

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**ENERGY DIVISION**

**Agenda ID: 19824  
RESOLUTION E-5159  
October 7, 2021**

**R E S O L U T I O N**

Resolution E-5159. Approving an agreement between the Southern California Edison Company (SCE) and the City of Santa Barbara for SCE to comply with Santa Barbara’s 2022 Resource Adequacy (“RA”) obligations and a separate agreement between SCE and Central Coast Community Energy (“3CE”) for SCE to comply with 3CE’s 2022 RA obligation and sell an allocated share of Renewable Portfolio Standard (“RPS”) Energy to 3CE in 2022.

**PROPOSED OUTCOME:**

- Approves agreements between Southern California Edison (SCE) and each of two Community Choice Aggregators (CCAs), City of Santa Barbara (“Santa Barbara”) and Central Coast Community Energy (“3CE”), under which SCE will comply with the 2021 Resource Adequacy (RA) obligations of 3CE and the 2022 RA obligations of Santa Barbara in exchange for monthly payments from each CCA based on the California Public Utilities Commission’s (CPUC or Commission) trued up market price benchmarks (MPB) for system, flexible, and local RA;
- Permits 3CE to make one or more purchases of Portfolio Content Category (PCC)-1 renewable energy (“RPS Energy”) from SCE during 2021 and 2022 in exchange for payments equivalent to the CPUC’s MPBs for RPS for 2021 and 2022; and
- Permits SCE to make annual and monthly forecasts and year-ahead and month-ahead compliance filings on behalf of 3CE in 2021 and Santa Barbara in 2022 for load migrating from SCE to these CCAs.

**SAFETY CONSIDERATIONS:**

- There is no direct impact on safety.

**ESTIMATED COST:**

- This Resolution is not expected to increase costs, and it may reduce costs by avoiding duplicate filings and redundant compliance.

By Advice Letter 4303-E filed on September 29, 2020, Advice Letter 4314-E filed on October 14, 2020, and Supplemental Advice Letter 4314-E-A filed on March 8, 2021.

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## **SUMMARY**

This Resolution approves agreements between Southern California Edison (SCE) and two newly forming Community Choice Aggregators (CCAs). Per an agreement with the City of Santa Barbara ("Santa Barbara") described in Advice letter 4304-E, SCE will comply with Santa Barbara's 2022 Resource Adequacy (RA) obligations. Per a separate agreement with Central Coast Community Energy ("3CE") described in Advice Letters 4314-E and 4314-E-A, SCE will comply with 3CE's 2021 and 2022 RA obligations and provide 3CE an option to make purchases of PCC-1 renewable energy ("RPS Energy") from SCE during 2021 and 2022 at the Commission-set market price benchmarks (MPB) for RPS. This Resolution also permits SCE to make annual and monthly forecasts and year-ahead and month-ahead RA compliance filings on behalf of load migrating to Santa Barbara for 2021 and 2022 and load migrating to 3CE for 2021.

The agreements are necessary because the two CCAs were compelled to change the dates when they will start serving customers. Santa Barbara submitted its 2021 load forecasts to the CPUC and the California Energy Commission (CEC) based on a projected launch date of May 1, 2021, as stated in its CPUC-certified Implementation Plan. Addendum No. 2 to 3CE's Implementation Plan, which contemplated expanding service to additional communities in PG&E's service area as well as communities in SCE's service area in January 2021, was approved by the CPUC on March 9, 2020.

However, the CCAs were later told by SCE that SCE was unable to accommodate their projected launch dates because the effort to replace its billing system with the Customer Service Re-Platform (CSR) would not be completed in time. The CSR involves a system freeze during which time SCE says it cannot transfer customer accounts to CCA service.

Changes to implementation dates may cause the CCAs to suffer adverse financial impacts, including procurement of resources for a substantial amount of time before they begin serving load. The agreements approved by this Resolution are intended to mitigate those consequences and risks by allowing SCE, on behalf of the CCAs, to comply with Santa Barbara's RA obligations for 2022 and with 3CE's RA obligation for 2021, as well as providing an option for 3CE to purchase PCC-1 RPS in 2021 and 2022.

**The Santa Barbara-SCE 2022 RA Agreement**

Under the Santa Barbara-SCE 2022 RA Agreement (as amended), Santa Barbara agrees to change its implementation start date to October 2021. SCE agrees to allocate all System, Flexible and Local RA needed to satisfy Santa Barbara's 2022 RA obligations, in exchange for monthly payment at a transparent price based upon the CPUC's 2022 trued-up market price benchmarks for System, Flexible, and Local RA.

SCE will comply with Santa Barbara's 2022 RA obligations on Santa Barbara's behalf, including reporting on 2022 RA compliance to the Commission and the California Independent System Operator (CAISO) for both SCE and Santa Barbara. Accordingly, this Resolution permits SCE to submit annual and monthly forecasts and year-ahead and month-ahead compliance filings that account for the load migrating to Santa Barbara in 2021 and 2022.

The Santa Barbara-SCE 2022 RA Agreement expressly contemplates a potential to change the new implementation start date because of CSRP, or because Santa Barbara may have a change in its plans, and it provides a process for agreeing to a new start date under such circumstances.

Santa Barbara is responsible for complying with and reporting on its RA obligations to the Commission and CAISO on its own behalf for the 2021 compliance year and for the 2023 RA compliance year and beyond. Santa Barbara must enter the year-ahead RA compliance process in 2022 for the 2023 RA compliance year and beyond.

**The 3CE-SCE 2021 RA Agreement**

Under the 3CE-SCE 2021 Amended and Restated RA Agreement, 3CE agrees to change its implementation start date to October 2021 and SCE agrees to allocate all System, Flexible and Local RA needed to satisfy 3CE's 2021 RA obligations. In exchange, 3CE will make monthly payments to SCE at a transparent price based upon the CPUC's 2021 trued-up market price benchmarks for System, Flexible, and Local RA.

SCE will comply with 3CE's 2021 RA obligations on 3CE's behalf, including reporting on 2021 RA compliance to the Commission and CAISO for both SCE and 3CE. Accordingly, this Resolution permits SCE to submit annual and monthly forecasts and year-ahead and month-ahead compliance filings that account for the load migrating to 3CE in 2021. SCE has no obligations under the agreement after 2021, and 3CE must

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enter the year-ahead RA compliance process in 2021 for the 2022 RA compliance year and beyond.

The Amended and Restated Agreement expressly contemplates a potential to change the new implementation start date because of CSRP, or because 3CE may have a change in its plans, and a process for agreeing to a new start date under such circumstances, including at least 60 days advance notice of the need for a change in the start date. The Agreement contains a mutual release of liability and hold harmless associated with a change in the start date under the Agreement.

### **The 3CE–SCE 2021 and 2022 RPS Agreement**

The Amended and Restated Agreement between 3CE and SCE provides 3CE the option to make one or more purchases of RPS Energy from SCE during 2021 and 2022 in exchange for payment from 3CE based the CPUC’s market price benchmarks for RPS for 2021 and 2022, as trued up in or around November 2021 and November 2022, respectively. The terms and conditions include the use of SCE’s current PCC-1 REC Sales Pro Forma for any such purchases and specify volume limits for 2021 and 2022 for such purchases that are within the overall sales volume limits of SCE’s CPUC-approved RPS Plan as of the execution of the Amended and Restated Agreement.

### **BACKGROUND**

This Resolution disposes of SCE Advice Letters 4303-E, 4314-E, and 4314-E-A.

#### **Start-up Dates and Resource Adequacy Obligations of CCAs**

Public Utilities Code Section 366.2 authorizes cities and counties to form CCAs individually or through a joint powers authority (JPA) of two or more cities and counties.

P.U. Code Section 366.2(a)(5) provides:

A community choice aggregator shall be solely responsible for all generation procurement activities on behalf of the community choice aggregator’s customers, except where other generation procurement arrangements are expressly authorized by statute.

Section 366.2(c) authorizes CCAs to:

solicit bids, broker, and contract for electricity and energy services for those customers. The community choice aggregator may enter into agreements for

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services to facilitate the sale and purchase of electricity and other related services.

Section 366.2(c)(8) grants to the CPUC the power to designate the date when a CCA may begin providing service.

In D.05-12-041, we delineated the CPUC's jurisdiction over CCAs and laid out the approval process for CCA registration and implementation. In D.19-06-026, we established that "load migration" would be the only allowable reason for differences between initial and final year ahead load forecasts. We adopted a modified definition of "load migration" for the purposes of the RA program to mean load effects that:

- 1) Result from one or more customers' retail electric service transferring directly from one LSE to another LSE in the same Transmission Access Charge (TAC) area, and
- 2) An LSE cannot reasonably predict and include in an implementation plan or in an initial year ahead load forecast.

Further, we explicitly held that "load migration" did not include changes to approved implementation plans.<sup>1</sup>

Resolution E-4907, adopted on February 8, 2018, effectuates portions of Section 366.2 and D.05-12-041 and establishes timelines for CCA implementation and registration. Resolution E-4907 also requires new and expanding CCAs to comply with the Commission's year-ahead RA requirements before serving customers. Such CCAs must submit their implementation plans by January 1 of the year prior to their projected start or expansion date and must participate in the Commission's year-ahead RA process to demonstrate that they have the RA resources needed to serve their forecasted load.

Resolution E-4907 also directs

- (i) the CCA and Utility to "meet and confer" to resolve disputes over operational issues,
- (ii) the CCA to submit a registration packet including the CCA's signed service agreement and bond, and
- (iii) the Commission to authorize the date when the CCA may begin service.

### **Santa Barbara Clean Energy**

The Santa Barbara City Council established the Santa Barbara Clean Energy (SBCE) program to provide electricity to customers within the City of Santa Barbara's

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<sup>1</sup> D.19-06-026 at 91

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geographic boundaries. On October 15, 2019, the City Council, at a duly noticed public hearing, introduced an ordinance to approve the SBCE Implementation Plan and, subsequently, on October 22, 2019, the City Council adopted Ordinance No. 5915 approving the Implementation Plan.

On November 1, 2019, Santa Barbara submitted its Implementation Plan and Statement of Intent to the Commission. The Commission reviewed Santa Barbara's Implementation Plan and Statement of Intent and issued a letter, dated January 21, 2020, certifying Santa Barbara's plan. Santa Barbara's Implementation Plan set a date of May 1, 2021 to begin service.

### **Central Coast Community Energy**

Central Coast Community Energy (3CE), formerly Monterey Bay Community Power Authority, is a CCA located in Monterey, San Benito, Santa Cruz, and now parts of San Luis Obispo and Santa Barbara Counties.

On December 4, 2019, 3CE adopted and authorized submittal of Addendum No. 2 to its Community Choice Implementation Plan and Statement of Intent ("Addendum No. 2"). Addendum No. 2 contemplated the commencement of CCA service within additional communities in both PG&E and SCE's service areas. Addendum No. 2 contemplated a Phase 4 Enrollment which was to begin January 2021 for service to residential, commercial, industrial, agricultural, and street lighting accounts within the Expansion Communities. The CPUC reviewed 3CE's Addendum No. 2 and issued a letter, dated March 9, 2020, certifying 3CE's updated plan.

### **SCE's Customer Service Re-Platform (CSRP) Project and 2020 CCA Implementation**

SCE states that its Customer Service Re-Platform (CSRP) will replace its 30-year-old mainframe customer billing system. CSRP will address SCE business needs for billing increasingly complex rates, customer programs and market participants with frequent changes in requirements, increasing data privacy and security needs, and customer expectations for self-service and digital engagement.

SCE expects CSRP to benefit all customers that use SCE's billing system, including CCAs. These benefits include a more reliable system with lower operating costs; more streamlined processes and standard data interfaces for all third parties, including CCAs; and the ability to make faster billing modifications and expedite testing and enrollment of CCAs and other program providers and their customers.

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To facilitate CSRP, SCE imposed a system freeze that took effect in the first quarter (Q1) of 2020 and was expected to continue through 2020, or longer, with a 6-month stabilization period following implementation that SCE expected to occur in late Q1 or early Q2 2021. The system freeze and subsequent stabilization period are necessary to mitigate significant risks associated with critical activities such as data conversion, interfaces and testing, and readiness (e.g., training, manual data cleanup, validation and cutover) activities required to support CSRP. During the CSRP system freeze, SCE declared that it had limited or no ability to transfer customer accounts to CCA Program service. During the CSRP system freeze and stabilization period, SCE had limited ability to transfer customer accounts to CCA program service. As such, CCAs with plans to implement or expand programs in 2021 are impacted by the CSRP system freeze and stabilization period.

Starting in early 2019, SCE began working with impacted CCAs to discuss implementation date changes, with the objective of maintaining CCA momentum and a good customer experience while minimizing risks. SCE proposed to enter into bilateral agreements to address each CCA's RA obligations, in recognition that CSRP introduces uncertainties as to timing of CCA program implementation, and CCAs may have financial impacts as a result of delayed launches and/or risk procuring unneeded resources.

### **The Santa Barbara–SCE 2022 RA Agreement**

Under the original Santa Barbara-SCE 2022 RA Agreement dated September 15, 2020, Santa Barbara agreed to change its implementation start date October 2021, and SCE agreed to allocate all System, Flexible and Local RA needed to satisfy Santa Barbara's 2022 RA obligations, in exchange for payment from Santa Barbara at the price based on the Commission's 2022 trued-up market price benchmarks for System, Flexible, and Local RA. Santa Barbara's trued-up payment to SCE under the Santa Barbara-SCE 2022 RA Agreement is due on or about January 2023. The Agreement contains no credit or collateral requirements for Santa Barbara.

SCE will comply with Santa Barbara's 2022 RA obligations on Santa Barbara's behalf, including reporting on 2022 RA compliance to the Commission and the California Independent System Operator (CAISO) for both SCE and Santa Barbara, unless the Commission or CAISO subsequently requires Santa Barbara to file its compliance documentation separately from SCE. On or about August 2021, SCE will include Santa Barbara's 2022 load as part of SCE's bundled service load forecasts submission to the CEC and the Commission.

**In Addition:**

- Santa Barbara will transfer its CAISO Import Allocation Rights for 2022 to SCE at no cost, to enable SCE to satisfy Santa Barbara's 2022 RA obligations.
- SCE will account for Santa Barbara customers' share of Capacity Allocation Mechanism (CAM), Demand Response Allocation Mechanism (DRAM), Local Capacity Reliability (LCR) preferred resources, and Demand Response (DR)-allocated RA, in satisfying Santa Barbara's 2022 RA obligations.
- SCE will record payments under the Santa Barbara-SCE 2022 RA Agreement in its Portfolio Allocation Balancing Account (PABA).

The Agreement contemplates a potential to change Santa Barbara's new implementation start date and includes a process for agreeing to a new start date under such circumstances and a mutual release of liability associated with a change in the start date. The Agreement expires on April 30, 2023 unless previously terminated. SCE has no obligations under the Santa Barbara-SCE 2022 RA Agreement in 2021 or after 2022, and Santa Barbara must make its own RA compliance filings for 2021 and enter the year-ahead RA compliance process in 2022 for the 2023 RA compliance year and beyond.

**The 3CE-SCE 2021 RA Agreement**

Under the original 3CE-SCE 2021 RA Agreement dated October 8, 2020, 3CE agreed to change its implementation start date to October 2021, and SCE agreed to allocate all System, Flexible and Local RA needed to satisfy 3CE's 2021 RA obligations for load within SCE's service territory in exchange for monthly payments from 3CE at a transparent price based on the Commission's 2021 trued-up market price benchmarks for System, Flexible and Local RA. The Agreement contains no credit or collateral requirements for 3CE.

The agreement further stipulates that SCE will comply with 3CE's 2021 RA obligations on 3CE's behalf, including reporting on 2021 RA compliance to the Commission and CAISO for both SCE and 3CE, unless the Commission or CAISO subsequently requires 3CE to file its compliance documentation separately from SCE.

The Agreement contemplates a potential to change 3CE's new implementation start date and includes a process for agreeing to a new start date under such circumstances



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and a mutual release of liability associated with a change in the start date. The Agreement expires on April 30, 2023. SCE has no obligations under the Agreement after 2021, and 3CE must enter the year-ahead RA compliance process in 2021 for the 2022 RA compliance year and beyond.

### **The 3CE–SCE 2021 and 2022 RPS Agreement**

The 3CE–SCE 2021 and 2022 RPS Agreement provides 3CE the option to take one or more allocations of Portfolio Content Category (PCC)-1 renewable energy (“RPS Energy”) from SCE during 2021 and 2022 in exchange for payment from 3CE based on the CPUC’s market price benchmarks for RPS for 2021 and 2022 (as applicable), as trued up in or around November 2021 and November 2022, respectively.

SCE will account for 3CE customers’ (residing in SCE areas) share of Capacity Allocation Mechanism (CAM), Demand Response Allocation Mechanism (DRAM), Local Capacity Reliability (LCR) preferred resources, and Demand Response (DR)-allocated RA, in satisfying 3CE’s 2021 RA obligations. SCE will record payments under the Agreement in its Portfolio Allocation Balancing Account (PABA). The Agreement expires on April 30, 2023 unless previously terminated.

Other provisions include:

- SCE will account for 3CE customers’ (residing in SCE areas) share of Capacity Allocation Mechanism (CAM), Demand Response Allocation Mechanism (DRAM), Local Capacity Reliability (LCR) preferred resources, and Demand Response (DR)-allocated RA, in satisfying 3CE’s 2021 RA obligations.
- SCE will record payments under the Amended and Restated Agreement in its Portfolio Allocation Balancing Account (PABA) (see SCE’s Preliminary Statement WW).
- Dispute resolution process and event of default / termination provisions.
- Section VI.I contains a clarification based on Resolution E-5051.
- The Amended and Restated Agreement expires on April 30, 2023 unless previously terminated.

### **SCE Supplemental Advice Letter 4314-E-A**

Advice Letter 4314-E-A contains an Amended and Restated Agreement that provides 3CE the option to make one or more purchases of RPS Energy from SCE during 2021 and 2022 in exchange for payment from 3CE based the CPUC’s market price

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benchmarks for RPS for 2021 and 2022 (as applicable), as trued up in or around November 2021 and November 2022, respectively. This purchase option replaces the “allocation” agreed to in 4314-E, in order to conform with statutory requirements that LSEs demonstrate RPS compliance through contracts (for example, see Public Utilities Code Section 399.13 (b)).

The terms and conditions, which are set forth in Section V of the Amended and Restated Agreement, include the use of SCE’s current PCC-1 REC Sales Pro Forma for any such purchases and specify volume limits for 2021 and 2022 for such purchases that are within the overall sales volume limits of SCE’s CPUC-approved RPS Plan as of the execution of the Amended and Restated Agreement. Advice Letter 4314-E-A also corrects errors in Appendix A of 4314-E and conforms Appendix B to the revisions.

### **Effective Dates of the Advice Letters and the Agreements**

Advice Letter 4303-E recites that, although it is Tier 3, it (and the agreements between the Santa Barbara and SCE) was effective on September 29, 2020, the date the advice letter was filed with the Commission. Advice Letter 4314-E recites that it was effective on October 14, 2020, the date it was filed with the Commission. Advice Letter 4314-E-A recites that it was effective on March 8, 2021, when it was filed with the Commission.

G.O. 96-B, General Rule 8.2.3 provides that a utility may provide service to a government agency without prior Commission approval, but the utility shall promptly provide notice to the Commission via an advice letter. Although General Rule 7.5.3 provides that the advice letter may be effective pending disposition, the Commission may determine the reasonableness of such service.

### **NOTICE**

Notice of Advice Letters 4303-E, 4314-E, and 4314-E-A was made by publication in the Commission’s Daily Calendar. SCE states that copies of the Advice Letters were mailed and distributed in accordance with Section 4 of General Order 96-B.

### **PROTESTS**

There were no protests to Advice Letters 4303-E, 4314-E, and 4314-E-A.

**DISCUSSION**

The Commission has reviewed Advice Letters 4303-E, 4314-E, and 4314-E-A, and the Santa Barbara-SCE 2022 RA Agreement, the 3CE-SCE 2021 RA agreement, and the 3 CE-SCE 2021 and 2022 RPS Agreement (as amended). The Agreements represent reasonable resolutions of the issues created by SCE delaying the start dates for Santa Barbara and the 3CE expansion.

The Commission approved materially similar agreements between SCE and several CCAs (Western Community Energy, Desert Community Energy, and Clean Power Alliance of Southern California) in Resolution E-5051. In its various agreements with these CCAs and with 3CE and Santa Barbara, SCE assumes some level of risk of counterparty default, particularly when there are no credit or collateral requirements. As market participants are aware, Western Community Energy (WCE) launched in April 2020 and declared bankruptcy on May 24, 2021. WCE also informed the Commission of its intent to deregister as a CCA on June 10, 2021. Although there are similarities between SCE's agreement with WCE and its agreements with 3CE and Santa Barbara, we find that the agreements in AL 4303-E, 4314-E, and 4314-E-A are reasonable, given their basis in mutual agreement and the need to address the CCA launch issues caused by CSRP.

Ordinarily, a CCA that submits an implementation plan stating its intent to begin serving customers in 2021 would directly comply with its resource adequacy obligations for 2021. Santa Barbara and 3CE intended to and were prepared to do that. They duly complied with the Resolution E-4907 and the Commission's other rules for new and expanding CCAs. They submitted their implementation plans, statements of intent and 2020 load forecasts to the Commission on a timely basis.

It is solely because of the CSRP project that they are unable to do so. As we noted in Resolution E-5051 (page 13), it would be unnecessary and wasteful to require the CCAs to procure redundant RA resources for periods when they are prevented from serving customers. Because SCE continues to serve those customers, and because the CCAs must change the dates when they begin serving those customers by reason of the CSRP, it is appropriate for SCE to perform the RA compliance obligations associated with those customers during a transitional period.

**Compliance with P.U. Code Section 366.2(a)(5)**

The Agreements do not violate P.U. Code Section 366.2(a)(5) because the Agreements do not relieve the CCAs of responsibility to comply with the RA program. Pursuant to

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the Agreements, the CCAs are discharging that responsibility by procuring the RA they need for compliance from SCE. Purchasing the RA from SCE is equally consistent with Section 366.2(a)(5) as purchasing the RA from a different vendor.

Section 366.2(c) explicitly authorizes CCAs to contract for electricity and energy services for their customers. As contemplated by Section 366.2(c), the CCAs are fulfilling their responsibility for RA procurement by entering into the Agreements with SCE.

### **Agreements Approved**

We approve the Santa Barbara-SCE 2021 RA Agreement, the 3CE-SCE 2022 RA Agreement, and the Amended and Restated 3CE-SCE 2021 and 2022 RPS Agreement, except as explicitly clarified below regarding the effect of the agreements on Commission rules and decisions. The RA Agreements serve the purpose and policy of the RA rules. RA resources will be procured for compliance year 2021 for the customers who are migrating to 3CE and for 2022 for customers migrating to Santa Barbara, and the required reporting will be made. The 2021 and 2022 RPS agreement will allow 3CE to partially meet its RPS obligation using RPS that was procured by SCE on behalf of migrating customers. As the agreement is for RPS amounts that are within the overall sales volume limits of SCE's approved RPS procurement plans, it is approved.

### **Permission Granted**

We permit SCE to make annual and monthly load forecasts and year-ahead and month-ahead RA compliance filings on behalf of Santa Barbara in 2022 and 3CE in 2021 for load migrating from SCE to these CCAs. 3CE is not required to make its own RA-related filings for 2021, and Santa Barbara is not required to make its own RA-related filings for 2022 on behalf of the migrating load.

In reviewing RA filings, the Commission will consider SCE responsible for correcting any errors and for curing any deficiencies relative not only to its own requirements, but also to those of Santa Barbara and for 3CE's expansion in SCE territory during the operative years of the agreements. Similarly, during the operative years of the agreements, SCE will be subject to requirements and penalties under the RA program as if the requirements of Santa Barbara and 3CE that the agreements address were the requirements of SCE itself.

**Clarification of the Effect of the Agreements**

The following provision appears in Section U of the Santa Barbara-SCE 2022 RA Agreement:

“SCE’s tariffs and CPUC’s decisions governing CCA implementation and RA compliance continue to govern the Parties’ rights and obligations unless and to the extent they are modified by this Agreement.”

This provision needs clarification. The Commission’s rules and decisions governing CCA implementation and RA compliance are and will remain in full force and effect. Neither those rules and decisions, nor the Commission’s RA requirements, will be modified by any of the Agreements. This Resolution approves a limited, one-time transfer of responsibility for 2021 RA compliance for 3CE and 2022 RA compliance for Santa Barbara.

The Agreements are approved because they provide a reasonable resolution of the issues caused by the changes and uncertainty in the CCAs’ implementation dates resulting from the CSRP; they are the product of good faith, meet-and-confer discussions and arms’ length negotiations between the parties; they deliver valuable consideration to SCE and the CCAs; and they incorporate transparent pricing at Commission-adopted market price benchmarks for 2021 and 2022 RA resources and RPS energy.

**COMMENTS**

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review. Any comments are due within 20 days of the date of its mailing and publication on the Commission’s website and in accordance with any instructions accompanying the notice. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

**FINDINGS AND CONCLUSIONS**

1. The Agreements provide a reasonable resolution of the disputes arising from the uncertainties and changes in the CCAs' implementation dates resulting from the CSRPs; they are the product of good faith, meet-and-confer discussions and arms' length negotiations between the parties; they deliver valuable consideration to SCE and the CCAs; and they incorporate transparent pricing at CPUC-adopted market price benchmarks for RA and RPS resources.
2. The Commission's rules and decisions governing CCA implementation and RA compliance are and will remain in full force and effect.
3. Santa Barbara and 3CE complied with the Resolution E-4907 and the Commission's other resource adequacy rules for new and expanding CCAs and submitted their implementation plans, statements of intent and 2021 and 2022 load forecasts (as applicable) to the Commission on a timely basis.
4. The inability of Santa Barbara and 3CE to start serving their customers on the dates stated in their implementation plans and to directly perform their corresponding RA obligations is the result of SCE's CSRPs project.
5. It would be unnecessary and wasteful to require Santa Barbara and 3CE to procure redundant RA resources for periods when they are prevented from serving customers.
6. The Santa Barbara-SCE 2022 RA Agreement represents a reasonable solution to the issues created for Santa Barbara as a consequence of SCE's Customer Service Re-Platform Project (CSRPs) and the uncertainty the CSRPs has caused regarding when Santa Barbara can begin serving customers.
7. The 3CE-SCE 2021 RA Agreement (as amended) represents a reasonable solution to the issues created for 3CE as a consequence of SCE's CSRPs and the uncertainty the CSRPs has caused regarding when 3CE can begin serving customers.
8. The 3CE-SCE 2021 and 2022 RPS Agreement (as amended) represents a reasonable solution to the issues created for 3CE as a consequence of SCE's CSRPs and the uncertainty the CSRPs has caused regarding when 3CE can begin serving customers.
9. Given that SCE's CSRPs project has delayed planned start dates for 3CE's expansion and Santa Barbara's launch, it is reasonable that SCE should undertake to perform

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the 2021 and 2022 RA compliance and reporting obligations on behalf of Santa Barbara and the 3CE expansion in SCE territory, as applicable and as described in the Agreements.

10. By entering into the Santa Barbara-SCE 2022 RA Agreement and the 3CE-SCE 2021 RA Agreement, the CCAs are not avoiding, but are fulfilling, their responsibility for generation procurement activities for their customers under P.U. Code Section 366.2(a)(5).
11. The Santa Barbara-SCE 2022 RA Agreement and the 3CE-SCE 2021 RA Agreement serve the purpose and policy of the RA rules. RA resources will be procured for compliance years 2021 and 2022 for the customers who are migrating to 3CE and Santa Barbara, and the required reporting will be made. There is no policy or practical reason to require both SCE and the CCAs to perform duplicative RA obligations for the same customers.
12. It is appropriate to permit SCE to make annual and monthly load forecasts and year-ahead and month-ahead RA compliance filings accounting for Santa Barbara in 2022 and 3CE in 2021 for load migrating to the CCAs in 2021 and 2022, as applicable and as described in the Agreements.
13. General Rule 8.2.3 applies to the Advice Letters. Advice Letter 4303-E and the Santa Barbara-SCE 2022 RA Agreement became effective on September 29, 2020 subject to and pending our review. Advice Letter 4314-E-A, the 3CE-SCE 2021 RA Agreement (as amended), and the 3CE-SCE 2021 and 2022 RPS Agreement (as amended) became effective on March 8, 2021, subject to and pending our review.

**THEREFORE IT IS ORDERED THAT:**

1. The Santa Barbara -SCE 2022 RA Agreement is approved except as explicitly clarified in this Resolution.
2. The 3CE-SCE 2021 RA Agreement (as amended) is approved except as explicitly clarified in this Resolution.
3. The 3CE-SCE 2021 and 2022 RPS Agreement is approved except as explicitly clarified in this Resolution.

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4. SCE, on behalf of Santa Barbara, is permitted to make annual and monthly load forecasts and year-ahead and month-ahead RA compliance filings for program year 2022, accounting for load migrating to Santa Barbara in program years 2021 and 2022.
5. SCE, on behalf of 3CE, is permitted to make annual and monthly load forecasts and year-ahead and month-ahead RA compliance filings accounting for load migrating to 3CE in program year 2021.
6. If SCE files annual and monthly load forecasts and makes year-ahead and month-ahead resource adequacy filings on behalf of Santa Barbara and 3CE, as described in the Agreements, then Santa Barbara and 3CE shall be excused from submitting their own (duplicative) forecasts and making their own (duplicative) RA-related filings for the relevant time periods.
7. SCE shall file a separate load forecast for Santa Barbara and 3CE (for its expansion in SCE's service territory) unless Energy Division staff request a different format.
8. SCE is responsible for correcting any errors found by Energy Division in its review of forecasts or Resource Adequacy filings, and SCE shall cure any deficiencies relative not only to its own requirements, but also to those of Santa Barbara and 3CE. SCE shall be subject to requirements and penalties under the RA program as if the requirements of Santa Barbara and 3CE that the Agreements address were the requirements of SCE itself.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on October 6, 2021; the following Commissioners voting favorably thereon:

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Rachel Peterson  
Executive Director