

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Implement Senate Bill 520 and
Address Other Matters Related to
Provider of Last Resort.

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**ORDER INSTITUTING RULEMAKING TO IMPLEMENT SENATE BILL 520
AND ADDRESS OTHER MATTERS RELATED TO
PROVIDER OF LAST RESORT**

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Summary

The purpose of this Order Instituting Rulemaking (OIR) is to implement the provider of last resort (POLR) requirements and framework directed by Senate Bill (SB) 520 (Hertzberg; 2019, Ch. 408) . Electricity is an essential utility service, and the POLR must be able to provide uninterrupted service if there is an unplanned customer migration in the event that a provider fails. In California, POLR is regulated by the Commission and recovers its costs from all retail customers.

Pursuant to Senate Bill (SB) 520, each investor-owned utility (IOU) is the POLR in its service territory. The Commission will begin this OIR by establishing cost allocation and recovery for the POLR and by taking steps to ensure that electrical service will be provided to customers without disruption in the event a Load-Serving Entity (LSE) fails to provide or denies service to a retail end-use customer.

Because most aspects of procurement and cost recovery are already being addressed in other proceedings (such as the Resource Adequacy (RA) and Integrated Resource Planning (IRP) proceedings), this OIR will focus on (i) assessing whether existing procedures are sufficient; (ii) resolving procurement continuity risks; and (iii) resolving gaps and misalignments between existing proceedings and programs. This examination includes whether, given the specific directives and authorizations of SB 520, overall improvements can be made to the existing procurement and cost recovery framework. The POLR framework adopted must ensure that the electric system

remains reliable and affordable while also working to achieve ambitious clean energy goals and allowing for retail choice.

Once the Commission has established the framework for the IOU as POLR, we will address the framework for other entities to be designated as POLR.

1. Background

1.1. What is a Provider of Last Resort?

A POLR is the utility or other entity that has the obligation to serve all customers. This concept exists in many contexts other than electric service. For example, in telecommunications, the “carrier of last resort” is required by law to provide universal service access and meet other requirements developed in the 1990s.¹ To fulfill this role, the POLR cannot discriminate between customers and must maintain adequate facilities to provide service.

Prior to restructuring of the California electricity market, electricity service in California was provided primarily through the large IOUs, traditional vertically integrated utilities such as Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E). These vertically integrated utilities provided all services necessary for the delivery of electricity to end customers. These services are typically described as transmission, distribution, and generation. Thus, the requirements of the “obligation to serve” were easily understood: each utility planned for and procured sufficient electricity to serve its load.

In the 1990s, California restructured electricity markets to introduce competition into electric generation services.² This restructuring separated

¹ See, e.g., Decision 96-10-066 setting forth the rights and responsibilities of a carrier of last resort.

² See California Customer Choice Project, May 18, 2018 draft, Appendix 1.

generation from distribution and other services; the IOUs continued to provide distribution and transmission services, but customers could choose to take generation service from an entity other than the IOU.³ Customers that continue to get generation service from the IOU are called “bundled customers,” while those that get it from another entity are called “unbundled customers.” The law regarding the obligation to serve did not change but the new structure made it more difficult for IOUs to determine the right amount of electricity to procure for their bundled customers.

Setting the parameters for procurement and cost recovery to fulfill this obligation to serve is more difficult in today’s fragmented retail electric market. Today, customers can purchase electricity from community choice aggregators (CCAs) and direct access (DA) providers, also known as electric service providers (ESPs). Customers also have behind-the-meter options such as rooftop solar and solar combined with storage. Today a significant amount of load is no longer served by the IOUs, although the IOUs still have the obligation to serve. To date, the most visible challenge has been allocating cost responsibility for electricity procured by a utility for customers currently obtaining generation service from another LSE.⁴

³ The restructuring also created the California Independent System Operator (CAISO), a new non-profit entity to operate the transmission system. The CAISO provides open and non-discriminatory access to the bulk of the state’s wholesale transmission grid. The CAISO is regulated by the Federal Energy Regulatory Commission (the FERC)

⁴ For example, the Power Charge Indifference Adjustment (PCIA) is a charge designed to ensure a customer pays for long-term resources procured prior to the customer switching to a CCA or DA provider. This “exit fee” is designed to be passed through to the CCA or ESP customer. But the CCA and ESP have no control or certainty on the amount of the exit fee. For the last three years, CCAs, ESPs, and IOUs have litigated the calculation of the PCIA as well as options to improve transparency and certainty. See, R. 17-06-026.

Recognizing that the challenges inherent in this new system, in 2017 and 2018 the Commission, working with the California Energy Commission (CEC) and the California Independent System Operator (CAISO), undertook a detailed examination of the challenges presented by retail choice.⁵ In 2019 the Legislature passed SB 520, which defines POLR for the first time in statute:

a load-serving entity that the commission determines meets the minimum requirements of this article and designates to provide electrical service to any retail customer whose service is transferred to the designated load-serving entity because the customer's load-serving entity failed to provide, or denied, service to the customer or otherwise failed to meet its obligations.

SB 520 also confirms that each electrical corporation is the POLR in its service territory. There are six electrical corporations currently operating in California: three large investor-owned utilities (IOUs) and three smaller or multi-jurisdictional IOUs: PacifiCorp, Bear Valley Electric Service Division of Golden State Water Company (Bear Valley), and Liberty Utilities (CalPeco Electric) LLC (Liberty). All six are already subject to the existing obligation to serve under California Public Utilities Code Section 451.⁶

In addition, SB 520 directs the Commission to establish a framework to allow other entities to apply and become the POLR for a specific area (a "Designated POLR"). The application process and procedure to become a Designated POLR will be addressed in Phase 2 of this proceeding.

⁵ See, *California Customer Choice, an Evaluation of Regulatory Framework Options for an Evolving Electricity Market*.

⁶ All subsequent section references are to the California Public Utilities Code unless otherwise indicated. Section 451 provides, in part, "Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities . . . as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public." This articulation of the "obligation to serve" has not been amended since 1977.

1.2. Who Provides Electric Generation Service to Retail Customers Today?

The entity that supplies electricity to an end-use retail customer is known as a LSE. The LSEs include the large IOUs and the small and multi-jurisdictional utilities. California has two other types of LSEs: ESPs (also known as DA providers) and CCAs. Customers with access to more than one LSE can choose their provider.

The first new type of LSE, DA providers, was authorized as part of the deregulated California market. Retail customers could purchase electricity directly from ESPs.⁷ However, in the wake of the 2000-2001 energy crisis, Assembly Bill 1 (Keely, 2001) suspended new enrollment in DA. In 2009, SB 695 (Kehoe, 2009) opened DA to a capped amount of new non-residential load, and the cap was further expanded in 2018 by SB 237 (Hertzberg).

Further expansion of DA is being considered in R.19-03-009. The rulemaking was opened pursuant to SB 237 which requires the Commission to make a recommendation to the Legislature. As part of SB 237, the Legislature identified four areas that it views as particularly important and directed the Commission to make specific findings in these areas as part of its recommendation to expand this type of retail choice:

- (A) The recommendations are consistent with the state's greenhouse gas (GHG) emission reduction goals.
- (B) The recommendations do not increase criteria air pollutants and toxic air contaminants.
- (C) The recommendations ensure electric system reliability.

⁷ This retail market is often referred to as Direct Access or DA service. Generally, an Electrical Service Provider means an entity that offers electrical service to customers within the service territory of an electrical corporation. See Section 218.3 for a complete definition.

- (D) The recommendations do not cause undue shifting of costs to bundled service customers of an electrical corporation or to direct transaction customers.

In September 2020, a staff report assessing these four areas – reliability, cost shifts, GHG reduction, and air pollution -- was issued for comment in R.19-03-009. A decision with the Commission's recommendation is expected in the first half of 2021.

The second type of new LSE, CCAs, was established in 2002 by Assembly Bill 117 (Migden, 2002). The first CCA began serving load in 2010, and the number of CCAs has expanded rapidly since 2015. There are currently 21 CCAs serving load as of August 2020. Energy Division anticipates that 26 CCAs will be serving customers by the end of 2021.⁸ In 2020, the Commission established reentry fees and financial security requirements to address the costs of a potential unplanned mass migration of CCA customers to utility service.⁹ The fees are intended to cover utility administration and procurement costs for a large unplanned mass migration to the POLR. Similarly, the financial security requirement is intended to protect the IOU and bundled customers from costs incurred in the event of a large mass involuntary return.

Like IOUs, the ESPs and CCAs must procure sufficient power for their customers and recover the costs of that procurement. Unlike IOUs, ESPs and CCAs have the discretion to determine the terms and price for procured power without Commission review. This discretion allows the ESP or CCA to focus on electricity with different qualities and composition. Procurement may include renewable energy purchased from existing generation facilities, power purchase

⁸ R.19-11-009 Energy Division Track 3 Proposal.

⁹ D.18-05-022 in R.03-10-003. See Resolution E-5059 for details on the reentry fees and financial security requirements.

agreements or development agreements for new renewable generation facilities, and energy from locally-sited distributed generation, as well as market purchases and hedging arrangements. However, their procurement strategies must meet the planning and procurement requirements set in the IRP (R.16-02-007), RA (R.19-11-009) and Renewable Portfolio Standards (RPS) (R.18-07-003) proceedings, as further discussed in the next section. Likewise, ESPs and CCAs determine the rates to charge their customers to recover the costs of this procurement.

In contrast, IOU procurement is subject to various levels of reasonableness review by the Commission. For example, the Procurement Review Group is a mechanism to ensure energy procurement will meet system needs. This close review provides the opportunity to correct course if resources fail to materialize or effectively meet system needs. The retail rates charged by the IOUs are also closely reviewed to ensure they are just and reasonable. This oversight is necessary to ensure safe and reliable public utility electricity service at just and reasonable rates, consistent with Public Utilities Code Section 451.¹⁰

Determining the amount of generation needed to meet the needs of the current system is challenging because customers are served by many different entities and because customers may choose to move between providers. Adding to the complexity, California has adopted policies and programs that have changed load profiles and made forecasting more challenging. These include behind-the-meter rooftop solar and storage, interconnected storage, electric

¹⁰ Section 451 provides that, “Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, . . . , as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.

vehicle and other transportation electrification programs, demand response programs and distributed energy resources.¹¹

1.3. How Do the Commission's Existing Frameworks Ensure Electrical Service is Not Disrupted?

To address reliability, the state has a short-term framework known as RA and a long-term framework known as IRP. Additionally, the state achieves a significant amount of its generation procurement needed for reliability through the RPS. Each LSE has obligations under these frameworks. Collectively, these three frameworks ensure that the state has sufficient generation resources to meet its GHG emission targets while maintaining reliability.

To ensure sufficient electric resources are available in the near term, the Commission relies on the RA program. The RA program sets RA capacity procurement requirements for each LSE and each LSE must demonstrate compliance through annual and monthly filings. The RA program was initially adopted in 2004 and has evolved to include three types of RA requirements which are adopted annually by the Commission: (1) system RA requirements, which are based on LSE load forecasts plus a planning reserve margin; (2) local RA requirements, which are based on CAISO's annual local capacity requirement technical study; and (3) flexible RA requirements, which are based on CAISO's annual flexible capacity needs assessment capacity study.

The Commission sets the annual and monthly system, local, and flexible RA requirements for Commission-jurisdictional LSEs in a decision each year. In reaching its decision, the Commission receives input on forecast load from the CAISO. Each Commission-jurisdictional LSE must meet requirements specific to

¹¹ These concepts were explored in detail in *California Customer Choice, an Evaluation of Regulatory Framework Options for an Evolving Electricity Market*. August 2018; *California Customer Choice Project Choice Action Plan and Gap Analysis*, December 2018.

its load and compliance is determined through frequent reports to the Commission. In the event an LSE cannot meet its requirements, the Commission has authority to issue citations and assess penalties. The current RA proceeding, R.19-11-009, is also considering certain large structural changes and refinements to the RA program. For instance, the proceeding recently adopted a central procurement entity (CPE) structure allowing an LSE to rely on IOU procurement to meet local capacity requirements, due to supply constraints in meeting local RA. This structure allocates cost of local capacity procurement to customers of all LSEs.

As the rolling blackouts in summer 2020 made evident, the system is currently resource constrained. The Commission is reevaluating the RA reliability framework to address new challenges as the state transitions to greater dependence on preferred resources and the growth of retail choice. The *Energy Division Issue Paper and Draft Straw Proposal* (Issue Paper) issued in the RA proceeding identified several challenges that are pertinent to this OIR:¹²

- Growth in retail choice makes it difficult to plan for reliability if entities do not know whether they will be serving future load. This load uncertainty prevents entities from entering into long-term contracts with new or existing resources.
- There has been a significant decline in long-term tolling gas agreements which are being replaced by RA-only contracts. LSEs are not hedging their forward physical energy needs, relying on the CAISO and other short-term energy markets to meet their customer's load.
- The lack of an adequate system market power mechanism to mitigate energy market price spikes could increase costs for all California customers.

¹² Issued by Administrative Law Judge's Ruling on August 7, 2020 in R. 19-11-009.

- If market fundamentals change, both CCAs and ESPs can return customers to the POLR. If this occurs and the IOUs are not hedged for the returning customers, this could result in the POLR paying high spot market prices, to the detriment of all customers and the stability of the market.

This rulemaking will need to coordinate with the RA proceeding to determine how well LSEs are hedged in long-term physical energy and how this impacts the POLR requirements.

To ensure sufficient electric resources are available in the future and that those resources will meet SB 350 clean energy goals, the Commission relies on the IRP proceeding. Public Utilities Code Sections 454.51 and 454.52 require the Commission to undertake long term resource planning, and the Commission has done so through a series of proceedings.¹³ The current IRP proceeding is R.20-05-003.

The IRP identifies system resource needs and orders procurement through two biannual phases, which adopt a Reference System Plan (RSP) and Preferred System Plan (PSP). In the first phase of an IRP cycle, the Commission develops and adopts an RSP. In the RSP, the Commission identifies long-run needs by modeling system resources in future years to determine the optimal portfolio of resources needed to meet forecasted demand while meeting GHG, reliability, and RPS requirements. The GHG target is set by the Commission from within a range defined by the California Air Resources Board (CARB) for California's electricity sector.

In the second phase of an IRP cycle, a PSP is developed and adopted. Each of the Commission's jurisdictional LSEs are required to submit IRP filings with

¹³ Additional history on the long-term procurement plan can be found on the Energy Division's website. <https://www.cpuc.ca.gov/General.aspx?id=6617>

the Commission that are consistent with the RSP. In their IRP filings, LSEs detail how they will meet GHG and reliability targets with new and existing resources. The Commission evaluates all of the IRP individual LSE filings and aggregates them into the PSP. If the LSEs' IRP filings collectively show deficiencies, the Commission will order additional procurement.

In late 2019, the Commission ordered procurement of 3,300 MW of new generation resources in the IRP proceeding to meet system deficiencies. D.19-11-016 established individual procurement requirements for each LSE within the CAISO balancing area and provided the LSEs with the option to either self-procure resources to meet their requirements or continue to have the IOUs procure resources on their behalf. More recently, the Commission in R. 20-05-003 issued an assessment of mid-term electric system reliability need for the years 2024-2026, which estimated a shortfall of approximately 7,500 MW of effective capacity by 2026 and proposes the procurement of additional resources to fill that gap.¹⁴ The IRP proceeding must determine how to assign procurement responsibility to individual LSEs. The ruling notes that while assigning responsibility to LSEs allows ESPs and CCAs to control their own costs, it would shift more procurement responsibility toward newer, less-resourced LSEs, which has its own risks since those newer LSEs may have less procurement experience.

The RPS program works in conjunction with the IRP as the primary driver to build new renewable resources. Originally adopted in 2002 and most recently updated by SB 100 (De León), Stats. 2018, ch. 312, the RPS program requires that the state's LSEs procure 60 percent of their total electricity retail sales from renewable energy resources by 2030. Additionally, SB 350 mandates that 65

¹⁴ February 22, 2021 Ruling on Medium Term Reliability Procurement Requirements, R.20-05-003.

percent of each LSE's RPS procurement must be derived from contracts of 10 or more years. The renewable resources procured to meet RPS mandates are critical to meeting system reliability needs as well as GHG emission reduction targets set in the IRP. As with resource procured in the IRP proceeding, the state depends on the delivery of all LSE RPS contract obligations to meet its system reliability requirements, clean energy and GHG emission reduction goals.

1.4. Are Changes Necessary to Ensure an LSE Failure Does Not Disrupt Electrical Service?

If multiple LSEs were to fail to provide, or to deny service to any retail end-use customers, the existing procurement framework is not structured in a manner that could meet the system reliability needs and ensure uninterrupted service for returning customers. Each LSE's portfolio of contracted energy resources is necessary for the entire system's reliability, and contracts for new generation are particularly critical to ensure that systemwide capacity needs are met. The conditions in which LSEs are most likely to fail are when there is a shortfall of system capacity, which drives up energy prices, a main driver of LSE costs. When an LSE fails, they are at high risk of default on contracts for new construction, which could create additional shortfalls and further market instability. The potential impact on all ratepayers and for cost shifting could be significant.¹⁵

¹⁵ Energy Division described this potential in a recent staff paper: "A utility's bundled customer can choose to become a Direct Access customer and later revert to bundled customer status. The utility is the electricity provider of last resort. The ability to leave the utility system and return may cause substantial fluctuations in the amount of energy the utility must purchase (or has purchased) on its behalf." See, Energy Division Issue Paper and Draft Straw Proposal for Consideration in Proceeding R.19-11-019, Track 3B, dated August 7, 2020. The paper is available in the R.19-11-019 docket at

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M344/K182/344182682.PDF>

Texas has one of the most established POLR frameworks in the country due to a majority of its customers being served by retail providers. In mid-February 2021, Texas experienced wide-ranging generation outages leading to rolling blackouts and high wholesale energy prices as the result of a winter storm. During the crisis some retail providers were encouraging their customers to switch to another provider and away from them in anticipation of high pass-through charges. The experience in Texas raises several questions about the responsibilities of the non-IOU LSEs to protect their customers from the rate volatility and what is the just and reasonable way to allocate costs in the event of a crisis. At the direction of the Legislature, the Commission has implemented a series of cost allocation and recovery mechanisms to ensure system reliability and fairly allocate costs to all ratepayers.¹⁶ The Commission adopted rules for the CPE to procure local RA, and orders certain types of procurement through a Cost Allocation Mechanism (CAM). Additionally, the Commission has adopted a mechanism in IRP to provide backstop procurement of new generation resources if individual LSEs fail to meet their IRP obligations. These mechanisms ensure that costs incurred procuring generation for customers who switch to a CCA or ESP (departing load customers) is not shifted to customers who continue to take generation service from the IOU (bundled customers). These mechanisms have been adopted to address a limited scope of circumstances. In this proceeding, the Commission must consider what types of mechanisms are necessary to meet system reliability needs, GHG emission reduction targets and the fair allocation of costs in the event of an unplanned customer migration to the POLR, including a return resulting from the financial failure of one or multiple

¹⁶ This series of DA/ESP decisions includes: D.10-03-022; D.11-12-018; D.12-12-026; D.13-01-021, and D.14-07-028; and D.19-05-043 and D.19-08-004.

LSEs. This proceeding will adopt the process, procedures, and rules for transitioning customers to the POLR and consider under what circumstances customers may transition to another LSE.

2. Preliminary Scoping Memo

As required by Rule 7.1(d)¹⁷ of the Commission's Rules of Practice and Procedure (Rules), this Order includes a preliminary scoping memo. In this preliminary scoping memo, we describe the issues to be considered in this proceeding and the timetable for resolving the proceeding. In response to this rulemaking order, parties will have the opportunity to provide preliminary comments on the issues raised. After a prehearing conference (PHC), an Assigned Commissioner's Scoping Ruling will be issued, laying out the issues and procedural path in greater detail.

Broadly, the scope of this OIR includes everything necessary to establish and implement the framework for the POLR and develop rules for LSEs in preparation for the possibility of an unplanned customer migration as described in SB 520. This framework and rules must be consistent with the Commission's core responsibilities and state policy goals. As discussed above, there are many proceedings with related issues. This OIR will start from this context of existing proceedings, as well as existing Commission programs, rules, and requirements for electric utilities in support of the Section 451 obligation to serve. Some of these proceedings, such as RA and IRP, are discussed above, but there may be others. In this OIR, the Commission intends to minimize duplication of work

¹⁷ "An order instituting rulemaking shall preliminarily determine the category and need for hearing, and shall attach a preliminary scoping memo. The preliminary determination is not appealable, but shall be confirmed or changes by assigned Commissioner's ruling [ACR] pursuant to Rule 7.3, and such ruling as to category is subject to appeal under Rule 7.6." (Rule 7.1(d).)

being done in other proceedings and to maintain the scope of existing proceedings without disruption to the extent possible. This OIR is available, however, as a venue to address POLR-related issues that are raised, but not already scoped in other proceedings or Commission processes. This OIR will be phased so that the POLR requirements for the current POLRs can be established prior to addressing a framework for a Designated POLR. The overall scope is as follows:

- Phase 1 will focus on the issues necessary for a comprehensive framework for the existing POLRs. Pursuant to SB 520, the IOUs are the current POLRs.
- Phase 2 will set rules that allow a different entity (i.e., a CCA, ESP, or a third-party) to be designated as POLR (Designated POLR).
- Emergent issues and cross-over issues will be considered in both phases depending on the circumstances.

2.1. Phase 1: POLR Service Requirements and Cost Recovery Framework

Phase 1 of this OIR will address POLR service requirements, cost recovery, and options to maintain GHG emission reductions in the event of an unplanned customer migration to the POLR. It will also include emergent and cross-proceeding issues (*see* Subsection 2.3 below) to the extent appropriate.

Phase 1 will be further refined after comments on the OIR.

- A. As required by Section 387(j), develop and implement a framework for POLR service requirements, including minimum procurement requirements to ensure no disruption in service;
- B. As required by Section 387(g), develop and implement a framework for recovery of POLR costs;
- C. Consistent with Section 387(h), ensure continued achievement of California's GHG reduction and air quality goals, by consulting with the CEC, establishing rules for all load-serving entities in preparation

- for any potentially large and unplanned customer migration to a POLR, recommending to agencies modifications to relevant regulations;
- D. Examine and modify, as appropriate, LSE compliance requirements and customer migration rules, in light of SB 520; in connection with CCAs, consider unresolved issues from D.18-05-022 or other unresolved issues, if any, that are not already scoped into an existing proceeding;
 - E. Determine what other changes are necessary, if any, to ensure continuity of procurement if an LSE fails to procure sufficient resources for its load, discontinues service, becomes insolvent, or takes action or inaction resulting in an unplanned customer migration to the POLR. Consider actions required to implement any needed changes.

2.2. Phase 2: Designated POLR Application and Requirements

Phase 1 will establish and implement the framework for the Default POLR (the IOUs). Phase 2 will build on the Phase 1 decision to set the requirements and application process for another entity to be designated as the POLR in place of an existing POLR. Phase 2 will implement the remaining provisions of SB 520. Phase 2 may also consider emergent and cross-proceeding issues (*see* subsection 2.3 below) to the extent appropriate.

2.3. Emergent Issues and Cross-Proceeding Issues

Many aspects of electric procurement and cost recovery are already being addressed in other proceedings or have already been addressed through resolutions or decisions. We intend that this OIR will not duplicate work already completed or already in progress. Instead, this OIR will take a holistic look at the existing frameworks and ensure that all of the responsibilities for the POLR are covered consistently and without gaps. This will include improvements to existing procedures and requirements. It may also require specific issues to be closely and actively coordinated with other proceedings.

This proceeding may also be a forum for further Commission guidance on POLR responsibilities and cost recovery in response to events or issues arising while this proceeding is open. Recent events such as COVID-19 and power shortages on the CAISO grid during the August heat storm add to the urgency of establishing a complete framework that meets the requirements of SB 520. It is possible that new, time-sensitive matters related to POLR responsibilities will need to be addressed concurrently with the issues already planned for Phases 1 and 2. In determining appropriate steps for emergent and cross-proceeding issues, we will consider the urgency of the matter, the potential for duplication or overlap with issues in other proceedings, and the need to coordinate with other proceedings and agencies.

3. Initial Schedule

Within 30 days of the adoption of this OIR, we request that parties file comments on the Preliminary Scoping Memo contained herein. Reply comments may be filed 15 days later. A prehearing conference (PHC) will be shortly after the due date of reply comments. The PHC will be held for the purposes of (1) taking appearances, (2) discussing schedule and process, and (3) informing the scoping memo. The Assigned Commissioner or the assigned ALJ may change the schedule to promote efficient and fair administration of this proceeding.

PRELIMINARY SCHEDULE

EVENT	DATE
Comments on OIR filed and served	30 days from OIR
Reply comments on OIR filed and served	45 days from OIR
PHC	Following Reply Comments
Phase I Scoping memo	~30 days from PHC

EVENT	DATE
Step 1 and Step 2 record development (see below)	TBD
Phase I Proposed Decision	No later than 90 days from close of record
Phase 1 Final Decision	No sooner than 30 days after the Proposed Decision
Phase II PHC	TBD following Phase 1 decision

The Scoping Memo for Phase 1 will be issued after the PHC. The remainder of the schedule will be set in the scoping memo, but will generally consist of the following two steps.

Step 1: Information Gathering and Record Development. The format for information gathering and record development will be determined based on input from the parties. It could include workshops proposed and organized by the parties, interagency workshop with the CEC, presentation of proposals for POLR service requirements and cost recovery, development of a common list of relevant literature, informal or formal comments.

Step 2: Proposal for POLR service requirements, cost allocation, and cost recovery. This may take the form of individual party proposals or a staff proposal or a more specific set of questions for parties to respond to.

The format and schedule for Step 1 and Step 2 will be set in the Scoping Memo. Parties should provide recommendations for the format and schedule and these steps in their comments on the OIR preliminary scoping memo (see Section 5 below).

The timing for Phase 2 will depend on how quickly the Commission is able to resolve Phase 1. Parties are encouraged to work together and provide the

Commission with mutually agreeable proposals for the POLR service and cost recovery structure so that we can expeditiously conclude Phase 1.

We direct the assigned Commissioner, Energy Division staff, and the assigned Administrative Law Judge (ALJ) to work quickly once this proceeding is opened to address procedures and protocols to manage emergent issues and coordination. The Commission has many procedural tools at its disposal. For example, to coordinate among proceedings and obtain input from other agencies, this proceeding could establish regularly scheduled meetings or workshops that include other relevant agencies or are jointly conducted with other proceedings.

It is the Commission's intent to complete Phase 1 of this proceeding within 18 months of the date this decision is adopted. However, due to the complexity and number of issues in this proceeding, as well as the need to resolve issues in sequential phases rather than concurrently, it will take longer than 18 months to complete the proceeding. In light of this, the Commission intends to complete this proceeding within 24 months of the date this decision is adopted.¹⁸

If there are any workshops in this proceeding, notice of such workshops will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

4. Interagency Considerations

This proceeding will require input, collaboration and coordination with certain state agencies and the CAISO. Section 387(h) implementation requires consultation with the CEC. Already the IRP proceeding coordinates with the

¹⁸ Section 1701.5(b).

CEC, CAISO, CARB and the State Water Resources Control Board. RA and RPS coordinate with CEC and CAISO.

We recommend that a plan for inter-agency coordination be developed early in the proceeding. We have tentatively included this as an issue for discussion at the PHC.

5. Invitation to Comment on Preliminary Scoping Memo

This OIR serves as a solicitation for parties to comment on the Preliminary Scoping Memo and issues identified in this document.

In particular, we invite parties to comment on:

- The appropriateness of items included in the preliminary scope of this proceeding;
- Whether there are additional items that should be included in the scope of this proceeding;
- Whether there are any safety issues that should be included in the scope of this proceeding;
- The appropriate prioritization or sequencing of topics and activities that should be handled in this proceeding leading to Commission decision(s);
- Any additional processes that would be helpful in examining the scoped issues (e.g., workshops, written comments, working group); and
- The specific questions set forth in Appendix B (Preliminary Questions) to this order.

We direct parties to limit their comments to the specific issues set forth in this OIR, as well as to objections to the preliminary determinations below. Comments are limited to no more than 25 pages per party, with replies limited to 15 pages per party.

6. Categorization; *Ex Parte* Communications; Need for Hearing

The Commission's Rules of Practice and Procedure require that an order instituting rulemaking preliminarily determine the category of the proceeding and the need for hearing. As a preliminary matter, we determine that this proceeding is quasi-legislative, because our consideration and approval of this matter would establish policy or rules affecting a class of regulated utilities. Accordingly, *ex parte* communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Rules.

We are also required to preliminarily determine if hearings are necessary. We preliminarily determine that hearings are not necessary.

7. Filing and Service of Comments and Other Documents

Filing and service of comments and other documents in the proceeding are governed by the Commission's Rules of Practice and Procedure.

8. Respondents and Service of OIR

All electrical corporations subject to Section 387 are named as respondents to this proceeding because they are the current providers of last resort. Electrical corporations include PG&E, SDG&E, SCE, Bear Valley Electric Service, Inc., Liberty Utilities, and PacifiCorp. All CCAs and ESPs are also named as respondents to this proceeding because the POLR service and cost recovery framework may impact CCA and ESP costs and responsibilities and because this proceeding will address various other issues related to coordination, LSE failures, and load migration. Appendix C contains the list of respondents.

Within 15 days of mailing of this rulemaking, each respondent shall inform the Commission's Process Office of the contact information for a single

representative; other representatives and persons affiliated with the respondents may be placed on the Information Only service list.

This OIR will also be served on the official service lists for the following proceedings: Integrated Resource Planning and Procurement (R.20-05-003), Resource Adequacy (R.19-11-009), Renewables portfolio Standard (R.18-07-003), Power Charge Indifference Adjustment (R.17-06-026), Direct Access (R.19-03-009), Microgrids (R.19-09-009), and Reliable Electric Service in Extreme Weather (R.20-11-003).

This OIR will also be served on the California Independent System Operator and the following state agencies California Energy Commission, California Air Resources Board, and the California State Water Resources Control Board.

9. Addition to Official Service List

Addition to the official service list is governed by Rule 1.9(f) of the Commission's Rules of Practice and Procedure.

Respondents are parties to the proceeding (*see* Rule 1.4(d)) and will be immediately placed on the official service list.

Any person will be added to the "Information Only" category of the official service list upon request, for electronic service of all documents in the proceeding, and should do so promptly in order to ensure timely service of comments and other documents and correspondence in the proceeding. (*See* Rule 1.9(f).) The request must be sent to the Process Office by e-mail (process_office@cpuc.ca.gov) or letter (Process Office, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, California 94102). Please include the Docket Number of this rulemaking in the request.

Persons who file responsive comments thereby become parties to the proceeding (*see* Rule 1.4(a)(2)) and will be added to the “Parties” category of the official service list upon such filing. In order to assure service of comments and other documents and correspondence in advance of obtaining party status, persons should promptly request addition to the “Information Only” category as described above; they will be removed from that category upon obtaining party status.

10. Subscription Service

Persons may monitor the proceeding by subscribing to receive electronic copies of documents in this proceeding that are published on the Commission’s website. There is no need to be on the official service list in order to use the subscription service. Instructions for enrolling in the subscription service are available on the Commission’s website at <http://subscribecpuc.cpuc.ca.gov/>.

11. Intervenor Compensation

Intervenor Compensation is permitted in this proceeding. Pursuant to Pub. Util. Code § 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation within 30 days after the prehearing conference. Parties new to participating in Commission proceedings may contact the Commission’s Public Advisor.

12. Public Advisor; Public Outreach

Any person or entity interested in participating in this rulemaking who is unfamiliar with the Commission’s procedures should contact the Commission’s Public Advisor in San Francisco at (415) 703-2074 or (866) 849-8390 or e-mail public.advisor@cpuc.ca.gov. The TTY number is (866) 836-7825.

Public Utilities Code § 1711(a) states:

Where feasible and appropriate, except for adjudication cases, before determining the scope of the proceeding, the commission shall seek

the participation of those who are likely to be affected, including those who are likely to benefit from, and those who are potentially subject to, a decision in that proceeding. The commission shall demonstrate its efforts to comply with this section in the text of the initial scoping memo of the proceeding.

O R D E R

IT IS ORDERED that:

1. This Order Instituting Rulemaking is adopted pursuant to Article 8.5 of the California Public Utilities Code and Rule 6.1 of the Commission's Rules of Practice and Procedure.

2. The preliminary categorization is quasi-legislative.

3. The preliminary determination is that a hearing is not needed.

4. The preliminarily scope of issues is as stated above in Section 2.

5. A prehearing conference will be set after submission of reply comments.

Comments on this Order Instituting Rulemaking (OIR) are due 30 days from issuance of this OIR and reply comments are due 45 days from the issuance of this OIR. The schedule for the remainder of the proceeding will be adopted in the Assigned Commissioner's Scoping Memo.

6. All electrical corporations subject to Public Utilities Code Section 387 shall be respondents to this proceeding. All energy service providers and community choice aggregators shall also be respondents this proceeding.

7. All respondents shall, and any other person may, file comments responding to this Order Instituting Rulemaking 30 days from issuance.

8. The assigned Commissioner or Administrative Law Judge may make any revisions to the scheduling and filing determination made herein as necessary to facilitate the efficient management of the proceeding, including organization of issues into additional tracks of the proceeding.

9. The Executive Director will cause this Order Instituting Rulemaking to be served on all respondents listed in Appendix C and on the state agencies and proceeding service lists in Section 8 above.

This order is effective today.

Dated March 18, 2021, at San Francisco, California.

MARYBEL BATJER

President

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

DARCIE HOUCK

Commissioners

APPENDIX A
SENATE BILL 520 CHANGES TO THE PUBLIC UTILITIES CODE

(SB 520, Hertzberg. Electrical service: provider of last resort)

Section 216 was amended to include provider of last resort:

216. (a) (2) A provider of last resort, as defined in Section 397, that is providing service pursuant to Article 13 (commencing with Section 397) of Chapter 2.3 is a public utility subject to the jurisdiction, control, and regulation of the commission and the provisions of this part regarding providing that service.

Article 8.5 (commencing with Section 387) was added:

Article 8.5 Provider of Last Resort

387. (a) For purposes of this article, the following terms have the following meanings:

(1) “Carbon-free electrical resource” means a source of electrical generation that emits no greenhouse gases when generating electricity that is deliverable to retail end-use customers in California.

(2) “Load-serving entity” has the same meaning as defined in Section 380.

(3) “Provider of last resort” means a load-serving entity that the commission determines meets the minimum requirements of this article and designates to provide electrical service to any retail customer whose service is transferred to the designated load-serving entity because the customer’s load-serving entity failed to provide, or denied, service to the customer or otherwise failed to meet its obligations.

(b) The provider of last resort shall be the electrical corporation in its service territory unless provided otherwise in a service territory boundary agreement entered into pursuant to Article 1 (commencing with Section 8101) of Chapter 6 of Division 4, or unless another load-serving entity is designated by the commission pursuant to subdivision (c).

(c) The commission may designate a load-serving entity other than the electrical corporation to serve as a provider of last resort in the electrical corporation’s service territory by approving a joint application by the electrical corporation and the load-serving entity that proposes to become the new provider of last resort in the electrical corporation’s service territory. The application may request a transfer of the responsibilities of the provider of last resort for the entire service territory of the electrical corporation or for a portion of that service territory. The application shall include all of the following:

(1) A demonstrated ability by the load-serving entity seeking to become the new provider of last resort to post a bond sufficient to meet the minimum threshold established pursuant to subdivision (e).

(2) A demonstrated history of contracting for electricity and access to carbon-free electrical resources by the load-serving entity seeking to become provider of last resort.

(3) A viable plan for meeting the resource adequacy requirements established pursuant to Section 380, the requirements of the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11)), and all other load-serving entity procurement requirements.

(4) A history of the load-serving entity seeking to become the provider of last resort participating in, and complying with the requirements of, the integrated resource planning process pursuant to Sections 454.51, 454.52, and 454.54, and all other load-serving entity procurement requirements.

(5) The full disclosure by the load-serving entity seeking to become the provider of last resort of any fines or penalties imposed by, or violations of law found by, any regulatory body of any state or territory, or the federal government.

(6) A detailed history of the safety record of the load-serving entity seeking to become the provider of last resort.

(7) An implementation plan to provide for universal access, equitable treatment of all classes of customers, and other customer protections including electric service disconnection procedures consistent with Sections 718 and 779.3.

(d) The commission shall develop a process to facilitate a joint application from load-serving entities that are not electrical corporations to request to transfer the responsibilities of the provider of last resort. This process shall apply when one load-serving entity that is not an electrical corporation has already been designated as a provider of last resort, as described in subdivision (c). The commission may approve a joint application by the designated provider of last resort and the load-serving entity that proposes to become the new provider of last resort in the service territory. The application may request a transfer of responsibilities of the provider of last resort for the entire service territory or for a portion of that service territory. The application shall include all of the elements described in subdivision (c). All of the requirements of this article are applicable to the load-serving entity that proposes to become the new provider of last resort in the applicable service territory.

(e) While a load-serving entity is serving as the new provider of last resort pursuant to subdivision (c), the commission shall not enforce the provider of last resort requirements on the former provider of last resort.

(f) The commission shall develop additional threshold attributes for a load-serving entity other than an electrical corporation to serve as a provider of last resort to retail end-use customers in California that include all of the following:

(1) Minimum insurance requirements.

(2) Minimum financial requirements necessary to provide electricity to retail end-use customers in each service territory.

(3) Compliance with resource adequacy requirements pursuant to Section 380, requirements of the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11)), integrated resource planning requirements pursuant to Sections 454.51, 454.52, and 454.54, and all other state-mandated procurement requirements.

(4) Electric service disconnection rules pursuant to Sections 718 and 779.3.

(5) Any additional minimum requirements that the commission determines are needed to ensure that the provider of last resort will perform its obligation to serve.

(g) The commission shall ensure that the provider of last resort for each service territory receives reasonable cost recovery for being designated and serving as a provider of last resort.

(h) To ensure continued achievement of California's greenhouse gas emission reduction and air quality goals, and continued accounting of emissions of greenhouse gases for California pursuant to Part 2 (commencing with Section 38530) of Division 25.5 of the Health and Safety Code and other emissions reporting programs, in preparation for an unplanned customer migration to a provider of last resort, the commission, in consultation with the Energy Commission, may do both of the following:

(1) Establish rules for all load-serving entities in preparation of any potentially large and unplanned customer migration.

(2) Recommend to agencies modifications to relevant regulations.

(i) Notwithstanding any other law, electrical corporations shall continue to provide all metering, billing, and collection to retail customers served by the provider of last resort. Bills sent by an electrical corporation to retail customers shall identify the designated provider of last resort. The commission shall determine the terms and conditions under which the electrical corporation provides these services to the provider of last resort.

(j) The commission shall supervise and regulate each provider of last resort, as necessary, as a public utility for the services provided by the provider of last resort pursuant to this article to ensure the provision of electrical service to customers without disruption if a load-serving entity fails to provide, or denies, service to any retail end-use customer in California for any reason. The commission may do all things that are necessary and convenient in the exercise of this power.

(k) Nothing in this section limits the authority of the commission to regulate the terms of service or establish requirements for provider of last resort service by an electrical corporation or any new provider of last resort.

APPENDIX B – PRELIMINARY QUESTIONS

A. POLR Requirements to Ensure Continuity of Service in Event of LSE Failure

1. Considering the current electric market and available generation, has the Commission implemented sufficiently robust framework for ensuring that load migration to and from LSEs can be achieved without disrupting energy supply or high costs? If not, how does the CPUC ensure continuity of service in the event of an LSE failure?
2. What types of mechanisms or requirements for the POLR should be considered to ensure that the POLR has access to procurement resources in the event of LSE failure? These may include increased reserve margin, use of the backstop procurement mechanism in IRP, etc. To fulfill POLR service duties, can the POLR rely on purchasing energy on the CAISO market or should the POLR be ordered to do some advance procurement/hedging?
3. What issues need to be addressed to ensure RA obligations are met under the condition of an LSE failure and return of customers to POLR service? This includes consideration of the Energy Division compliance process, the waiver process, and the Commission's statutory authority to enforce compliance.
4. IRP sets long term planning requirements and orders procurement. What issues need to be considered in the POLR proceeding to ensure that long term reliability needs are met in the event of LSE failure? Is there additional information needed to ensure POLR can meet long-term reliability needs?
5. The state depends on LSEs' long-term contracts in IRP and RPS to bring new resources online to ensure RA. If a CCA fails, what happens to these resources? Can a POLR assume procurement contracts from a CCA or ESP in the event of the CCA or ESP becomes bankrupt or insolvent or otherwise fails to perform under the contract? If a POLR does assume the contract, what should be done to protect the IOU and bundled customers from uneconomic terms or terms that procurement review group would have found to be unreasonable for an IOU?

B. Cost Recovery for POLR Service

6. The POLR will have costs related to being prepared for a general non-IOU failure and costs associated with a specific failure when it may occur. To fulfill Section 387(g), what issues should be considered when determining cost recovery? Should a specific cost allocation and recovery framework be developed for the

POLR in the event that the POLR is ordered to perform central procurement functions in the future?

7. Should there be specific corporate entity requirements for an IOU POLR so that POLR services aren't mixed in with other IOU services?

C. Achievement of GHG Reduction Goals in the Event of an LSE Failure

8. To fulfill Section 387(h), what are the existing GHG reduction, air quality goals, and reporting requirements that should be considered? What other agencies have regulations that should be reviewed in this context? What rules for all LSEs should the Commission consider?
9. What issues need to be considered to meet statutory requirements for RPS in the event of a return of customers to POLR, including approved RPS procurement, submission of annual RPS Procurement Plans, annual RPS Compliance Reports, any penalties associated with non-compliance of the RPS program?

D. Non-IOU LSE Requirements to Ensure Continuity of Service

10. What types of mechanisms or requirements for the Non-IOU LSEs should be considered to ensure continuity of service? These mechanisms include current rules for CCA and DA providers to register, financial securities requirements, enforcement, waiver processes, and treatment of forward contracts. Are LSEs adequately hedged for energy? If not, is a mechanism necessary to ensure that they are adequately hedged?
11. What modifications, if any, are needed to the calculation or procedures implementing financial security requirements for CCAs or ESPs? Are there any additional aspects in the calculation of customer reentry fees that need to be considered?
12. What do we need to consider when developing a procedure for deregistering a CCA?
13. CCAs and ESPs will likely have outstanding RA, RPS, and IRP obligations in the event of a failure, and a failure could occur at any point in the calendar year. What actions should CCAs and ESPs be required to take now to ensure these obligations are either met or transferred to the POLR before deregistering with the CPUC? What is a reasonable time window for these actions to occur?
14. A Joint Power Authority is an entity formed by multiple municipalities to engage in a joint operation, such as a CCA. Municipalities generally limit their liability when joining a JPA, including CCA JPAs. In the event of a JPA CCA insolvency,

are there sufficient mechanisms to protect bundled customers and JPA member municipalities from the debts of the CCA. Are different mechanisms necessary address debt resulting from (a) contractual obligations, (b) Commission-issued citation penalties, and (c) other regulatory obligations?

15. Are there any additional aspects of the process for a return of customers to POLR that need to be considered?

E. Other Changes or Actions Necessary

16. Are there any timing or process issues related to the rules, procedure and existing schedules that should be considered in the framework and implementation of SB 520? Are there other additional actions the Commission must take to comply with SB 520? Are there any other substantive issues necessary to implement SB 520?

17. What procedures are necessary to enable CCAs to merge?

F. Coordination with Other Agencies and Proceedings

18. What aspects of this proceeding require coordination with other agencies or other proceedings? What is the most efficient procedural approach to obtaining input from these agencies? What procedural tools -- such as workshops or cross-proceeding reporting -- would efficiently encourage appropriate coordination between agencies or proceedings without creating undue burdens on agencies or parties?

19. Are there any gaps or misalignments between existing proceedings and programs that should be considered in this proceeding? Are there aspects of other proceedings and programs, such as Distributed Energy Resources or Demand Response that could be impacted by an LSE failure? To what extent should the Commission consider impacts to these programs as part of this proceeding?

20. Should the record from any other Commission proceeding be incorporated into the record of this proceeding? Are there formal reports or informal reports from other agencies or the CAISO that should be considered?

APPENDIX C – List of Respondents

Note: This list was developed largely based on the designated party representative on the service list for Rulemaking 16-02-007. If the entity listed prefers to list a different primary representative for the new proceeding, they should contact the Commission’s Process Office by email at Process_Office@cpuc.ca.gov, to designate the single party representative for the service list. Additional names can be included on the service list with the “Information Only” designation.

	Load Serving Entity	Representative Name	Email Contact
Investor Owned Utilities			
1	Bear Valley Electric Service	Jedediah J. Gibson	jjg@eslawfirm.com
2	Liberty Utilities	Daniel Marsh	Dan.Marsh@libertyutilities.com
3	Pacific Gas and Electric	Tyson R. Smith	TRSN@pge.com
4	PacifiCorp	Jessica Buno Ralston	Jessica.Ralston@PacifiCorp.com
5	San Diego Gas & Electric	Aimee Smith	AmSmith@SempraUtilities.com
6	Southern California Edison	Cathy A. Karlstad	Cathy.Karlstad@sce.com
Community Choice Aggregators			
7	Apple Valley Choice Energy	Kofi Antobam	kantobam@applevalley.org
8	Baldwin Park, City of	Jean M. Ayala	jayala@baldwinpark.com
9	Butte Choice Energy	Brian Ring	bring@buttecounty.net
10	Clean Energy Alliance	Barbara Boswell	Barbara@BayshoreCGI.com
11	Clean Power Alliance of Southern California	Ryan M. Baron	Ryan.Baron@bbklaw.com
12	CleanPowerSF	Barbara Hale	BHale@SFWater.org
13	Commerce, City of	Vilko Domic	vilkod@ci.commerce.ca.us
14	Desert Community Energy	Ryan M. Baron	Ryan.Baron@bbklaw.com
15	East Bay Community Energy	Melissa Brandt	MBrandt@ebce.org
16	King City Community Power	Thomas R. Darton	Regulatory@PilotPowerGroup.com
17	Lancaster Choice Energy	Cathy DeFalco	cDeFalco@CityofLancasterCa.org

	Load Serving Entity	Representative Name	Email Contact
18	Marin Clean Energy	C.C. Song	CSong@mceCleanEnergy.org
19	Monterey Bay Community Power	Peter Pearson	PPearson@MBCommunityPower.org
20	Palmdale, City of	Barbara Boswell	Barbara@BayshoreCGI.com
21	Peninsula Clean Energy Authority	Vidhya Prabhakaran	VidhyaPrabhakaran@dwt.com
22	Pico Rivera Innovative Municipal Energy	Katherine Hernandez	KHernandez@Pico-Rivera.org
23	Pioneer Community Energy	Scott Blaising	Blaising@BraunLegal.com
24	Pomona, City of	Barbara Boswell	Barbara@BayshoreCGI.com
25	Rancho Mirage Energy Authority	Isaiah Hagerman	IsaiahH@RanchoMirageCA.gov
26	Redwood Coast Energy Authority	Richard Engel	REngel@RedwoodEnergy.org
27	San Diego Community Power	Ty Tosdal	Ty@TosdalLaw.com
28	San Jacinto Power	Robert Johnson	CityManager@SanJacintoCa.us
29	San Jose Clean Energy	Jeanne Sole	Jeanne.sole@sanjoseca.gov
30	Santa Barbara Clean Energy	Barbara Boswell	barbara@calchoice.org
31	Silicon Valley Clean Energy	Scott Blaising	Blaising@BraunLegal.com
32	Solana Energy Alliance	Ty Tosdal	Ty@TosdalLaw.com
33	Sonoma Clean Power Authority	Neal M. Reardon	NReardon@SonomaCleanPower.org
34	Valley Clean Energy Alliance	Sheridan Pauker	SPauker@KeyesFox.com
35	Western Community Energy	Ryan M. Baron	Ryan.Baron@bbklaw.com
Electric Service Providers			
36	3 Phases Renewables, Inc.	Michael Mazur	MMazur@3phasesRenewables.com
37	Agera Energy, LLC	Kathryn Perry	CustomerCare@AgeraEnergy.com
38	American PowerNet Management, L.P.	Linda J	LindaJ@AmericanPowerNet.com
39	Calpine Energy Solutions, LLC	Greg Bass	Greg.Bass@CalpineSolutions.com
40	Calpine Power America-CA, LLC	Jason Armenta	JArmenta@calpine.com

	Load Serving Entity	Representative Name	Email Contact
41	Commercial Energy of CA	Patrick VanBeek	Patrick.Vanbeek@CommercialEnergy.net
42	Constellation NewEnergy, Inc.	Pardeep Gill	Pardeep.Gill@Constellation.com
43	Direct Energy Business, LLC	Scott Olson	Scott.Olson@DirectEnergy.com
44	EDF Industrial Power Services (CA), LLC	Byron Pollard	Byron.Pollard@EDFTrading.com
45	Gexa Energy California, LLC	John H. Ritch	John.Ritch@GexaEnergy.com
46	Just Energy Solutions, Inc.	Inger Goodman	iGoodman@JustEnergy.com
47	Liberty Power Delaware, LLC	Tabitha Canty	TCanty@LibertyPowerCorp.com
48	Liberty Power Holdings, LLC	Garson Knapp	gknapp@libertypowercorp.com
49	Palmco Power CA	Laura Salvesen	Compliance@PalmcoEnergy.com
50	Pilot Power Group, Inc.	Thomas R. Darton	TDarton@PilotPowerGroup.com
51	Praxair Plainfield, Inc.	Christian Lenci	Christian_Lenci@Praxair.com
52	Shell Energy North America	John W. Leslie, Esq.	John.Leslie@dentons.com
53	Tenaska Power Services Co.	Curry Aldridge	CAldridge@tnsk.com
54	University of California Regents	Mark Byron	Mark.Byron@ucop.edu
55	Tiger Natural Gas, Inc.	Bethany Soler	bsoler@tigernaturalgas.com
56	YEP Energy	Kevin Boudreaux	KB@EnerCalUSA.com
Electric Cooperatives			
57	Anza Electric Cooperative	Kevin Short	KevinS@AnzaElectric.org
58	Plumas Sierra Rural Electric Cooperative	Corby Erwin	CErwin@PSREC.coop
59	Surprise Valley Electrification Corporation	Jane Eaton	JaneSVEC@Frontier.com
60	Valley Electric Association	S. Bradley Van Cleve	mail@dvclaw.com

(END OF APPENDIX C)