Decision 22-11-021 November 17, 2022

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking To Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program.	Rulemaking 18-07-003

DECISION APPROVING VOLUNTARY ALLOCATIONS AND MODIFYING MARKET OFFER PROCESS FOR THE SALE OF EXCESS RENEWABLE RESOURCES TO LOWER POWER CHARGE INDIFFERENCE ADJUSTMENT COSTS PURSUANT TO DECISION 21-05-030

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Summary

This decision reviews and approves Voluntary Allocations and modifies the Market Offer process proposals of the load-serving entities (LSEs) to sell excess renewable resources pursuant to Decision (D.) 21-05-030.

We approve all Voluntary Allocation offers made by the investor-owned utilities (IOUs) and accepted by the LSEs in this Voluntary Allocation and Market Offer (VAMO) cycle, as reported in the LSEs' draft 2022 Renewables Portfolio Standard (RPS) Plans filed on July 1, 2022, or updates filed on August 15, 2022.

Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company must each file a Tier 1 Advice Letter for short-term proforma contract language within 15 days of the issuance date of this decision to include relevant changes to the Market Offer process ordered below.

The investor-owned utilities (IOUs) must file a Tier 2 Advice Letter for long-term proforma contracts language within 30 days of the issuance date of this decision to include relevant changes to the Market Offer process ordered below:

1. The IOUs shall offer 100 percent of their remaining Power Charge Indifference Adjustment (PCIA) eligible short-term contracts in the Market Offer.
2. The IOUs shall offer a minimum of 35 percent of the remaining PCIA-eligible long-term contracts in the Market Offer as long-term contracts.
3. The IOUs may offer 65 percent of the remaining PCIA-eligible long-term contracts in the Market Offer as:

a. As long-term product, or

b. As both short-term and long-term products subject to a methodology to optimize the value of bids for ratepayers.

4. The term for sales of the long-term renewable energy credits (RECs) should last through the end of the term of the longest contract in the IOUs PCIA-eligible RPS portfolio.

5. The IOUs shall seek approval of executed short-term Market Offer contracts via Tier 1 Advice Letters and Tier 3 Advice Letters for executed long-term Market Offer contracts.

6. The bids in the Market Offer are not limited to 10 percent incremental slices of an IOU's RPS resources. Bidders may specify any quantity of RPS resources in percentage increments, which must be represented in whole numbers.

7. If Southern California Edison Company decides to set bid floors, it must revise its method to follow the bid floor method approved in D.21-01-005 for its 2021 RPS Plan.

8. The IOU code of conduct shall be modified to include the following changes:

   a. Employees of an IOU are not allowed to move between evaluation and bid team until after the submission of the IOU's last Market Offer contract for Commission approval.

   b. The code of conduct rules shall remain effective until the submission of IOU's last Market Offer contract for Commission approval.

   c. IOU employees involved in the Market Offer process shall certify to comply with the Market Offer solicitation code of conduct.

   d. The IOU is responsible for notifying the Independent Evaluator (IE) and Procurement Review Group (PRG) of its offer before submitting it in the Market Offer

solicitation if it intends to participate in its Market Offer solicitation.

e. The IE shall provide the Commission information regarding any code of conduct violation in their IE Reports.

9. The IOUs shall not conduct concurrent non-Market Offer solicitations for similar RPS products during the Market Offer solicitation period.
10. Market Offer sales revenue allocation and ERRA true-up forecast complies with D.19-10-001 and D.21-05-030.
11. The IOUs shall provide an updated timeline to implement the Market Offer process in the Advice Letter filings for sale of short-term and long-term contracts. Market participants are permitted to bid different percentages for 2023 and 2024 for short-term Market Offer contracts.

1. Procedural Background

On May 20, 2021, the California Public Utilities Commission (CPUC or Commission) adopted Decision (D.) 21-05-030 in Rulemaking (R.) 17-06-026, setting rules to implement the Voluntary Allocation, Market Offer, and Request for Information (RFI) processes for Renewables Portfolio Standard (RPS) contracts subject to the Power Charge Indifference Adjustment (PCIA) mechanism. According to D.21-05-030, all load-serving entities (LSEs) must report their Voluntary Allocation and Market Offer (VAMO) participation in their annual RPS Procurement Plans and RPS compliance reports.[1] Additionally, the investor-owned utilities (IOUs) must file their proposed Market Offer process in their annual RPS Procurement Plans.[2]

[1] *See* D.21-05-030 at 36.

[2] *Id*.

On April 6, 2022, an Amended Scoping Memo and Ruling (Scoping Memo) expanded this proceeding's scope to consider issues relevant to implementing the VAMO process. The Scoping Memo established parallel tracks to manage the overall proceeding quickly and efficiently.

On April 11, 2022, an assigned Commissioner and Administrative Law Judge's Ruling adopted a procedural schedule for the parallel tracks (Track 1 and 2) to review VAMO information as part of the 2022 RPS Procurement Plans (RPS Plans).

On May 2, 2022, a Joint Market Offer proposal was filed by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) as Track 1 of their draft 2022 RPS Plan.

On May 16, 2022, each IOU filed a confidential version of Track 1 Draft RPS Plans with their Market Offer solicitation protocols.

On July 1, 2022, the following LSEs filed their draft 2022 RPS Plans, including the best available information on their Voluntary Allocations:

3 Phases Renewables Incorporated (3 Phases Renewables), Apple Valley Choice, Bear Valley Electric Company (BVES or Bear Valley), Brookfield Renewable Energy Marketing US LLC, Calpine Energy Solutions, Calpine PowerAmerica-CA, Central Coast Community Energy, City of Palmdale, City of Pomona, City of Santa Barbara, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Commercial Energy of California, Constellation NewEnergy, Desert Community Energy, Direct Energy Business, East Bay Community Energy, EDF Industrial Power Services (CA), King City Community Power, Lancaster Choice, Liberty Utilities (CalPeco Electric), LLC (Liberty), Marin Clean Energy, Orange County Power Authority, PG&E, PacifiCorp, d/b/a

Pacific Power (PacifiCorp), Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pilot Power Group, Pioneer Community Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, SDG&E, San Jacinto Power, San Jose Community Energy, Shell Energy North America, Silicon Valley Clean Energy, Sonoma Clean Power, SCE, The Regents of the University of California, and Valley Clean Energy Alliance.

On August 15, 2022, most LSEs filed motions to update their draft RPS Plans, including the status of their Voluntary Allocation. On October 19, 2022, 3 Phases Renewables filed their update to their draft RPS Plan.

2. Issues Before the Commission

In this decision, we will review the Joint IOUs' proposed Market Offer process filed under D.21-05-030. To provide certainty regarding what resources must be included in the Market Offer process, we will also review the Voluntary Allocation information filed as part of the draft 2022 RPS Plans on July 1, 2022, and updated information filed on August 15, 2022.

Issues for Voluntary Allocations:

a. Review the outcomes of the IOUs' Voluntary Allocation process and confirm elections by participating LSEs.

Issues for Market Offer: Under Track 1 of the 2022 RPS Plans, the IOUs jointly proposed a process and schedule for Market Offers for energy deliveries beginning in 2023, according to D.21-05-030. The issues for our consideration are:

1. Whether the proposed Market Offer process is consistent with existing rules and requirements for IOU RPS solicitations,
2. Whether the IOUs' detailed implementation proposals are appropriate for implementing the Market Offer process established in D.21-05-030,

3. Whether the proposed Market Offer process includes appropriate rules for IOU participation in IOU-administered solicitations,
4. Does the proposed Market Offer process include the appropriate methodology to allocate sales revenues?
5. Whether the proposed schedule for implementing the Market Offer is reasonable?

3. Voluntary Allocation

Most LSEs have accepted a portion of their Voluntary Allocation per D.21-05_030. However, a few LSEs chose not to participate in the Voluntary Allocation process. Appendix A lists all LSEs that accepted Voluntary Allocations.

We have reviewed the draft RPS Plans filed on July 1, 2022, and updated RPS Plans filed on August 15, 2022. Most LSEs decided to accept their Voluntary Allocation offers after evaluating their respective available short and long-term VAMO allocations relative to their current and future RPS needs. We find it reasonable to approve all Voluntary Allocation offers accepted by the LSEs.

3 Phases Renewables did not file an updated draft 2022 RPS Plan on August 15, 2022, as required by April 11, 2022, assigned Commissioner Ruling. They filed an updated draft on October 19, 2022, in response to the proposed decision. LSEs have reported their decisions to decline, accept, or accept, in part, their Voluntary Allocations and have made reasonable arguments in support of their position. The Voluntary Allocation offers may be provided once per compliance period. If the Commission authorizes another round of VAMO, LSEs that chose not to participate in this round can evaluate future proposals and may accept an allocation.

According to D.21-05-030, within 90 days of completing an RPS VAMO, each IOU must file and serve in R.17-06-026, R.18-07-003, and R.20-05-003 a

report on the effectiveness of its RPS VAMO process and RFI and hold a workshop to discuss the findings with other LSEs.

4. Market Offer Proposal

4.1. IOU Proposal Summary

The Joint IOUs state that the Market Offer sales will be based on their renewable energy credit (REC) sales frameworks approved in their Final 2021 RPS Procurement Plans, with a few exceptions related to the VAMO structure adopted in D.21-05-030.[3] The IOUs propose that LSEs purchase a slice of each IOU's RPS portfolio that remains following the Voluntary Allocation and accept whatever output the eligible portfolio generates associated with that procurement, but not a fixed number of RECs.[4] The Joint IOUs state that sales will only occur through one competitive solicitation, and no bilateral contracts will be signed. The Joint IOUs state that the Market Offer process is open to all market participants and offers RECs and energy remaining for the Compliance Period 2021-2024 after the Voluntary Allocation process.[5]

PG&E and SCE propose to offer these RECs as short-term contract sales limited to the remaining years of Compliance Period 4, 2023-2024, only.[6] They do not propose to offer any sales of long-term contracts. SDG&E similarly proposes to provide short-term RECs limited to the remaining years of Compliance Period 4, 2023-2024, but states it may offer long-term REC sales, which will last through the end of the term of the longest contract in its PCIA-eligible RPS energy portfolio.[7]

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[3] Joint IOU Proposal at 4.

[4] Joint IOU Proposal at 5.

[5] Joint IOU Proposal at 2.

[6] Joint IOU Proposal at 5.

[7] Joint IOU Proposal at 6.

SCE and SDG&E state they will offer slices of their PCIA-eligible Portfolio Content Category (PCC) 1 and PCC 3 portfolios that remain after the Voluntary Allocation process.[8] PG&E states it will provide for sale slices of its entire PCIA-eligible portfolio—broken up into a PCC 1 product (Product A) and a non-PCC 1 product (Product B)—that remains after the Voluntary Allocation process.[9] The IOUs note that all RECs offered through the Market Offer process will be re-sale transactions consistent with D.11-12-052, and no PCC 0 RECs are available.[10] The IOUs state that the Commission will determine the ultimate PCC category of any RPS-eligible resource utilized for RPS compliance.[11]

The IOUs propose short-term contracts to be approved via a Tier 1 Advice Letter process. SDG&E proposes to submit long-term contracts through a Tier 3 Advice Letter process. The IOUs submit a timeline for completing the Market Offer process to allow Market Offer contracts to begin deliveries on January 1, 2023.[12]

Regarding allocation of sales revenue for Energy Resource Recovery Account (ERRA) accounting, the Joint IOUs propose paying for the Market Offer award as a debit from the ERRA "balancing account at the transacted price, and a credit to applicable Portfolio Allocation Balancing Account (PABA) customer vintages."[13] Revenues from Market Offer sales will be shared across all PCIA customer vintages.[14] The IOUs propose to use the best available information at

[8] Joint IOU Proposal at 7.

[9] Joint IOU Proposal at 7, Appendix B.2 - at 7.

[10] Joint IOU Proposal at 6-7.

[11] Joint IOU Proposal at 7.

[12] Joint IOU Proposal at 12.

[13] Joint IOU Proposal at 13.

[14] Joint IOU Proposal at 13.

the time of their ERRA Forecast Applications and to "true up" forecast values to actuals in PABA.

On May 16, 2022, the IOUs filed proposed confidential pricing standards and other commercially sensitive information supporting each IOU's Market Offer process.

4.2. Parties Comment Summary

In response to the Joint and confidential Market Offer Proposals, CalCCA, Cal Advocates, GPI, AReM, and Shell filed opening comments.

CalCCA commented on four issues. First, CalCCA states that if the IOUs use bid floors, it would adversely impact the PCIA's Market Price Benchmark (MPB) and, therefore, should not be allowed.[15] Second, CalCCA recommends that Commission order the IOUs to modify their codes of conduct to ensure solicitations are conducted fairly.[16] Third, CalCCA argues that their remedies should not be limited in the event an IOU violates solicitation rules and recommends the possibility of disallowing costs in ERRA.[17] Fourth, CalCCA requests that SDG&E be ordered to make several changes to its Market Offer process and pro forma Market Offer Advice Letter.[18]

Cal Advocates opposed PG&E's confidential Market Offer process, arguing that it differed from its existing RPS sales methodology, in contrast to the requirements of D.21-05-030.[19]

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[15] CalCCA Opening Comment at 4-5.

[16] CalCCA Opening Comment at 6-9.

[17] CalCCA Opening Comment at 11-12.

[18] CalCCA Opening Comment at 12-13.

[19] Cal Advocates Opening Comment at 1-2, *citing* D.21-05-030, 64, Ordering Paragraph 3(b).

AReM and Shell, in a joint comment, request that the Commission require IOUs to offer 50 percent of their unallocated long-term contracts through the Market Offer process.[20] In the alternative, they ask that the Commission "allow entities that purchase RECs from long-term contracts," presumably via short-term portions, "to count those RECs toward their long-term contracting requirements in the current compliance period."[21] They state that some load-serving entities view long-term RPS contracts as a premium product which some will need to satisfy the 2021-2024 compliance period requirements.[22]

GPI asserts there are inconsistencies in the IOUs' joint filing that it recommends should be corrected.[23] GPI notes several places where the products being sold are referred to as REC purchases and offers with undefined product increments but should instead be changed to "RPS eligible products … being offered in 10 percent slices that remain under IOU management. . . ."[24]

4.3. IOUs' Replies Summary

PG&E, SDG&E, and SCE replied to eight issues raised by parties in their opening comments. First, PG&E responded to Cal Advocates and agrees that D.21-05-030 requires the Market Offer process to be consistent with existing REC sales processes.[25] PG&E argues deviations are warranted because PG&E offers two products (PCC 1 and non-PCC 1), whereas REC sales are for one product.[26]

[20] AReM and Shell Opening Comments at 4-5.

[21] AReM and Shell Opening Comments at 5.

[22] AReM and Shell Opening Comments at 3-4.

[23] GPI Opening Comment at 1-2.

[24] GPI Opening Comment at 2.

[25] PG&E Reply Comment at 2.

[26] PG&E Reply Comment at 3.

Second, the IOUs argue that CalCCA's proposal to disallow ERRA cost recovery as a remedy for IOU noncompliance is inconsistent with the ERRA regulatory framework and with D.21-05-030. PG&E and SCE assert that Assembly Bill (AB) 57 generally eliminated the need for after-the-fact reasonableness reviews.[27] The IOUs note that this proposed remedy is unnecessary because the IOUs are subject to several existing rules that act as a deterrent, such as the Standards of Conduct.[28] PG&E and SCE also argue that CalCCA's ERRA disallowance proposal is inconsistent with D.21-05-030, as that decision did not adopt a shareholder responsibility mechanism, and this proposal is not based on existing rules in the RPS program.[29]

Third, the IOUs individually respond to various aspects of CalCCA's code of conduct proposals. PG&E and SDG&E oppose the one-year term for the code of conduct and prohibition on transferring bid and solicitation staff as it will impede ongoing procurement efforts.[30] SCE offers a clarification on its policy to limit employee transfers.[31]

PG&E opposes a prohibition on the concurrent non-Market Offer solicitations for the same products during the same delivery period while the Market Offer solicitation is open. It states that this matter should be addressed in a Commission order, not PG&E's code of conduct.[32] PG&E also opposes the IE

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[27] PG&E Reply Comment at 5-6; SCE Reply Comment at 5. PG&E notes two exceptions where after-the-fact reasonableness review does apply: a.) reviewing compliance with contract terms and b.) for contracts that do not conform with Commission approve bundled procurement plans. PG&E Reply Comment at 6, fn. 10.

[28] PG&E Reply Comment at 4-5; SCE Reply Comment at 4-5; *see* SDG&E Reply Comment at 4-5.

[29] PG&E Reply Comment at 6-8; SCE Reply Comment at 4, 6.

[30] PG&E Reply Comment at 8-9; SDG&E Reply at 6.

[31] SCE Reply Comment at 2-3.

[32] PG&E Reply Comment at 9.

reporting on code of conduct violations as this has not been part of the IE's purview.[33]

SCE agrees to require all employees involved in the Market Offer process to sign the Certification included on the last page of the IOUs' proposed code of conduct.[34] SDG&E did not object to the recommendation that it submit its Market Offer bids to the IE before third-party bidders if it participates.[35]

Fourth, the IOUs urge the commission to reject CalCCA's request to prohibit bid floors. They note that having the flexibility to adopt a bid floor could promote a competitive solicitation and avoid market manipulation to the benefit of ratepayers.[36]

Fifth, the IOUs opposed AReM and Shell's request to have the IOUs provide long-term contracts in their Market Offer processes. SCE and SDG&E highlighted language in D.21-05-030 that gave them the flexibility to propose the structure of Market Offer sales and did not "restrict long-term sales to a specific percentage of Market Offer sale[s]."[37] SCE explains its justification for not offering long-term contracts, stating it wants to preserve the right of PCIA-eligible entities to make long-term elections in future VAMO cycles, particularly as the load may shift between load-serving entities.[38] SDG&E states that AReM and Shell's arguments are merely a "self-serving attempt to rewrite the rules."[39]Additionally, the IOUs argue that outside of the Market Offer process,

[33] PG&E Reply Comment at 9-10.

[34] SCE Reply Comment at 3.

[35] SDG&E Reply Comment at 5.

[36] PG&E Reply Comment at 10-11, SDG&E Reply Comment at 2; *see* SCE Reply Comment at 6.

[37] SCE Reply Comment at 8; SDG&E Reply Comment at 9.

[38] SCE Reply Comment at 8-9.

[39] SDG&E Reply at 9.

load-serving entities can obtain long-term contracts in the Voluntary Allocation process, Voluntary Allocation resales, and subsequent VAMO cycles.[40]

Sixth, PG&E and SCE oppose AReM and Shell's alternative scheme to count short-term portions of long-term contracts for RPS compliance purposes. PG&E and SCE cite to D.21-05-030, where the Commission recently rejected a similar proposal to permit short-term contracts of long-term agreements to count towards the long-term contracting requirement.[41]

Seventh, SCE states that to better match buyers' needs, increase the pool of buyers and increase their flexibility in bidding, buyers should be able to specify any quantity of RPS resources in percentage increments, which must be represented in whole numbers.[42]

Eighth, SDG&E agrees to make two changes requested by CalCCA to its Pro Forma contract, including language clarifying modifications to its PCIA-eligible RPS Resource Pools.[43] SDG&E also says it "does not object to including conforming EEI language in its Market Offer pro forma contracts" in response to CalCCA's concern.[44] However, SDG&E opposes CalCCA's request to clarify the products it is offering, as SDG&E states it is unclear what issue CalCCA wants clarity on.[45]

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[40] PG&E Reply Comment at 11; SDG&E Reply Comment at 9; SCE Reply at 9.

[41] SCE Reply Comment at 10-11 (*Citing* D.21-05-030 at 21-22.); PG&E Reply Comment at 12-13.

[42] SCE Reply Comment at 8.

[43] SDG&E Reply Comment at 6-7, (*Citing* Letter from SDG&E, Clay Faber, Director Regulatory Affairs to CPUC, Energy Division Tariff Unit, *Comments of SDG&E on Draft Resolution E-5216* (June 9, 2022) at 2.)

[44] SDG&E Reply Comment at 7-8.

[45] SDG&E Reply Comment at 8.

5. Market Offer Process

5.1 Market Offer Solicitation Protocol

The following aspects of the REC Sales Framework in the Joint Market Offer Proposal are uncontested:[46]

- Tier 1 Advice Letter approval of all signed pro forma short-term Market Offer contracts,
- For SDG&E - Tier 3 Advice Letter approval of all signed pro forma long-term Market Offer contracts,
- Meet with the Procurement Review Group (PRG) to review Market Offer activities, including the overall results of the Market Offer and the selected bids, and
- Use an Independent Evaluator (IE) to evaluate Market Offer solicitations separately and report using the standard reporting template for RPS transactions.

These four uncontested aspects are consistent with existing RPS rules and requirements, reasonable for the Market Offer process, and therefore accepted.

The IOUs propose new processes to implement the Market Offer process. The Joint IOU Proposal asserts that certain aspects of the Market Offer process vary from the RPS rules and requirements because of the structure set up by D.21-05-030. These non-conforming aspects include:[47]

- Pursuant to D.21-05-030, the IOUs shall report on the Market Offer process issued within 90 days of completing the initial Voluntary Allocation and Market Offer cycle and propose whether and when there should be a future VAMO process,
- The sales volume is limited to the forecasted amount of PCIA-eligible RPS energy and RECs remaining after the Voluntary Allocation process,

[46] Joint IOU Proposal at 11-12.

[47] Joint IOU Proposal at 4-5.

- RPS Products are offered in the form of slices from the IOUs' PCIA-eligible portfolios, and
- Each IOU seeks the option to participate in the Market Offer process subject to a code of conduct, as provided by each IOU in Appendix C of the Joint Market Offer Proposal.

The first two of these aspects are uncontested, and we adopt them as reasonable and consistent with D.21-05-030.[48] The following section will discuss the contested issues regarding product offerings and the IOUs' proposed code of conduct.

5.1.1 Long-term contracts offered in the Market Offer Process

The Voluntary Allocation and sale of RPS resources via the Market Offer process aims to redistribute excess RPS resources in the electric supply portfolios of the IOUs.[49] In D.21-05-030, we required the IOUs to propose a structure for long-term sales products and described which portion of unallocated shares would be offered as long-term sales.[50]

In the Joint Market Offer Proposal, only SDG&E has indicated that it might sell long-term product, while PG&E and SCE state that they will offer only short-term product. PG&E states that most long-term resources in PG&E's RPS portfolio would stay long-term for a subsequent VAMO process. SCE states that by not offering long-term contracts, LSEs will have the flexibility to elect their long-term volumes in a subsequent VAMO process if it occurs. SCE further states that there is uncertainty about portfolio needs beyond 2024, uncertainty about

[48] D.21-05-030 at 24, OP 3, 4.

[49] D.18-10-019 at 3.

[50] D.21-05-030 at 24.

how the voluntary allocations materialize, and uncertainty about PCC classification for allocated products in the first VAMO process.

AReM and Shell were the only parties to file comments on this issue. AReM and Shell state that REC sales should not be limited to short-term sales only and that delaying any long-term sales in this first Market Offer opportunity will significantly reduce the quantity of long-term RECs that could be procured for the RPS compliance period ending in 2024. AReM and Shell argue that there is uncertainty in the VAMO process as REC prices will change annually, and the quantity of RECs will vary over time due to load changes. AReM and Shell further state that there is some merit to the explanations offered by the IOUs and recommend that IOUs provide no less than 50 percent of the unallocated RECs for long-term contracting.[51]

In its reply, PG&E states that given the uncertainty indicated by AReM and Shell, it is favorable for LSEs if long-term RECs are not offered in the first Market Offer. PG&E argues that LSEs would be able to retain a future opportunity to receive long-term allocations in a subsequent VAMO process should they not receive those RECs in this first VAMO process. PG&E states that Market Offer is not the only market opportunity or option for LSEs to procure long-term RECs for RPS compliance purposes. SCE's reply to AReM and Shell states that by selling RPS long-term contracts, the IOUs would force LSEs eligible for Voluntary Allocations to make decisions they may not be ready to make in the first time Voluntary Allocation.[52] SCE argues that PCIA customers who must share in the above market cost of the contracts should retain a future opportunity

[51] AReM and Shell Opening Comments at 4.

[52] SCE Reply Comments at 8-9.

to receive long-term Voluntary Allocations. SDG&E also opposes AReM and Shell's comments and states that a 50 percent offer assumes that at least 50 percent of the long-term RECs available to LSEs will not be accepted in the Voluntary Allocation process. SDG&E further states that the requirement of a minimum percentage of long-term contracts in the Market Offer process contradicts D.21-05-030.

We find that the IOUs' proposal to not offer any long-term product in the Market Offer process deviates from the intent of D.21-05-030. In that decision, the IOUs were directed to propose structuring long-term sales products and describe which portion of unallocated shares to offer as long-term sales. Not offering any long-term product in the Market Offer process fails to fully achieve the goal of the first VAMO cycle, optimizing value for ratepayers and discovering best practices and lessons learned.[53] On the contrary, by supporting demand for the long-term product, the IOUs may realize bid prices for excess RPS resources that could help lower the PCIA cost to ratepayers in this cycle of VAMO. When there is uncertainty about the next VAMO, holding back long-term volumes until a possible future VAMO cycle will not help LSEs satisfy obligations in Compliance Period 2021 to 2024. It will unnecessarily delay cost reductions for PCIA customers.

In its comments on the proposed decision, SCE proposes an alternative proposal to sell long-term RECs that would lose their long-term status as of the first delivery date, *i.e.* have a duration of less than ten years when offered in the next VAMO process, prior to Compliance Period 5. SCE suggests that based on the alternative approach it could offer 12 percent of its remaining PCIA-eligible

[53] D.21-05-030 at 10 (*Citing* D.18-10-019; February 1, 2019 Scoping Memo (R.17-06-026)), OP 4.

long-term RECs through the Market Offer process, with terms through 2034, depending on when deliveries start.

In its reply comments on the proposed decision, PG&E states that SCE's alternative is subject to fundamental timing challenges, delaying the launch of the Market Offer.

We agree with SCE that long-term contracts should be limited to the sale of RECs deemed long-term at the time of delivery. Therefore, the RPS resources that have less than 10 years remaining on their contract terms as of their first delivery date will be placed in the short-term pool. The RPS resources that have 10 or more years remaining on their contract terms as of the first date of their delivery will be placed in the long-term pool.

While SCE estimates its long-term pool is 12 percent after eliminating contracts that will no longer be long-term during the next VAMO cycle, we don't want to limit IOUs on an assumption that we will hold a second VAMO. We must consider lowering costs now than lose the opportunity in anticipation of a second VAMO cycle. Additionally, setting a single minimum limit to offer the sale of long-term RPS resources will be administratively easier to monitor and implement across all IOUs.

Based on our review of the Voluntary Allocation results and the future RPS needs in the draft 2022 RPS Plans,[54] we find that offering 35 percent of the remaining PCIA-eligible long-term contracts after the Voluntary Allocations is reasonable. It will allow PCIA-eligible LSEs an opportunity to acquire RPS

[54] SCE 2022 RPS Plan (7/1) at 37 ("seeks to engage in short-term REC sales"); SDG&E 2022 RPS Plan (7/1) at 5 ("optional authorization to sell RPS volumes in accordance to SDG&E's RECs Sales Framework"); PG&E 2022 RPS Plan (7/1) at 7, 90 ("a REC sales framework to provide PG&E with the flexibility to sell volumes for 2023 and 2024 deliveries").

resources that will help meet their long-term contracting obligation in compliance period 2021-2024, reserve the bulk of the long-term portfolio for PCIA-eligible ratepayers for a future VAMO, if any, and give the Parties insight into the demand for and merit of offering long-term contracts to inform future Market Offer solicitations if they occur. It will also balance concerns the IOUs might have about their unanticipated needs in the future.

SCE and SDG&E state in their comments on the proposed decision that by authorizing 35 percent of the remaining PCIA-eligible long-term contracts after the Voluntary Allocations we are not authorizing 65 percent of RPS resources for sale, which could be sold as a short-term product. Additionally, PG&E suggests that if long-term contracts are authorized, the IOUs should be allowed to modify the sales protocol to optimize their portfolios and the sales volumes from the long-term pool to reduce near-term costs for PCIA-eligible customers. PG&E states that if an IOU receives short-term bids at higher prices, and long-term bids at lower prices, an IOU's sales protocol should address whether to sell additional short-term volumes from the long-term pool to reduce near-term costs for PCIA-eligible customers.

All the above are reasonable arguments. To facilitate the sale of long-term contracts, we agree with PG&E to let the IOUs optimize their portfolios since we are allowing long-term and short-term contracts for sale in the VAMO cycle. We find it reasonable to let the IOUs include language and modify the sales protocol to sell additional short-term volumes from the long-term pool to reduce near-term costs for PCIA-eligible customers. To optimize their portfolios when selling the remaining 65 percent of their long-term contracts, the IOUs may offer to sell them as both short-term or long-term contracts in the long-term solicitation. If an IOU decides to offer both long-term and short-term offers in the

long-term solicitation, they should request approval for their methodology to optimize short-term and long-term bids in the Tier 2 Advice Letter file.

Based on SCE's comments on the proposed decision, we clarify that as with the PCIA long-term Voluntary Allocations, the term for sales of the long-term RECs should last through the end of the term of the longest contract in its PCIA-eligible RPS portfolio.

As an alternative to the IOUs' not offering long-term products, AReM and Shell request that the Commission "allow entities that purchase RECs from long-term contracts" presumably via short-term portions "to count those RECs toward their long-term contracting requirements in the current compliance period."[55] We deny this request and agree with PG&E and SCE's argument that under D.21-05-030, short-term contracts carved from long-term contracts do not count towards RPS's long-term contracting obligations.[56]

5.1.2 Incremental slices of RECs in Market Offer

Under D.21-05-030, the Voluntary Allocation, LSEs were allowed to elect in l0 percent increments of the LSE's forecasted, vintaged, annual load share. However, no such requirement was adopted for the Market Offer process.[57]

GPI states that the IOUs' Market Offer Proposal is inconsistent regarding the process of the sale of energy and RECs from RPS resources. GPI recommends updating all references to REC purchases and offers to reflect that those

[55] AReM and Shell Opening Comments at 5.

[56] SCE Reply Comment at 10-11 (*Citing* D.21-05-030 at 21-22.); PG&E Reply Comment at 12-13.

[57] SCE Reply Comment at 7 (*Citing* D.21-05-030 at 18, 24).

remaining RPS-eligible products will be offered in 10 percent slices and that the resultant RECs are subject to the output of these products.[58]

SCE's reply comments are limited to GPI's comments regarding the percentage slices of the RPS Portfolio. SCE states that the Market Offer process should not be limited to 10 percent slices.[59] SCE states that 10 percent increments were adopted only for Voluntary Allocations and not Market Offer process. It argues that if RPS-eligible products are only offered in 10 percent slices of what remains after Voluntary Allocations in the Market Offer process, a bidder's minimum bid volume may be many times greater than the RPS need. SCE recommends that buyers should be able to specify any quantity of RPS in percentage increments, which must be represented in whole numbers, because it would allow better matching of buyers' needs, increase the pool of buyers and increase bidding flexibility.

We agree with GPI that the Market Offer Proposal language should accurately and consistently describe the process of selling RPS energy resources. The Market Offer Proposal should be consistent in its use of terminology. Regarding limiting the sale of the RPS portfolio to 10 percent increments, we find merit in SCE's argument to allow any percent of the IOU's offered portfolio in a whole number (*e.g.*, 1 percent, 3 percent, 20 percent, etc.). This should increase bidding flexibility and increase the pool of interested bidders.[60] Therefore, we do not adopt 10 percent incremental limits on bidding slices of RPS portfolios.

[58] GPI Opening Comment at 2.

[59] SCE Reply Comment at 8.

[60] *See* SCE Reply Comment at 8.

5.1.3 Revising Market Offer Pro Forma Contract for Products Offered, Implementation Process and Timing

CalCCA requests that SDG&E specify the product or products to be offered in its Market Offer solicitations through revisions to its Market Offer proposal and its Market Offer Pro Forma contract.[61] CalCCA requests that the EEI Agreement and provisions for resource pool changes be included in the Market Offer Pro Forma and proposal. CalCCA notes SDG&E's lack of clarity on whether it will offer any long-term contract sales, stating, "SDG&E may offer both long- and short-term sales."[62] This Decision provides clarity as it orders the IOUs to offer long-term products. SDG&E should accordingly update its Market Offer pro forma.

In their comments on the proposed decision, regarding submitting pro forma contracts for Commission approval, both PG&E and SCE recommend submitting a Tier 2 Advice Letter instead of a Tier 1 Advice Letter for review and approval of long-term pro forma contracts. PG&E states that Tier 1 Advice filing conflicts with General Order 96-B, which specifies that Tier 1 Advice Filings are appropriate for contracts that exactly conform to the Commission's Orders. Before the Market Offer is launched, the Commission staff must review and approve the pro forma contracts. It is, therefore, reasonable to provide a Tier 2 Advice Letter review of the proposed long-term pro forma to provide stakeholders and Commission staff adequate opportunity to review PG&E's proposed long-term Market Offer pro forma contract language.

[61] CalCCA Opening Comment at 13.

[62] CalCCA Opening Comment at 13.

Both SCE and PG&E, in their comments on the proposed decision, state that they do not have long-term pro forma contracts and need more than 15 days to get them ready for submission and Commission approval. SCE states that the review of the Tier 2 Advice Letter with the short-term and long-term pro forma Market Offer contracts will slow down the start of the Market Offer process such that even deliveries of short-term RECs will not start until late in 2023.

As for the concerns shown by SCE and PG&E over not having written long-term pro formas before this VAMO cycle, we find their procedural and timing concerns are overstated. The IOUs have over 15 years of RPS contracting experience, routinely conduct energy solicitations, and in general, are savvy at this process. With experience conducting complex solicitations they have past knowledge and templates to work from. If SCE and PG&E need initial guidance they can rely on SDG&E's proposed pro forma as a model template because it already accommodates for long-term offers. There is ample guidance on appropriate RPS contract terms and solicitations, therefore, we don't think the IOUs need 60 days to draft pro forma contract language. To accommodate this concern, we authorize the IOUs to each submit Tier 2 Advice Letters with long-term pro forma contract language within 30 days of the issuance of this decision as well as relevant modifications to the Market Offer process adopted in this decision.

For short-term pro forma contracts, we retain the current Tier 1 Advice Letter filing process because the IOUs have already submitted their pro forma contracts for Commission approval. There is no merit in modifying the filing category this late in the review process. We further clarify that the Energy Division issued disposition letters to the IOUs on October 24, 2022, approving Market Offer proforma contracts. Therefore, we expect the IOUs to use the

approved pro formas for their short-term contracts in this VAMO cycle. The IOUs shall each submit a Tier 1 Advice Letter within 15 days of the issuance of this decision with updated Market Offer pro forma for short-term contracts as well as relevant modifications to the Market Offer process adopted in this decision. We expect short-term solicitations to start soon after the approval of the Tier 1 Advice Letters. We ask Energy Division to expedite review and approval of these Advice Letters to facilitate Market Offer implementation. Since we are authorizing different submission timings for short-and long-term proforma contracts we expect that solicitations will also follow different timelines. The IOUs should submit their proposed timelines as discussed in Section 5.5 of this decision.

5.1.4 Bid Floor

D.21-05-030 requires the Market Offer process to be based upon existing procedures, rules, oversight requirements, and reporting requirements for IOU REC solicitations previously approved in the Commission's RPS proceeding.[63] In D.19-12-042 and D.21-01-005, we approved RPS sales solicitations to set bid floors to avoid market manipulation.

The Market Offer solicitation protocol proposals included in the VAMO process are marked confidential by all IOUs. After reviewing the Market Offer solicitation protocols, we agree with the IOUs that having the option to set a bid floor will promote competitive solicitations and avoid market manipulation, benefitting ratepayers.

CalCCA's comments are based on its review of the redacted version of the sales strategies. CalCCA opposes setting a bid floor, and it states that the IOUs

[63] D.21-05-030 OP 3.

cannot reasonably set bid floors given there is no pre-existing market for Market Offer transactions.[64] CalCCA argues that allowing RECs to remain "unsold" because of bid floors "deprives all customers paying the PCIA from revenue for those lost sales and prevents a potential reduction of the PCIA."[65] CalCCA further states that by authorizing bid floors, IOUs will have the ability–outside of a market-driven process—to decide the value of the RPS resources they can retain for their purposes.[66]

In its response, SDG&E states that VAMO is not intended to supplant an LSE's procurement efforts but instead to equitably allocate the benefits of procurement that have been done on behalf of CCA customers to those same CCA customers who pay the above-market costs of the procurement.[67] SDG&E replies that if a bid floor is used, it would be reviewed before a solicitation by the PRG and IE, ensuring that any bid floor is appropriate.[68] SDG&E contends that a bid floor would discourage gaming of the VAMO process by requiring participants who might defer all of their procurement to the Market Offer and bid artificially low prices.[69] SCE argues that according to D.19-10-001, retained and unsold RECs are valued at the relevant market price benchmark for the year when the RECs are used for compliance.[70]

We disagree with CalCCA and find SDG&E's and SCE's comments reasonable, that the RPS markets and the rules for an RPS sales framework are

[64] CalCCA Opening Comment at 5.

[65] CalCCA Opening Comment at 5.

[66] CalCCA Opening Comment at 6.

[67] SDG&E Reply Comment at 3.

[68] SDG&E Reply Comment at 3.

[69] *Id*.

[70] SCE Reply Comment at 6-7.

well established. Bid floors, should they be used, would avoid market manipulation and artificially low RPS product prices. Based on the current regulations, IOUs will be required to vet their bid floors with the PRG and IE before the solicitations, which will help ensure that appropriate bid floors are set. Therefore, we decline to adopt CalCCA's recommendation to eliminate bid floors.

Regarding SCE's confidential Market Offer sales framework, we find that it deviates from its earlier approved method in D.21-01-005 and cannot be used by the Commission to evaluate the fair treatment of bids. If SCE decides to set bid floors, it must revise its method to follow the bid floor method approved in D.21-01-005 for its 2021 RPS Plan.[71]

The IOUs may use bid floors in their Market Offer process and update their Confidential Proposals to include short-term and long-term bid parameters.

5.2 Market Offer Process Code of Conduct

CalCCA proposes the following changes to the IOUs' Codes of Conduct:

Table 2: CalCCA's Recommend revising the following topics in the IOU's Codes of Conduct[72]

	SCE	PG&E	SDG&E
No transfers from solicitation to bid team for one year	X	X	X
Rules last one year until after the previous MO contract is signed.		X	X
IOU staff sign a certificate to follow solicitation rules	X	X	
Submit bids to IE and PRG before 3rd party bids are received		X	X
Prohibit REC sales for same resources during MO		X	X

[71] SCE's Final 2021 RPS Procurement Plan, Appendix E.1 at 3.

[72] CalCCA Opening Comment at 6-9.

Table 2: CalCCA's Recommend revising the following topics in the IOU's Codes of Conduct[72]			
	SCE	**PG&E**	**SDG&E**
IE to monitor MO compliance		X	
Violations disclosed in the IE report.		X	X
Consequences for violations include disclosure to IE, PRG, and ED. Discuss remedies with those above.			X

It would be inappropriate for members of an IOU's evaluation team to move to bid team and vice versa when they would possess information that would give the IOU a competitive advantage in solicitations.

In their comments on the proposed decision, PG&E and SDG&E state that Commission should remove restrictions preventing bid team members from transferring to the evaluation (or solicitation) team. SDG&E states that once bids are submitted, there is no conceivable market harm or IOU-specific benefit by allowing that "bid-formulating" employee to subsequently transfer to a role involving "bid evaluation" tasks. SDG&E states that this issue arises only in the limited situation in which a utility participates as a bidder in its own Market Offer solicitation.

In its reply comments on the proposed decision, CalCCA opposes SDG&E's proposal and states after bids are submitted, additional negotiations may occur between the evaluation team and bidders. CalCCA further states that an employee with knowledge of IOU information and strategy concerning the IOU's bid should not be part of that continuing evaluation and negotiation process.

We agree with CalCCA that members of the IOU's bid and evaluation team should not move teams when it can impact the results of the solicitation. However, we also find merit in the IOUs' concerns about resource constraints

and the impact on other non-RPS solicitations. We also find merit in SDG&E's comments that firewall issues arise when the IOU is participating in its own Market Offer solicitation. Therefore, restricting transfers between evaluation and bid teams and vice versa until the last Market Offer contracts, are submitted to the Commission for approval is reasonable firewall. It is reasonable to restrict transfers between evaluation team members and the bid teams when the IOU is also a bidder in its own Market Offer solicitation, for the duration of the Market Offer process and until the executed agreements have been submitted to the Commission for approval for both short-term and long-term solicitations.

Similarly, rules in the codes of conduct to firewall relevant information between the teams should remain in place until the last Market Offer contract for both short-term and long-term solicitations is submitted for CPUC approval . Given the need for procurement in other programs, *e.g.*, Resource Adequacy and Integrated Resource Planning, and the small size of teams as stated by SDG&E, we do not see the need to bar staff from moving teams so long as those individuals are not switching between the bid and solicitation teams and vice versa until the last contract for both solicitations is submitted at the Commission for an RPS sale or RPS Market Offer solicitation approval.

CalCCA proposes a requirement for all IOU employees involved in the Market Offer process to sign the certification to comply with the Market Offer solicitation codes of conduct. SCE states that this was its intention, and does not object to such a requirement. We find this reasonable and order the IOUs to require all employees involved in their Market Offer processes to sign a compliance certification to their respective codes of conduct. All IOUs shall add a compliance certification to their codes of conduct.

SDG&E does not object to CalCCA's recommendation that SDG&E submit its Market Offer bids to the IE before third-party bidders. SDG&E offers to modify its code of conduct to state that "its Front Office team will notify the IE of its offer proposals before submitting such in the Market Offer solicitation if it intends to participate in its Market Offer solicitation."[73] We find this requirement reasonable and require its similar inclusion in all the IOUs' codes of conduct.

Regarding holding concurrent solicitations for RECs while Market Offer solicitation is open, PG&E opposes CalCCA's recommendation to consider it a code of conduct issue.[74] PG&E states that if the Commission were to order this restriction, it should not call it a change to its code of conduct.[75] We agree with PG&E and find this is not a code of conduct issue but rather integrity, operational and policy matter. However, there is merit in CalCCA's concern about holding concurrent solicitations. The IOUs cannot offer concurrent solicitations under the Market Offer process and REC sales for this proposed Market Offer process. The success of the VAMO lies in the sale of excess RPS energy via the Market Offer process, which should help lower costs to PCIA customers. It is not reasonable to allow concurrent solicitations for RECs that could over-supply the market. Allowing solicitations that compete with the Market Offer process could put downward pressure on prices, defeating the VAMO's purpose. Therefore, IOUs shall not conduct concurrent Market Offers and REC sales solicitations.

[73] SDG&E Reply Comment at 5.

[74] PG&E Reply Comment at 9-10.

[75] PG&E Reply Comment at 9.

PG&E opposes tasking the IE with reporting code of conduct violations.[76] PG&E argues that the IE's purpose is to provide technical expertise scrutinizing energy resource solicitations, and CalCCA's proposal would be inconsistent with current practice.[77] We agree with CalCCA that the IE should report on any code of conduct violations it discovers in an IOU's solicitation.

Pursuant to D.14-11-042 we have authorized Energy Division to refine an IE's role on an on-going basis to ensure that the Independent Evaluator Reports provide useful information that reflects the changing renewable energy markets. Given that a code of conduct is another set of solicitation rules the IOUs must follow, it would be consistent with existing RPS rules and requirements to enable the IE to also report on code of conduct violations to Energy Division and in their IE report on the solicitation in sections regarding fairness of bid evaluation and selection process. Therefore, in addition to the IOU reporting code of conduct violations, IEs should provide the Commission with information regarding any code of conduct violation. It is an IOU's responsibility to inform the IE ahead of the solicitation about the reporting requirement.

We approve the IOUs' Codes of Conduct as modified herein.

5.3 Remedies for Violation of Market Offer Process

This section addresses SCE's and PG&E's Market Offer solicitation protocols regarding "waived claims" and CalCCA's objections to limited remedies for violations.

CalCCA argues that market participants should have expanded rights to remedy Market Offer solicitation rule violations by the IOUs and protests

[76] PG&E Reply Comment at 9-10.

[77] PG&E Reply Comment at 9-10.

PG&E's and SCE's language regarding "waived claims." CalCCA states that any violation of Market Offer solicitation protocols, such as prohibited use of confidential, market-sensitive information, would seriously impact the RPS prices used to calculate the PCIA. CalCCA contends that SCE's and PG&E's Market Offer solicitation protocols require market participants to limit their remedies for solicitation violations to just having them rerun the Market Offer solicitations.[78] CalCCA contends that limiting bidders' claims to Commission dispute resolution or an advice letter protest fails to provide sufficient deterrence against such potentially damaging misconduct. CalCCA further states that because the impacts of a violation will be long-lasting and statewide, all remedies should be available, including a review of potential disallowances in the relevant ERRA Compliance Application.

We will first address PG&E's and SCE's Market Offer solicitation protocol proposal on "waived claims."[79] PG&E disagrees with CalCCA's claim that the Commission's existing penalties associated with improper market behavior are insufficient to deter code of conduct violation behavior were it to occur as baseless. SCE opposes CalCCA's argument and states that the Commission has oversight of the IOU's activities, as well as retention of an IE, PRG consultation, and an Advice Letter process for review of transactions ensures that there is fair and equitable treatment of all bidders and IOUs conduct themselves following the rules. SCE and PG&E state that an IOU has incentives to preserve the integrity of the Market Offer to protect its own bundled service customers who would pay increased PCIA rates.

[78] CalCCA Opening Comment at 11-12.

[79] Joint Proposal Appendix B.1 - at 17, Appendix B.1 – at 40, Appendix B.2 - at 11 and Appendix B.2 - at 27.

We find SDG&E did not propose language similar to PG&E's and SCE's proposed protocols on "waived claims," limiting the buyer's rights on remedies for their Market Offer Proposal.

In their comments on the proposed decision, PG&E and SCE state that bid protocol's waived claims language is wholly compatible with existing rules, processes, and oversight requirements and should not be removed. SCE states that the language is consistent with its bid protocols for all solicitations it runs, including in the RPS proceeding. SCE contends that the waived claims language in its bid protocols are widely used in the industry, including in the bid protocols used by some CCAs. SCE further states that compared to the heavy oversight the IOUs have for running solicitations and the remedies provided to bidders, California Power Alliance's recent mid-term reliability request for offers solicitation protocol provides no such recourse and provides no rights or remedies for counterparties. PG&E states that the Commission should clarify the exclusive use of CPUC processes to resolve a dispute arising from the Market Offer process. PG&E contends that market-sensitive bidding information could be revealed to market participants through discovery processes that differ from the Commission's processes and could create market manipulation opportunities.

CalCCA's reply comments on the proposed decision reiterate the same position as its comments on the Joint IOU proposal. CalCCA argues that violations in bidding or in evaluating bids will seriously impact the market price of RPS used to calculate the PCIA for all ratepayers.

After reviewing comments and reply on the proposed decision, we agree with SCE and PG&E that that in no event should bidders be granted the right to bypass Commission-overseen processes to directly challenge Market Offer

request for offer results in state or federal court. The Commission takes the risk associated with an IOU failing to follow Market Offer solicitation protocols and the need to rerun the solicitation very seriously, given the negative impact a failed Market Offer process could have on ratepayers. Bringing a claim in state or federal court against the IOU before raising it with the Commission may cause the suspension of a solicitation or the overturning of a solicitation and result in years of uncertainty and expensive and time-consuming litigation which would deprive customers of the benefits of monetizing these RECs and brings uncertainty to the Market Offer process. We agree with SCE and PG&E that the Commission is in the best position to determine whether the solicitation was conducted fairly and in accordance with the solicitation protocols and decide if the IOUs must rerun the solicitation.

While we agree with CalCCA that Market Offers are not simple RPS transactions where a bidder can lose the contract in the case of a mishandled solicitation we find merit in SCE's argument that Market Offer process is not appreciably different from REC sale solicitations where the waived claims language is utilized. The CCAs should not have dual standards limiting remedies in their own solicitations and seeking waivers in similar solicitations before the Commission in which they participate as bidders.

The market participants have the option to protest the IOUs' Market Offer advice letters seeking approval of executed Market Offer contracts or file an Order to Show Cause later if they discover impropriety. At the time the Commission is notified, it will examine the claims and determine an appropriate remedy in the event a violation of a Market Offer solicitation protocol occurs. Therefore, it is reasonable not to require PG&E and SCE to remove the "waived claims" clause from their respective Market Offer solicitation protocols.

CalCCA also recommends that the Commission consider a potential disallowance of ERRA cost recovery in the IOUs' ERRA compliance applications.[80] All three IOUs replied to CalCCA's protest seeking disallowances in SCE's ERRA Compliance Application. The IOUs argue CalCCA's disallowance of ERRA costs as a remedy for alleged violations as inconsistent with the ERRA regulatory framework and D.21-05-030. PG&E and SCE argue that disallowance in ERRA compliance application is not compatible with the AB 57 regulatory framework.[81] They state that AB 57 generally eliminated the need for after-the-fact reasonableness reviews, unless an exception applied.[82] They further state that AB 57 procurement is subject to up-front review, which requires IOUs to comply with achievable standards, does not permit a rate of return on this procurement, and thus ensures pass-through cost-recovery for the IOUs.[83] The IOUs contend that the new ERRA remedy proposal is not necessary because the IOUs are subject to several existing rules that act as a deterrent, such as a standard of conduct that prohibits self-dealing and fraud or abuse in negotiating procurement transactions.[84] PG&E argues the advice letter process will give parties the opportunity to challenge market offer transactions.[85] Without a record in this proceeding on the kind of violations and impact on ratepayers, we decline to adopt CalCCA's recommendation to disallow ERRA cost recovery.

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[80] CalCCA Opening Comment at 12.

[81] PG&E Reply Comment at 5-6; SCE Reply Comment at 5.

[82] PG&E Reply Comment at 5-6; SCE Reply Comment at 5. PG&E notes two exceptions where after-the-fact reasonableness review does apply: a.) reviewing compliance with contract terms and b.) for contracts that do not conform with Commission approve bundled procurement plans. PG&E Reply Comment at 6, fn. 10.

[83] PG&E Reply Comment at 6; *see* SCE Reply Comments at 5.

[84] PG&E Reply Comment at 4-5; SCE Reply Comment at 4-5; *see* SDG&E Reply Comment at 4-5.

[85] PG&E Reply Comment at 6; *see* SCE Reply Comment at 5.

Additionally, we do not see a need to adopt the suggested modification to the existing compliance scheme for IOU solicitations, just for the Market Offer solicitations.

5.4 Allocation of Sales Revenue and True Up Process for ERRA Applications

Pursuant to D.21-05-030 the PCIA ratemaking methodology was modified to accommodate VAMO transactions.[86] Specifically, the decision adopted the following:

a. Treat RPS Voluntary Allocations as sales at the applicable year's market-price benchmark.
b. LSE payments for Voluntary Allocations will be recorded in the PABA and will offset costs in the PCIA.
c. IOUs will pay for their Voluntary Allocations as a debit from the Energy Resource Recovery Account balancing account and a credit to PABA.
d. Record Market Offer sales revenue in PABA.

The Joint IOUs propose paying for their own Market Offer awards in the same manner that they pay for their own Voluntary Allocation Awards, pursuant to D.21-05-030. Specifically, the IOUs propose paying for a "Market Offer award as a debit from the ERRA balancing account at the transacted price, and a credit to applicable PABA customer vintages."[87] The Joint IOUs state that all Market Offer sales revenues will be distributed pro-rata across vintages since a slice comprises the IOU's entire portfolio, not a subset of particular vintage resources.[88] As noted above, in D.21-05-030, we adopted accounting rules for Voluntary Allocations, but we did not specify how to account for Market Offer

[86] D.21-05-030 at OP 5.

[87] Joint IOU Proposal at 13.

[88] *See* Joint IOU Proposal at 13; D.21-05-030 at 29.

transactions other than giving direction on recording Market Offer sales revenue in PABA. The IOU proposal to use the same accounting rules as Voluntary Allocations is reasonable because it lends consistency to the process of allocating sales revenue. Additionally, the Joint Market Offer Proposal for allocating Market Offer sales revenue was uncontested and is generally consistent with the principles of cost causation and with the guidance provided by D.21-05-030 and D.19-10-001. Therefore, sales revenue from Market Offer transactions should follow the same rules as Voluntary Allocations.

Regarding the calculation of the forecasted RPS value of the PCIA-eligible portfolios in the respective ERRA proceedings, the IOUs must determine actual and forecasted price and quantity of RPS sales volume. Pursuant to D.19-10-001, the forecast RPS Adder is the volume-weighted average of all IOU, CCA, and ESP's market transactions.[89] The IOUs propose to use the best available information to represent Market Offers at the time of their ERRA Forecast Applications. The IOUs state that once actual market revenues are available, they will "true up" forecast values to actuals "in the annual disposition of the PABA balancing account in rates.

In its opening comments to the proposed decision, PG&E states that the ratemaking treatment of Market Offer sales revenue aligns with the guidance in D.19-10-001. PG&E states that once executed, the IOUs will have the actual sales and price for RPS attributes of the IOUs' PCIA-eligible portfolio remaining after Voluntary Allocation. PG&E argues that Market Offer sales should therefore be categorized as "Actual Sold" (instead of "Forecast Sold") in the PCIA forecasts once the Market Offer prices are known, and that the IOUs should use the actual

[89] D.19-01-001, OP 1.

Market Offer prices to forecast the value of those transactions, consistent with Attachment B of D.19-10-001. PG&E states that the proposed treatment is also consistent with its current ratemaking practices.

After reviewing PG&E's clarification, we agree that the IOUs' proposal to value Market Offer transactions at their actual transacted prices for PCIA forecasting purposes in future ERRA Forecast Applications is appropriate and consistent with D.19-10-001. The executed Market Offer transactions will be considered "Actual Sold" RPS volumes for PCIA forecasting purposes, instead of being considered "Forecast Sold" RPS volumes for which prices are not yet known (and for which the IOUs use the RPS Market Price Benchmark as a proxy value).

Pursuant to D.19-10-001, the volumes of RECs eligible for Market Offer and that are unsold or not procured by the IOU are valued at zero for the purposes of PCIA ratemaking. The separate proposal by SDG&E to value unsold RPS volumes for compliance purposes is inconsistent with D.19-10-001. As such, we reject that aspect of SDG&E's Market Offer valuation methodology. SDG&E agreed with our finding regarding this aspect of its methodology in its comments on the proposed decision.

Therefore, it is reasonable to approve the IOU methodologies for Market Offer transactions and ERRA forecasting consistent with D.19-01-001.

5.5 Proposed Timeline

The Joint IOUs are aligned on a timeline for the Market Offer. The proposed timeline gives each IOU sufficient time to seek CPUC approval of any transactions resulting from the Market Offer. The approval timeframe would assure the market participants that the Market Offer deliveries coincide with Voluntary Allocation deliveries starting in January 2023. At the minimum, each

IOU will launch the solicitation and receive bids on the exact same dates not to advantage one IOU's Market Offer over another. Dates are subject to change and dependent upon CPUC approval of the Market Offer process and pro formas.

We find the proposed timeline reasonable. However, we expect changes to the proposed dates from when the Market Offer proposal was filed in May 2022.

Therefore, the IOUs shall submit a revised and up-to-date timeline, which will be subject to Energy Division review and approval, when they file their Tier 1 and Tier 2 Advice Letter with modifications adopted in this decision. Given the revisions adopted in this decision, the IOUs are best placed to recommend a schedule implementing Market Offer. The IOUs may jointly propose two schedules, one in their short-term implementation Advice Letter and the other in their Long-Term implementation Advice Letter. The IOUs must keep in mind the urgency of executing contracts as soon as practicable. We expect minimal delays to launch the short-term solicitations after Tier 1 Advice Letter with short-term contract proforma language is approved.

6. Comments on Proposed Decision

The proposed decision of Administrative Law Judges (ALJs) Manisha Lakhanpal and Nilgun Atamturk in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code, and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on October 19, 2022 by 3 Phases, CalCCA, PG&E, SCE and SDG&E, and reply comments were filed on October 24, 2022 by CalCCA, PG&E, SCE, SDG&E and AReM.

3 Phases Renewable filed its updated 2022 Draft 2022 RPS Plan on October 19, 2022, and the final decision is updated accordingly to reflect their compliance submission.

PG&E and SCE repeated their objection on offering long-term RPS products. CalCCA did not comment on this issue in their comments or reply on the Joint IOU Market Offer proposal when it was filed. However, in comments on the proposed decision, CalCCA does not support implementing long-term contracts if such a requirement causes a delay in the issuance of the solicitation. We find it reasonable to authorize the sale of long-term contracts as part of this VAMO cycle and we take measures to allow the short-term contract Market Offer solicitation to proceed as planned so that short-term and long-term contracts may be executed as soon as practicable.

In response to comments, changes have been made to the proposed decision for clarity and consistency, to correct inadvertent errors, and for practical implementation reasons after further consideration. For example, PG&E notes that if long-term contracts are offered then we must consider revising solicitation protocols for portfolio optimization. SCE and SDG&E have noted the need to allow the sale of the remaining 65 percent of long-term contracts. We have addressed concerns about the waived claims clause and made it consistent with the existing language used in Commission approved solicitations. The revisions include implementing code of conduct and firewalls for solicitations that are practical to implement.

PG&E and SCE seek authority to participate in the other IOUs' Market Offer Processes. PG&E states that it should get an equal opportunity to optimize its bundled customer portfolio. PG&E contends that it views potential value in buying long-term product now at uniquely competitive prices, contributing to its long-term RPS need and minimizing compliance risk for the future. SCE states that this will give the IOUs equal footing with other market participants who can optimize their portfolios through participation in the Market Offer process. SCE

argues that it did not get an opportunity to request to participate in its 2021 RPS Procurement Plans (RPS Plans) because it did not have details on the Market Offer process. No party filed comments on the IOUs' request. Authorizing procurement is beyond the scope of this decision and it would be inappropriate to grant authorization here as opposed to the Track 2 decision focused on procurement plans.

In addition, we address some of CalCCA's comments on the proposed decision in this section. CalCCA states that the Commission should allow LSEs to choose different percentages for each year (2023 and 2024), to recognize that the 2023 resources will likely not be available for the full year. CalCCA also requests that in the alternative, the Commission could keep the same percentage factor but require the IOUs to fulfill this obligation (based on a full year's allocation) over the remaining ten to eleven months of 2023. The IOUs opposed CalCCA's alternative recommendation. PG&E states the request to allow a full year's allocation is inconsistent with D.21-05-030, OP 8 (a). PG&E and SCE state that if the Market Offer is fully subscribed there will be no volumes available to make up the shortfall due to delay.

No party opposed CalCCA's proposal to allow LSEs to choose different percentages for 2023 and 2024. SDG&E's reply comments on the proposed decision supported CalCCA's proposal. The proposal to bid unique percentages each year will give market participants the opportunity to tailor bids for 2023 deliveries with the expectation that generation volumes will be for a partial year, whereases the bids for 2024 deliveries are expected to generate volumes for the full year. Moreover, the administrative burden of accepting bids by year is not very high and it otherwise addresses CalCCA's concerns about the delay in implementing Market Offer processes. Therefore, we order the IOUs to include

in their Tier 1 implementation advice letter modifications to permit market participants to bid different percentages in 2023 and 2024 for short-term Market Offer product.

CalCCA requests the "solicitation period" include the date the solicitation is posted by the IOU through and including the date the final executed agreement under that solicitation is formally approved by the Commission. A longer period would preclude the IOUs from holding RPS solicitations. SDG&E opposes CalCCA's recommendation and states that there is no reason to restrict portfolio optimization activities once agreements are filed for Commission approval. Furthermore, SDG&E requests that we should also define the type of solicitations that are restricted and requests that the "solicitations" definition to include sales only and exclude purchases. SCE states it is unreasonable to limit access of excess RECs to the market for such a long period of time. SCE believes a reasonable amount of time for the "solicitation period" is from the date the offers are submitted in the Market Offer until the date Offerors are notified whether their offers have been selected. SCE also opposes CalCCA's RPS solicitation terminology vs REC sales.

After reviewing CalCCA's comments and reply on the proposed decision, we find there is a need to clarify and define some terms to avoid unintended consequences due to ambiguity arising from imprecisely using the term RPS solicitation vs REC sales:

a. Solicitation period for Market Offers: shall have a start date of when the solicitation is posted on the IOU's solicitation webpage or publicly notified. The end date shall be once contracts are submitted for Commission approval.
b. Market Offer Sales: An IOU's open market sale for "PCIA-eligible RPS energy" in the form of "a 'slice[s]' of an IOU's

entire [PCIA]-eligible RPS portfolio" "remaining after a Voluntary Allocation." D.21-05-030 at OP 2(a), 3(a).

c. REC Sales: An entity's sale of fixed volumes of unbundled Renewable Energy Credits (RECs) or bundled RECs and energy to purchasers.

d. RPS Solicitation: A general term referring to open market sales processes with bids for either the purchase or sale that include RPS products, typically with right to own RECs resulting from the generation of RPS-eligible resources.

7. Assignment of Proceeding

Clifford Rechtschaffen is the assigned Commissioner and Manisha Lakhanpal and Nilgun Atamturk are the assigned ALJs in this proceeding.

Findings of Fact

1. The Voluntary Allocation and sale of RPS resources via the Market Offer aims to redistribute excess RPS resources in the PCIA-eligible electric supply portfolios of the IOUs under D.21-05-030.

2. The IOUs filed a Joint Market Offer proposal to sell excess RPS resources pursuant to D.21-05-030, on May 2, 2022.

3. Each IOU filed a confidential Market Offer solicitation protocol/ framework on May 16, 2022.

4. On July 1, 2022, LSEs filed their Draft 2022 RPS Procurement Plans with the best available Voluntary Allocation information, and on August 15, 2022, they filed updated information on Voluntary Allocations.

5. Most LSEs have accepted a portion of their Voluntary Allocation.

6. LSEs based their decision to accept their Voluntary Allocation offers on their evaluation of their respective available short- and long-term allocations relative to their current and future RPS needs.

7. 3 Phases Renewables filed its updated 2022 Draft 2022 RPS Plan on October 19, 2022.

8. The current RPS sales solicitation rules require Advice Letter approval of all signed pro forma contracts, meeting with the PRG to review solicitation activities, and using an IE consultation to evaluate solicitations.

9. The Market Offers will only occur through one competitive solicitation, and no bilateral contracts will be signed.

10. The IOUs were directed to propose a structure for long-term sales products in their Market Offer proposal and to describe which portion of unallocated shares they propose to offer as long-term sales.

11. Offering 35 percent of the remaining long-term contracts after the Voluntary Allocations balances the risk of oversupplying long-term contracts and having contracts available for future portfolio optimization.

12. Since we are requiring long-term sales, solicitation materials may include revisions to consider the optimization of bids for long-and short-term products.

13. SDG&E's Market Offer proposal is unclear whether it will offer long-term product.

14. At 10 percent incremental volume, a bidder's minimum bid volume may be many times greater than its RPS need.

15. Market Offer solicitation protocols/framework proposals included in the Joint Market Offer Proposal are marked confidential by all IOUs.

16. Each IOU seeks the option to participate in its own Market Offer process as a bidder, subject to a code of conduct.

17. PG&E's and SCE's "waived claims" language provides participants an opportunity to raise disputes arising from the Market Offer process through

Commission processes, including both ADR services and the advice letter protest process.

18. Under the current RPS process IOUs vet their bid floors with the PRG and IE before the solicitations.

19. IE reporting on code of conduct violations will allow real-time review of Market Offer solicitation and timely course correction.

20. Signing a compliance certification under their respective code of conduct will ensure that IOU employees of an IOU participating as a bidder in its own Market Offer solicitation are aware and accountable for the rules of conduct for the Market Offer process.

21. The current RPS rules do not have provisions for disallowance of costs in ERRA proceedings as a remedy for noncompliance.

22. Consistent with D.19-10-001, actual Market Offer transactions shall be forecasted by the IOU based on the actual transacted price and actual transacted volume. .

23. Revenues from Market Offer sales will be shared across all PCIA customer vintages.

24. The Joint IOUs in their public filing, proposed methodologies for valuing RECs in ERRA and PABA consistent with D.19-10-001.

25. The Joint Market Offer Proposal regarding Advice Letter approval of all signed pro forma contracts, meeting with the PRG to review Market Offer activities, and using an IE consultation to evaluate Market Offer solicitations are consistent with existing RPS rules and requirements.

26. By not offering long-term contracts from the unallocated RPS portfolio vintages, the Joint Market Offer proposal deviates from the intent of D.21-05-030.

27. Short-term contracts carved from long-term contracts do not count as long-term RPS obligations.

28. Allowing any percent of the IOU offered RPS portfolio in a whole number increment (*e.g.*, 1 percent, 3 percent, 20 percent, etc.) for the Market Offer process should increase bidding flexibility and increase the pool of interested bidders.

29. The rules for an RPS solicitations protocols/ framework are well established, and IOUs may set bid floors to avoid market manipulation.

30. There is insufficient evidence in this proceeding to adopt disallowances of ERRA costs as a remedy to Market Offer violations.

31. Valuation of retained, sold, and unsold RECs in the IOUs' Market Offer proposal is consistent with the established rules in the PCIA proceeding.

32. 2023 resources will likely not be available for the full calendar year.

Conclusions of Law

1. The Voluntary Allocation offers accepted by LSEs are reasonable and should be approved.

2. The Joint Market Offer Proposal regarding Advice Letter approval of all signed pro forma contracts, meeting with the PRG to review Market Offer activities, and using an IE consultation to evaluate Market Offer solicitations should be approved.

3. It is reasonable that certain aspects of the Market Offer process vary from the RPS rules and requirements due to the structure set up in D.21-05-030.

4. The IOUs should offer 100 percent of the remaining PCIA-eligible short-term contracts in the Market Offer as short-term product.

5. The IOUs should offer 35 percent of the remaining PCIA-eligible long-term contracts in the Market Offer as long-term product.

6. The IOUs should have the flexibility to offer 65 percent of the remaining PCIA-eligible long-term contracts in the Market Offer as short-term and long-term products subject to a methodology to optimize the value of bids for ratepayers.

7. The term for sales of the long-term RECs should last through the end of the term of the longest contract in the IOUs PCIA-eligible RPS portfolio.

8. It is not reasonable to set 10 percent increment limits on bidding slices of RPS portfolios in the Market Offer process.

9. If SCE uses bid floors it should follow the bid floor methodology approved in D.21-01-005 for its 2021 RPS Plan.

10. If an IOU chooses to participate in its own Market Offer process as a bidder, members of the IOU's evaluation team should not move and perform tasks of the assigned to the bid teams and vice versa until after the submission of the last Market Offer contract of short-term and long-term solicitations.

11. If an IOU chooses to participate in its own Market Offer process as a bidder, rules in the code of conduct to firewall relevant information between the teams should remain in place until the submission of the IOU's last Market Offer contract for both solicitations.

12. It is reasonable to require all IOUs to add a compliance certification to their respective code of conduct and staff that engage in the Market Offer process to sign it.

13. If the IOUs participate in the Market Offer process as bidders, it is reasonable to require them to submit their Market Offer bids to the IE before third-party bids are due.

14. It is reasonable to not allow concurrent solicitations of similar RECs under VAMO and non-VAMO processes for the same solicitation period.

15. It is reasonable to let the IE report on code of conduct violations in the fairness of bid evaluation and selection process section of their IE's procurement report.

16. It is reasonable for LSEs to bring disputes to Energy Division or file protests against the IOUs' Market Offer advice letters seeking approval of executed Market Offer contracts.

17. PG&E and SCE should not remove the "waived claims" clause limiting bidders remedies from their respective Market Offer solicitation protocols.

18. It is reasonable for PG&E and SCE's bid solicitation protocol to maintain Commission-overseen processes as a venue to resolve disputes arising from the Market Offer process before directly challenging Market Offer bid solicitation results in state or federal court.

19. It is reasonable for IOUs to allocate Market Offer sales revenue from their Voluntary Allocations as a debit from the ERRA balancing account and a credit to PABA.

20. Changes to the valuation of retained, sold, and unsold RECs in SDG&E's confidential Market Offer proposal should be denied.

21. The valuation of Market Offer transactions for PCIA purposes should follow the methodologies adopted in D.19-01-001.

22. It is reasonable to allow the IOUs to submit a revised and up-to-date timeline for the Market Offer process.

23. Allowing each IOU to file a Tier 1 Advice Letter for short-term pro forma contracts within 15 days from the date of issuance of this decision incorporating modifications adopted in this decision is reasonable.

24. Allowing each IOU to file a Tier 2 Advice Letter for long-term pro forma contracts within 30 days from the date of issuance of this decision incorporating modifications adopted in this decision is reasonable.

25. LSEs should be allowed to choose different Market Offer sales percentages for each year (2023 and 2024), to recognize that the 2023 resources will likely not be available for the full year.

O R D E R

IT IS ORDERED that:

1. The Voluntary Allocation offers accepted by Apple Valley Choice, City of Palmdale, City of Pomona, City of Santa Barbara, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Commercial Energy of California, Desert Community Energy, Direct Energy Business, East Bay Community Energy, Lancaster Choice, Marin Clean Energy, Orange County Power Authority, Pacific Gas and Electric Company, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Diego Gas & Electric Company, San Jacinto Power, San Jose Community Energy, Shell Energy North America, Silicon Valley Clean Energy, Southern California Edison Company and 3 Phases Renewables, Incorporated are approved.

2. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company are approved to offer 100 percent of their remaining Power Charge Indifference Adjustment eligible short-term contracts in the Market Offer.

3. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall offer 35 percent of the remaining

Power Charge Indifference Adjustment eligible long-term contracts in the Market Offer as long-term product.

4. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company may offer 65 percent of the remaining Power Charge Indifference Adjustment eligible long-term contracts in the Market Offer as long-term or short-term product, subject to a methodology to optimize the value of bids for ratepayers.

5. The term for sales of the long-term Renewables Portfolio Standard (RPS) contract should last through the end of the term of the longest contract in the investor-owned utility's Power Charge Indifference Adjustment -eligible RPS portfolio.

6. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company are approved to seek California Public Utilities Commission (CPUC) approval of executed short-term Market Offer contracts via Tier 1 Advice Letters and shall request CPUC's approval of executed long-term Market Offer contracts via Tier 3 Advice Letters.

7. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall allow Market Offer bids as a quantity of Renewables Portfolio Standard eligible resources in percentage increments, which must be represented in whole numbers.

8. If Southern California Edison Company decides to use bid floors, it shall base it on the approved method in Decision 21-01-005.

9. If Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company participate in their own Market Offer Process, they shall each modify their respective code of conduct to include the following changes:

(a) Employees of an investor-owned utility (IOU) are allowed to move and perform tasks assigned to another team so long they are not transferring between the evaluation team and bid and vice versa team until after the submission of the IOU's last Market Offer contract for Commission approval for short-term and long-term solicitations.

(b) The code of conduct rules shall remain effective until the submission of IOU's last Market Offer contract for Commission approval for short-term and long-term solicitations.

(c) IOU employees involved in the Market Offer process shall certify to comply with the Market Offer solicitation code of conduct.

(d) The IOU is responsible for notifying the Independent Evaluator (IE) and Procurement Review Group (PRG) of its bid before submitting it in the Market Offer solicitation if it intends to participate in its Market Offer solicitation.

(e) The IE shall provide the Commission information regarding any code of conduct violation in their IE Reports.

10. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each not conduct concurrent non-Market Offer solicitations for similar Renewables Portfolio Standard products during the same solicitation period.

11. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall update their proposed timeline for the Market Offer process.

12. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each file a Tier 1 Advice Letter within 15 days of the issuance date of this decision for the short-term solicitation

with the changes to the Market Offer process and protocols ordered in this decision, their revised timeline for the Market Offer process, and any necessary changes to their Market Offer pro formas to conform to directives of this decision.

13. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each file a Tier 2 Advice Letter within 30 days of the issuance date of this decision for the long-term solicitation with the changes to the Market Offer process and protocols ordered in this decision, their revised timeline for the Market Offer process, and any necessary changes to their Market Offer pro formas to conform to directives of this decision.

14. Load-serving entities are permitted to bid different percentages for 2023 and 2024 for short-term Market Offer product.

This order is effective today.

Dated November 17, 2022, at San Francisco, California.

ALICE REYNOLDS
President
CLIFFORD RECHTSCHAFFEN
GENEVIEVE SHIROMA
DARCIE L. HOUCK
JOHN REYNOLDS
Commissioners

ATTACHMENT A

Load Serving Entities Who Accepted Voluntary Allocations

Attachment A

Load Serving Entities that Accepted Voluntary Allocations

1. 3 Phases Renewables Incorporated
2. Apple Valley Choice
3. City of Palmdale
4. City of Pomona
5. City of Santa Barbra
6. Clean Energy Alliance
7. Clean Power Alliance
8. Clean PowerSF
9. Commercial Energy of California
10. Desert Clean Energy
11. Direct Energy
12. East Bay Community Energy
13. Lancaster Choice
14. Marin Clean Energy
15. Orange County Power Authority
16. Pacific Gas and Electric
17. Pico Rivera Innovative Municipal Energy
18. Pioneer Community Energy
19. Rancho Mirage Energy Authority
20. Redwood Coast Energy Authority
21. San Diego Community Power
22. San Diego Gas and Electric
23. San Jacinto Power
24. San Jose Community Energy
25. Shell Energy North America
26. Silicon Valley Clean Energy
27. Southern California Edison

(END OF ATTACHMENT A)