDF Industrial Power Services (CA), LLC, Just Energy Solutions, Pilot Power Group, Inc., Shell Energy, The Regents of the University of California, and Tiger Natural Gas, Inc., also identified in Table IV - Summary of Retail Sellers' Risk Assessments and Table V - Renewable Net Short Calculation based on Risk Assessment in Section 3.3 of this decision, shall each establish a failure rate for online and in development generation in their renewable net short calculation worksheet and support it with

corresponding risk assessment policies to show how the retail seller will meet its renewables portfolio standard obligations in the case that its existing contracts for renewable projects or 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.

27. Apple Valley Choice Energy, City of Baldwin Park, City of Commerce, City of Palmdale, City of Pomona, City of Santa Barbara, Clean Energy Alliance, , Lancaster Choice Energy, Marin Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Rancho Mirage Energy Authority, San Diego Community Power, San Jacinto Power, shall each update their renewable net short (RNS) calculations to remove Renewables Portfolio Standard procurement data incorrectly entered in the "pre-approved generic Renewable Energy Credit" category in the RNS worksheet.

28. Apple Valley Choice Energy, Butte Choice Energy, City of Baldwin Park, City of Commerce, City of Palmdale, City of Pomona, City of Santa Barbara, Clean Energy Alliance, Clean Power Alliance, Desert Community Energy, East Bay Community Energy, King City Community Power, Lancaster Choice Energy, Marin Clean Energy, Central Coast Community Energy, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Rancho Mirage Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Silicon Valley Clean Energy Authority, Solana Energy Alliance, Sonoma Clean Power, Valley Clean Energy Alliance, Western Community Energy, 3 Phases Renewables, American PowerNet Management, LP, Calpine Energy Solutions, Calpine PowerAmerica-CA, LLC, Commercial Energy of California, Direct Energy Business, EDF Industrial Power Services (CA), , Just Energy Solutions, Pilot Power Group, Inc., Shell Energy, The Regents

of the University of California, and Tiger Natural Gas, Inc., also identified in Table VI – Minimum Margin of Procurement (MMoP) Findings and Corrective Action Needed in Section 3.3 of this decision, shall each update their final 2020 Renewables Portfolio Standard Procurement Plan with a MMoP, an MMoP methodology to mitigate risk and supporting scenarios, and update the renewable net short table.

29. In their final 2020 Renewables Portfolio Standard Procurement Plans, Apple Valley Choice Energy, Butte Choice Energy, City of Baldwin Park, City of Commerce, City of Palmdale, City of Pomona, City of Santa Barbara, Clean Energy Alliance, , King City Community Power, Lancaster Choice Energy, Central Coast Community Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Rancho Mirage Energy Authority, San Diego Community Power, San Jacinto Power, Silicon Valley Clean Energy Authority, Solana Energy Alliance, Sonoma Clean Power, Western Community Energy, 3 Phases Renewables, American PowerNet Management, LP, Calpine Energy Solutions, Calpine PowerAmerica-CA, LLC, Commercial Energy of California, Constellation NewEnergy, Inc, Direct Energy Business, EDF Industrial Power Services (CA), LLC, LLC, Just Energy Solutions, Pilot Power Group, Inc., Shell Energy, The Regents of the University of California, and Tiger Natural Gas, Inc., also identified in Table VII- Bid Solicitation Protocol in Section 3.3 of this decision, shall each describe the bid solicitation protocol, bid selection process and evaluation methodology, and bid selection criteria per Public Utilities Code Section 399.13(a)(6)(C), describe how they consider and/or provide preference to projects that provide environmental and economic benefits to communities located in areas with high levels of socioeconomic and the environmental burdens per Public Utilities Code Section 399.13(a)(8), and describe how they

consider a project's best-fit attributes and the contribution to grid reliability when procuring renewables per Public Utilities Code Section 399.13(a)(9).

30. In their final 2020 Renewables Portfolio Standard Procurement Plans, Apple Valley Choice Energy, Butte Choice Energy, City of Baldwin Park, City of Commerce, City of Palmdale, City of Pomona, City of Santa Barbara, Clean Energy Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, King City Community Power, Lancaster Choice Energy, Central Coast Community Energy, , Pioneer Community Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Silicon Valley Clean Energy Authority, Solana Energy Alliance, Valley Clean Energy Alliance, Western Community Energy, 3 Phases Renewables, American PowerNet Management, LP, Calpine Energy Solutions, Calpine PowerAmerica-CA, LLC, Commercial Energy of California, Constellation NewEnergy, Inc, Direct Energy Business, EDF Industrial Power Services (CA), LLC, Just Energy Solutions, Pilot Power Group, Inc., Shell Energy, The Regents of the University of California, and Tiger Natural Gas, Inc., also identified in Table VIII – Safety Measures and Commission Findings in Section 3.3. of this decision, shall each provide a detailed description of how they will incorporate safety protocols and considerations listed in Table VIII in to their future Renewables Portfolio Standard Procurement Plans.

31. In their final 2020 Renewables Portfolio Standard Procurement Plan ; Butte Choice Energy; City of Baldwin Park; City of Commerce; City of Palmdale; City of Pomona; City of Santa Barbara; Clean Energy Alliance; Clean Power Alliance; King City Community Power; San Diego Community Power; San José Clean Energy; Solana Energy Alliance; American Power Net Management, LP, Calpine Energy Solutions, Calpine PowerAmerica-CA, LLC, Commercial Energy

of California, Just Energy Solutions, Pilot Power Group, Inc., Shell Energy, and Tiger Natural Gas, Inc., also shown in Table IX - Summary of Retail Sellers' Assessment of Curtailment, Forecasting and Costs in Section 3.3 of this decision, shall each show their analyses of the impact of economic curtailment, overgeneration or oversupply events on their resource portfolios and discuss ways to manage the impacts.

32. Western Community Energy and Desert Community Energy shall each submit Cost Quantification sheets in their final 2020 Renewables Portfolio Standard Procurement Plans.

33. The final 2020 Renewables Portfolio Standard Procurement Plan of retail sellers named in Table X – Cost Quantification and Commission Findings in Section 3.3, of this decision shall each correct their respective cost quantification data discrepancies or explain the reason for discrepancies shown in the table.

34. The final 2020 Renewables Portfolio Standard Procurement Plans (RPS Plan) of Apple Valley Choice Energy, Butte Choice Energy, City of Baldwin Park, City of Commerce, City of Palmdale, City of Pomona, City of Santa Barbara, Desert Community Energy, King City Community Power, Lancaster Choice Energy, Marin Clean Energy, Central Coast Community Energy, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Silicon Valley Clean Energy Authority, Solana Energy Alliance, Sonoma Clean Power, 3 Phases Renewables, Calpine Energy Solutions, Calpine PowerAmerica-CA, LLC, Commercial Energy of California, Constellation NewEnergy, Inc, EDF Industrial Power Services (CA), LLC, Just Energy Solutions, Pilot Power Group, Inc., Shell Energy, The Regents of the University of California, and Tiger Natural Gas, Inc.,

also identified in Table XI - These retail sellers shall file an updated and comprehensive IRP-RPS Conforming information in the final 2020 RPS Plan in Section 3.3 of this decision, shall each provide updated and comprehensive information consistent between their RPS Plan and the current Integrated Resource Plan.

35. Motions for confidentiality filed by Clean Power Alliance, Desert Community Energy, East Bay Community Energy, Redwood Coast Energy Authority, Solana Energy Alliance, Western Community Energy, 3 Phases Renewables, Calpine PowerAmerica-CA, LLC, Constellation NewEnergy, Inc, EDF Industrial Power Services (CA), LLC, Shell Energy, and Tiger Natural Gas, Inc. are partially approved. As noted in Table XII - Confidentiality Redactions and Commission Findings in Section 3.3 of this decision, these retail sellers shall each remove the excess redactions when filing their final 2020 Renewables Portfolio Standard Procurement Plans. All other motions for confidentiality for the 2020 Renewables Portfolio Standard Procurement Plans are granted.

36. Energy Division is authorized to expand the Renewables Portfolio Standard (RPS) Citation Program to include the enforcement of late draft RPS Procurement Plan filings and late and/or deficient final RPS Procurement Plan filings. The Director of Energy Division is authorized to issue a draft Resolution for public comment by July 1, 2021.

37. Tiger Natural Gas, Inc. is not required to file a 2021 or a future annual Renewables Portfolio Standard Procurement Plan pursuant to Public Utilities Code Sections 399.13(a)(1) until it serves retail load.

38. All retail sellers shall file their final 2020 Renewable Procurement Standard Procurement Plans within 30 days of this decision's issuance date.

39. Rulemaking 18-07-003 remains open.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California