

Decision 23-12-008 December 14, 2023

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Rulemaking 18-07-003

**DECISION ON 2023 RENEWABLES PORTFOLIO
STANDARD PROCUREMENT PLANS**

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DECISION ON 2023 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS

Summary

Today's decision adopts, with modifications, the Draft 2023 Renewables Portfolio Standard Procurement Plans (RPS Plans) of the following retail sellers:

1. The large Investor-Owned Utilities (IOUs) the Commission regulates: Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E).
2. The Small and Multi-Jurisdictional Utilities (SMJU) under our jurisdiction: Bear Valley Electric Service, Inc. (BVES or Bear Valley) and Liberty Utilities (CalPeco Electric), LLC (Liberty). PacifiCorp, d/b/a Pacific Power (PacifiCorp) is required to file a final "On-Year Supplement" that provides additional information relevant to the RPS program.
3. Community Choice Aggregators (CCAs): Apple Valley Choice Energy; Central Coast Community Energy; City of Palmdale; City of Pomona; City of Santa Barbara; Clean Energy Alliance; Clean Power Alliance of Southern California; CleanPowerSF; Desert Community Energy; East Bay Community Energy; King City Community Power; Lancaster Choice Energy; Marin Clean Energy; Orange County Power Authority; Peninsula Clean Energy; Pico Rivera Innovative Municipal Energy; Pioneer Community Energy; Rancho Mirage Energy Authority; Redwood Coast Energy Authority; San Diego Community Power; San Jacinto Power; San Jose Clean Energy; Silicon Valley Clean Energy; Sonoma Clean Power Authority; and Valley Clean Energy Alliance.
4. Electric Service Providers (ESP): 3 Phases Renewables, Inc.; BP Energy Retail Company California LLC; Brookfield Renewable Energy Marketing US LLC; Calpine Energy Solutions, LLC; Calpine PowerAmerica-CA, LLC; Commercial Energy of Montana, Inc.; Constellation

NewEnergy, Inc; Direct Energy Business, LLC; Pilot Power Group, LLC; Shell Energy Solutions; and The Regents of the University of California.

Any Draft 2023 RPS Plan that does not require a correction or clarification is deemed as final. For the Draft 2023 RPS Plans that require corrections as identified in this decision, the Final 2023 RPS Plans are due no later than 30 days following the issuance of this decision by the California Public Utilities Commission (Commission). This decision adopts the following directives:

Large Investor-Owned Utilities:

- PG&E is authorized to conduct a solicitation to procure RPS-eligible products during the 2023 RPS Plan cycle.
- PG&E and SDG&E are authorized to conduct bundled RPS sales via bilateral negotiations during the 2023 RPS Plan cycle.
- PG&E is authorized to transact bundled RPS sales for deliveries of up to five years forward from the execution date.
- PG&E's request, and by extension SCE's and SDG&E's requests, for eliminating the advice letter approval process for short-term transactions is denied without prejudice.
- PG&E's request, and by extension SCE's and SDG&E's requests, for expanding the Bundled Procurement Plan process to include short-term RPS transactions is denied without prejudice.
- PG&E's request to buy and sell bundled RPS-eligible products in the same year is approved.
- PG&E and SCE's requests to retire renewable energy credits for the Low Carbon Fuel Standard credits are approved.

- PG&E's request to be able to modify solicitation materials included in its RPS Plan mid-cycle via the Tier 2 advice letter process is denied.
- SCE is authorized to hold an RPS procurement solicitation to procure new and existing resources to meet any shortfalls in the event it is unable to meet all its RPS and/or mid-term reliability (MTR) requirements through its planned integrated resource plan (IRP) solicitations.
- SCE's 2023 pro forma RPS Power Purchase Agreement (PPA) and its Pro Forma Product Content Category (PCC 1) and PCC 3 RECs agreements as proposed in SCE's August 29, 2023 Motion to Update its Draft 2023 RPS Plan are approved.
- SDG&E is authorized to hold a solicitation to procure RPS volumes to meet its compliance requirements.
- SDG&E is authorized to use banked renewable energy credits.
- SDG&E must submit a Tier 3 advice letter for review and approval of its bid solicitation protocols 30 days after the effective date of this decision.
- SDG&E is authorized to sell RPS volumes in Compliance Period 4.
- SDG&E is authorized to use bilateral agreements and brokers to procure and/or sell RPS volumes.
- The procuring IOUs must continue to submit either Tier 1 or Tier 3 advice letters seeking approval of short-term or long-term procurement contracts, respectively.

Small and Multi-Jurisdictional Utilities:

- Liberty must file its Final 2023 RPS Procurement Plan as supplemented in accordance with the directives provided in Section 7.2, and its subsections, of this decision.

- PacifiCorp's Final 2023 On-Year Supplement must be supplemented in accordance with the directives provided in this decision.

Community Choice Aggregators and Energy Service Providers:

- Several CCAs and an ESP must supplement their Final 2023 RPS Plans according to the directives provided in Section 8 and its subsections of this decision.

This proceeding remains open.

1. Background

The California Renewables Portfolio Standard (RPS) program was established by Chapter 516, Statutes of 2002 (Senate Bill (SB) 1078), and has been subsequently modified by Chapter 464, Statutes of 2006 (SB 107); Chapter 685, Statutes of 2007 (SB 1036); Chapter 1, Statutes of 2011 (SBX1-2); Chapter 547, Statutes of 2015 (SB 350); and Chapter 312, Statutes of 2018 (SB 100). The RPS program is codified in Public Utilities (Pub. Util.) Code Sections 399.11-399.33.¹ SB 350 includes interim annual RPS targets with three-year compliance periods and requires 65 percent of RPS procurement to be derived from long-term contracts of 10 or more years. In 2018, SB 100 (de León, 2018) was signed into law, which again increases and accelerates the RPS procurement to 60 percent by 2030 and sets the goal for 100 percent of the state's retail electricity sales to come from renewable and zero-carbon resources by 2045.

In Decision (D.) 12-11-016, the California Public Utilities Commission (Commission) refined the RPS procurement process as part of its implementation of SB 2 (1X) (Simitian, Stats. 2011, ch.1). In prior decisions, the Commission had set forth the process for filing and evaluating the RPS Procurement Plans (RPS Plans) of electrical corporations and other retail sellers. The statutory definition

¹ All references are to the Public Utilities Code, unless otherwise noted.

of “retail seller” includes small and large electrical corporations, Community Choice Aggregators (CCAs), and Electric Service Providers (ESPs).²

On May 5, 2023, an assigned Commissioner and assigned Administrative Law Judge Ruling (2023 ACR) was issued according to the authority provided in Pub. Util. Code Section 399.13(a)(1). This 2023 ACR, modified by the May 19, 2023 ALJ Ruling, identified the 2023 RPS Procurement Plan filing requirements for all retail sellers of electricity, including required reporting on Voluntary Allocation and Market Offer (VAMO) results,³ and set a schedule for the Commission’s review of the 2023 RPS Plans.

On July 17, 2023, the following retail sellers filed their Draft 2023 RPS Plans: 3 Phases Renewables, Inc. (3 Phases Renewables), Apple Valley Choice, Bear Valley Electric Service, Inc. (BVES or Bear Valley), BP Energy, Brookfield Renewable Energy Marketing US LLC, Calpine Energy Solutions, LLC, 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 Montana, Constellation NewEnergy, Inc., Desert Community Energy, Direct Energy Business, LLC, East Bay Community Energy, LLC, King City Community Power, Lancaster Choice, Liberty Utilities (CalPeco Electric), LLC (Liberty), Marin Clean Energy, Orange County Power Authority, Pacific Gas and Electric Company (PG&E), PacifiCorp, d/b/a Pacific Power (PacifiCorp), Peninsula Clean Energy, Pico Rivera Innovative Municipal

² Pub. Util. Code §§ 399.12(f) & 218. Pursuant to Pub. Util. Code Section 399.11 (d)(4) retail seller means an entity engaged in the retail sale of electricity to end-use customers.

³ D.21-05-030 issued in Rulemaking (R.) 17-06-026 set rules to implement the Voluntary Allocation, Market Offer, and Request for Information (RFI) processes for RPS contracts subject to the Power Charge Indifference Adjustment (PCIA) mechanism. All load serving entities (LSEs) must report their VAMO participation in their annual RPS Plans and RPS compliance reports.

Energy, Pilot Power Group, LLC, Pioneer Community Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Diego Gas & Electric Company (SDG&E), San Jacinto Power, City of San Jose, Shell Energy North America (US), L.P., Silicon Valley Clean Energy, Sonoma Clean Power, Southern California Edison (SCE), The Regents of the University of California, and Valley Clean Energy Alliance.

Comments on the draft RPS plans were filed on August 15, 2023, by American Clean Power – California, Green Power Institute (GPI), Public Advocates Office at the Commission (Cal Advocates), SCE, SDG&E, and Small Business Utility Advocates (SBUA). Reply comments on the draft RPS Plans were filed on August 29, 2023, by Cal Advocates, GPI, PG&E, SBUA, SDG&E, jointly by the IOUs, and jointly by SCE and SDG&E. On August 29, 2023, PG&E, SCE, SDG&E, PacifiCorp, and Valley Clean Energy Alliance filed motions to update their Draft 2023 RPS Plans.

1.1. Submission Date

This matter was submitted on August 29, 2023, upon filing of reply comments on the draft RPS Plans.

2. Issues Before the Commission

In this decision, we review the Draft 2023 RPS Plans for information required by statute and the 2023 ACR and dispose of any requests or proposals specific to each retail seller.

To help retail sellers organize the submission of comprehensive 2023 RPS Plans, the 2023 ACR listed specific issues to address and guidance on managing the information, including quantitative analysis and narratives supporting the retail seller's assessment of its portfolio's future procurement decisions.

The issues required by statute and the 2023 ACR are as follows:

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

We reviewed the Draft 2023 RPS Plans for completeness, accuracy, and compliance. Based on the guidance in the 2023 ACR, we also examined the Draft 2023 RPS Plans for the following:

1. Compliance with Table 1 of the 2023 ACR, which required all RPS Plans to be accompanied by a checklist;
2. Description of the retail seller's overall plan for procuring RPS resources to satisfy the RPS program requirements while minimizing cost and maximizing value to customers, as well as demonstrating how retail sellers comply with direction for RPS planning in SB 350, SB 100, and SB 901 (Dodd, Stats. 2018, ch.626). This includes, but is not limited to, any plans for building retail seller-owned resources, investing in renewable resources, and engaging in the sales of RPS-eligible resources.
3. Consistency of information in the RPS Plan.
4. Thoroughly describing and addressing procurement and sales of RPS-eligible resources to demonstrate reliability

and alignment with the State’s policy goals. The 2023 ACR required responses that provide summaries and detailed descriptions necessary to understand how a retail seller’s planning and procurement strategies address state goals and satisfy statutory requirements.

5. Compliance with the format and numbering convention in Table 1 of the 2023 ACR.

3. Organization of the Decision

The RPS statute requires that retail sellers prepare an annual RPS procurement plan for Commission review.⁴ This decision reviews 42 Draft 2023 RPS plans filed by the IOUs (3), SMJUs (3), ESPs (11), and CCAs (25). The Commission has reviewed and approved or accepted annual RPS procurement plans for over a decade. Besides reviewing the need for procurement and sale of RPS resources to balance their portfolios, reviewing the three large IOUs’ procurement plans has become routine. This decision describes only the sections of the IOUs’, ESPs’, and CCAs’ procurement plans that are key, disputed, or seeking specific requests.

4. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the “Public Comment” tab of the online Docket Card for that proceeding on the Commission’s website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. There are no relevant public comments on the Docket Card of this proceeding.

⁴ Pub. Util. Code § 399.13(a).

5. Assessment of RPS Portfolio Long-Term Procurement Requirement

SB 350 increased the RPS long-term contracting requirement such that 65 percent of all procurement used for RPS compliance must be through contracts with terms of 10 years or longer. The 65 percent long-term requirement is effective for all retail sellers in the 2021–2024 compliance period, though some elected for early compliance in the 2017–2020 compliance period. Prudent long-term contracting assessments should be used to inform a retail seller’s RPS procurement planning and procurement decisions for current and future compliance periods.

Our assessment of the Draft 2023 RPS Plans’ compliance with the long-term procurement requirements for retail sellers shows that all but three retail sellers’ current contracts are forecasted to meet the 65 percent long-term procurement requirement. Calpine Energy Solutions, Pilot Power Group, and Shell Energy Solutions contracted between five and 65 percent of their RPS contracts as long-term contracts. There is no retail seller without a long-term RPS contract.

The Commission continues to encourage early planning on long-term procurement to hedge for delays in project development for new renewable build and potential project performance issues. Inadequate long-term procurement planning can impact the risk profile of a retail seller’s portfolio and the State achieving its renewable goals.

6. IOUs’ 2023 RPS Plans

SB 100 required retail sellers to meet a 60 percent RPS procurement goal by 2030. D.19-06-023 implemented the procurement quantity requirements that were revised by SB 100 and established that for the compliance period 2021-2024 retail sellers must procure no less than 44 percent of their retail sales from

eligible renewable energy resources by December 31, 2024, and procure no less than the quantities calculated by the straight-line trend method in the intervening years.⁵

The three large IOUs – PG&E, SCE, and SDG&E – report RPS progress at or above the program procurement requirements for Compliance Period 2021-2024 (CP 4). For 2022, the IOUs reported that 38.5 percent of PG&E’s load, 36.2 percent of SCE’s load, and 59 percent of SDG&E’s load was met by RPS-eligible resources.⁶ None of the three large IOUs conducted a 2022 annual RPS procurement solicitation.

Figure 1 below summarizes the large IOUs’ actual and forecasted progress toward meeting the 60 percent RPS mandate by 2030. Based on the IOUs’ renewables net short reporting,⁷ we expect a need for additional procurement starting in 2028 for the IOUs. However, the collectively projected shortfall for the next several years will be met through the forecasted use of excess renewable energy credits (RECs) that have been or will be “banked” as excess procurement.⁸ In 2024, the IOUs’ share of retail sales is projected at 179,670 Gigawatt-hours (GWh) which is 67 percent of the projected total retail sales at 269,630 GWh.⁹ All three IOUs report that they are currently able to

⁵ D.19-06-023 at OP 1.

⁶ IOUs’ Renewable Net Short Calculations, Draft 2023 RPS Procurement Plans.

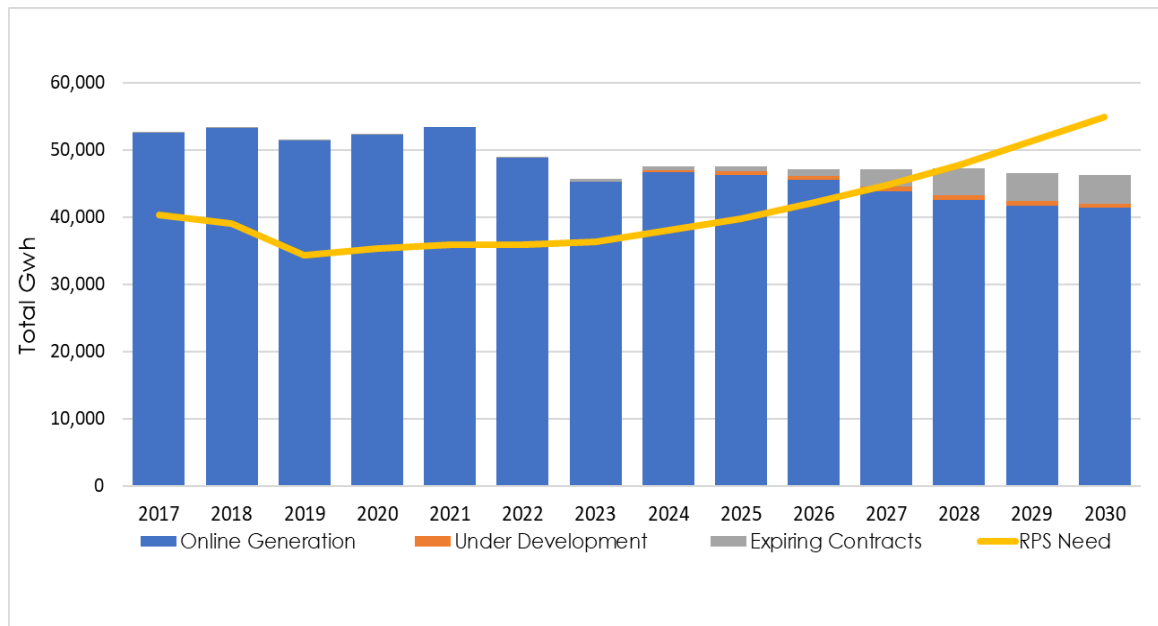
⁷ See 2014 Administrative Law Judge Ruling on Renewable Net Short (RNS) for definitions of RNS Components of Online Generation, Under Development, and Expiring Contracts: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M091/K331/91331194.PDF>.

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

⁹ IOUs’ Aggregated Renewable Net Short Calculations, Draft 2023 RPS Procurement Plans.

procure RPS resources to meet their 2023 obligations. However, they anticipate being short in the near term, attributing this change to the VAMO process.

Figure 1: Aggregated IOU Progress Toward 60% RPS



Through the IOUs' VAMO processes, the IOUs were able to remove significant shares of their Power Charge Indifference Adjustment (PCIA)-eligible renewables portfolio contracts while providing many of the CCAs and ESPs much needed RPS resources. As a result, the IOUs' RPS portfolios are primarily limited to each IOU's elected and vintaged load share.

6.1. Comments and Replies Regarding the Draft RPS Plans

Several parties, including Cal Advocates, SCE, and SDG&E, commented on PG&E's request to eliminate the Tier 1 advice letter process for reviewing short-term RPS transactions. PG&E's request will be discussed in Section 6.2.4.

Focusing on the transmission and interconnections sections of the RPS Plans, American Clean Power-California recommends that the Commission develop a common reporting template that shows how the aggregate amount of deliverable RPS-eligible resources and storage capacity is affected each year.

American Clean Power-California also recommends that the Commission clarify confidentiality rules to avoid identifying specific generation projects in the public versions of the IOU reports.¹⁰

Cal Advocates agrees with the IOUs in support of aligning and integrating IRP and RPS processes.¹¹ In its reply comments, Cal Advocates disagrees with GPI and does not recommend encouraging retail load-serving entities to procure above and beyond the current RPS compliance requirements.¹²

SBUA filed comments seeking clarification on specific issues in the IOUs' RPS Plans. SBUA states that it does not take a position against active portfolio management involving buying and selling RECs as short-term transactions to optimize RPS portfolio; however, SBUA stresses the importance of transparency and cost reduction while engaging in such transactions.¹³ SBUA also recommends that PG&E make a series of adjustments to its modeling assumptions and/or explore alternative case modeling scenarios to assess realistic RPS supply and load changes that may affect mandatory procurement amount and the associated costs.¹⁴ In its reply to SBUA's comments, PG&E clarifies its modeling assumptions and processes.¹⁵

In response to SBUA's comments, SDG&E recommends that the Commission reject SBUA's request seeking updates on Draft RPS Plans to specifically explain the effect of the IOU's near-term strategies and plans related

¹⁰ American Clean Power – California Opening Comments, August 15, 2023, at 1-2.

¹¹ Cal Advocates Opening Comments, August 15, 2023, at 4-7.

¹² Cal Advocates Reply Comments, August 29, 2023, at 4-5.

¹³ SBUA Opening Comments, August 15, 2023, at 3-4.

¹⁴ SBUA Opening Comments, August 15, 2023, at 7.

¹⁵ PG&E Reply Comments, August 29, 2023, at 4.

to banked supplies. In SDG&E's view, demonstration of rate reductions is a case-by case analysis and specific to a solicitation or transaction which falls under the IOUs' evaluation processes.¹⁶

GPI filed 54 pages of opening comments that were mostly a lengthy summary of the IOUs' and a selection of SMJUs', CCAs', and ESPs' RPS portfolios and positions with little to no substantive recommendation.

GPI characterizes PG&E's change in RPS position as having changed substantially since its 2021 and 2022 RPS Plans. In response, PG&E clarifies that PG&E has projected a physical annual short position beginning in 2023 since its 2021 RPS Plan as a consequence of the VAMO mechanism ordered by D.21-05-030.¹⁷

The Commission carefully considered these comments and concludes that no modification to the draft RPS plans is warranted as a result. We note that the Commission staff reviews and analyzes all draft RPS Plans submitted by the retail sellers; therefore, parties to the proceeding do not need to provide lengthy summary and analysis of the plans; they should rather focus on relevant and specific recommendations.

With respect to the comments on coordination between the RPS and IRP proceedings, the Commission will address streamlining the filings and coordination issues in the future.

6.2. PG&E's Draft RPS Plan

PG&E's updated Draft 2023 RPS Plan contains all the required elements listed in Table 1 of the 2023 ACR, except for the RPS Plan Checklist in

¹⁶ SDG&E Reply Comments, August 29, 2023, at 4.

¹⁷ PG&E Reply Comments, August 29, 2023, at 5.

Appendix B. PG&E's updated Draft 2023 RPS Plan is approved with modifications.

PG&E's Draft 2023 RPS Plan demonstrates that PG&E will be physically short of its RPS requirement beginning in 2023. PG&E mainly attributes this shortfall to the VAMO process¹⁸ and the projected impact of the Borrowed Green Tariff Shared Renewables (GTSR) Pool from D.21-12-036.¹⁹ PG&E also reports that incremental procurement resulting from D.21-06-035 and D.23-02-040 will add resources to its portfolio, reducing the size of the projected shortfall.²⁰

To ensure compliance with its RPS obligations, PG&E anticipates using pre-2023 RPS procurement that was above PG&E's bundled service customer annual compliance targets (Bank), which was a strategy approved in D.22-12-030. PG&E states that the use of its Bank will promote ratepayer affordability by realizing value from pre-2023 procurement and allow PG&E to take steps to cost-effectively rebuild its portfolio.²¹

Even after the use of its banked resources, PG&E still projects a procurement need. In order to have flexibility to plan for meeting its RPS

¹⁸ PG&E Draft 2023 RPS Plan at 3. D.21-05-030 directed the IOUs to hold a Request for Information (RFI) process to identify sellers interested in contract termination or assignment to other LSEs and allocate to departed load a proportional share of the RPS position through a Voluntary Allocation and Market Offer (VAMO) mechanism to commence with 2023 deliveries. Voluntary Allocations accepted by PG&E and eligible load serving entities in PG&E's service area were approved by D.21-11-021. Transactions executed as part of PG&E's short-term Market Offer Solicitation were approved via Advice 6894-E in 2023. Certain other Market Offer transactions are pending Commission review and approval.

¹⁹ D.21-12-036 authorized PG&E to utilize a Borrowed GTSR Pool of RPS resources through 2024 to serve GTSR customers due to a shortfall in dedicated supply to satisfy PG&E's customer enrollments in its GTSR Program, up to but not to exceed, 176.15 MW.

²⁰ Pursuant to D.21-06-035 and D. 23-02-040 ordering the procurement of capacity to meet mid-term reliability (MTR) needs identified in the Integrated Resources Planning (IRP) proceeding, PG&E is to procure 3,079 MW.

²¹ PG&E Draft 2023 RPS Plan at 3.

obligations, balance its portfolio, and meet its other broader energy and capacity portfolio needs, PG&E seeks authority to conduct various portfolio transactions including sales. PG&E also proposes a REC sales framework to provide PG&E with the flexibility to sell RPS-eligible volumes through 2029 deliveries if those sales are needed to optimize RPS procurement.²²

In its Draft 2023 RPS Plan, PG&E reports that its RPS-eligible procurement and generation costs have stabilized around \$2.3 billion per year.²³ On a forward-looking basis (2023-2033), PG&E's RPS portfolio costs are expected to average about \$2.1 billion per year.²⁴

Overall, the Commission finds PG&E's portfolio management strategy reasonable and approves its Draft 2023 RPS Plan as modified. The following sections primarily address PG&E's requests that require Commission approval and list the deficiencies identified by the Commission staff. PG&E must update its final RPS Plan as directed below.

6.2.1. PG&E's Request for Long-Term Procurement Authority

PG&E requests authorization to hold a long-term RPS procurement solicitation in the 2023 RPS Plan cycle.²⁵ PG&E's request to hold a long-term RPS procurement solicitation is approved.

In D.22-12-030, the Commission authorized RPS procurement activities as part of PG&E's Final 2022 RPS Plan. PG&E requested and received such authority to provide PG&E with the flexibility to plan for RPS compliance

²² PG&E Draft 2023 RPS Plan at 16.

²³ PG&E Draft 2023 RPS Plan at 125.

²⁴ PG&E Draft 2023 RPS Plan at 125.

²⁵ PG&E Draft 2023 RPS Plan at 6.

obligations, and to meet emerging procurement needs with RPS-eligible resources.²⁶ As of the date of the Draft 2023 RPS Plan, PG&E has not yet held a 2023 solicitation to procure RPS resources.²⁷ In its Draft 2023 RPS Plan, PG&E continues to request the authority to hold a long-term RPS procurement solicitation to maintain flexibility to plan for RPS compliance obligations.

Because PG&E has not held a solicitation to procure resources in 2023 and PG&E still needs to maintain flexibility to fulfill its RPS obligations, the Commission finds it reasonable to approve PG&E's request to conduct an RPS solicitation to procure RPS-eligible products during the 2023 RPS Plan cycle. PG&E must seek Commission approval of any long-term RPS contracts consistent with existing procedures by submitting a Tier 3 advice letter.

6.2.2. PG&E's Request for Authority to Conduct Bundled RPS Sales via Bilateral Negotiations

In its Draft 2023 RPS Plan, PG&E requests authority to conduct sales of bundled RPS products via bilateral negotiations in addition to bundled RPS product sales it conducts via solicitations.²⁸ PG&E states that this authority may allow it to take advantage of unique and fleeting opportunities with counterparties who may be unable to participate at the time of a solicitation or who are looking for a more specific type of bundled RPS product. PG&E adds that this may allow PG&E to bring additional value to its customers via sales revenues while providing PG&E with another tool to balance its RPS portfolio.

²⁶ D.22-12-030 at 24-25.

²⁷ PG&E Draft 2023 RPS Plan at 6.

²⁸ PG&E Draft 2023 RPS Plan at 9.

PG&E anticipates that it will continue to primarily utilize competitive solicitations for bundled RPS product sales.

The Commission finds PG&E's request to conduct bundled RPS sales via bilateral negotiations during the 2023 RPS cycle reasonable and approves it. PG&E must seek Commission approval of any RPS contracts consistent with existing procedures by submitting a Tier 1 advice letter.

6.2.3. PG&E's Request for Approval to Transact Bundled RPS Sales Up to Five Years Forward

In its Draft 2023 RPS Plan, PG&E requests approval from the Commission to transact bundled RPS sales for deliveries of up to five years forward from the execution date. Under its 2022 RPS Plan, PG&E requested and was authorized to transact bundled RPS sales for a period of up to two years from the execution date.²⁹ In the 2023 Draft RPS Plan, PG&E requests the Commission extend this authority an additional three years, for a total of five.³⁰

PG&E believes that this extension will make its sales solicitations more competitive, as the additional flexibility will increase the attractiveness of certain products to potential buyers who may wish to lock in products for a longer period. PG&E also states that selling bundled RPS products for slightly longer-strips may help PG&E balance its portfolio as incremental resources needed to meet later-decade obligations come online further down the planning horizon.

The Commission finds PG&E's request for approval to transact bundled RPS sales up to five years forward reasonable and approves it. PG&E must seek

²⁹ D.22-12-030 at 25-26.

³⁰ PG&E Draft 2023 RPS Plan at 9.

Commission approval of any RPS contracts consistent with existing procedures by submitting a Tier 1 advice letter.

6.2.4. PG&E's Request for a Waiver of Tier 1 Advice Letter Approval Process for Short-Term Transactions

In its Draft 2023 RPS Plan, PG&E requests approval from the Commission to execute short-term transactions (transactions with terms of up to five years) that are consistent with Commission approved strategies without seeking approval via the Tier 1 advice letter process.³¹ PG&E's request is denied without prejudice.

Currently, if PG&E seeks to execute a contract or transaction with a counterparty for a bundled RPS product, PG&E must submit a Tier 1 advice letter to the Commission and receive approval before deliveries may occur.

In its Draft 2023 RPS Plan, PG&E seeks waiver of this Tier 1 advice letter process and requests that the Commission permit PG&E to report transactions that are compliant with its RPS Plan through its Quarterly Compliance Report (QCR) filings. The Commission currently reviews QCR filings to determine whether the IOUs' energy procurement transactions are compliant with their Bundled Procurement Plans (BPPs).

In PG&E's view, the Advice Letter process applicable to Commission approval of PG&E's short-term transactions places PG&E at a competitive disadvantage compared to other LSEs and other market participants that do not need to seek Commission approval. PG&E contends that counterparties view Commission approval via the Tier 1 advice letter process as a potential risk.³²

³¹ PG&E Draft 2023 RPS Plan at 10, 39-40.

³² PG&E Draft 2023 RPS Plan at 10-11.

Furthermore, PG&E argues that because short-term RPS transactions require a Tier 1 advice letter, it cannot transact RPS products to meet short-term RPS and energy needs. PG&E views this as a barrier which does not exist for conventional energy retailers. PG&E states that removing this process will level the playing field and enable swifter transactions of these short-term transactions. In support of its request, PG&E refers to changes in energy markets and supply chain, increased demand for renewables, which in PG&E's view makes procurement of RPS resources more challenging.³³

Several parties commented on this matter. SCE and SDG&E support PG&E's request and further request that the Commission grant them the same waiver, should the Commission approve PG&E's request.³⁴

Cal Advocates and SBUA oppose PG&E's request. Cal Advocates argues that PG&E's and SCE's request is inconsistent with the Commission's determination in D.14-11-042 that the Tier 1 advice letter process "will streamline the review process but maintain the appropriate level of Commission oversight for these short-term contracts."³⁵ Cal Advocates further notes that the Commission has already determined that Tier 1 advice letter review process appropriately balances the IOUs' need to expeditiously receive approval of short-term RPS contracts while maintaining the Commission's duty to exercise oversight over IOU short-term RPS contracts. In Cal Advocates' view, modifying the process would deny parties the opportunity to review and protest short-term RPS transactions. Cal Advocates adds that should the Commission determine

³³ PG&E Draft 2023 RPS Plan, at 7-8.

³⁴ SCE Opening Comments, August 15, 2023, at 1; SDG&E Opening Comments, August 5, 2023, at 2.

³⁵ Cal Advocates Opening Comments, August 15, 2023, at 3.

that PG&E and SCE's concerns need to be addressed now, the Commission could develop upfront standards to the Tier 1 advice letter process to add more certainty to the advice letter process while maintaining the Commission's oversight obligations.³⁶

In its reply comments, SBUA also expresses concerns with PG&E's request and agrees with Cal Advocates that the Commission could put more upfront standards in the Tier 1 advice letter process to speed review, if it determines that the IOUs' concerns need to be addressed now.³⁷

After reviewing the comments and replies, the Commission denies without prejudice PG&E's request, and by extension SCE and SDG&E's requests, for eliminating the advice letter approval process for short-term transactions. In order to timely complete the review of the RPS Plans and ensure staff availability to examine the waiver request in more detail, the Commission may add this matter to the scope of a new RPS OIR and address it in 2024.

In D.14-11-042, the Commission stated that the "review process is fluid and may change based on market conditions."³⁸ The Commission agrees that the current market for renewable resources is very different today than it was in 2014 when the Commission established the requirement for a Tier 1 advice letter process. Currently, there exists a regulatory process in which reasonableness of procurement of generation and other non-renewable resources is considered through upfront standards in the IOUs BPPs and reviewed in their QCR. However, the issue of how to enable the IOUs to conduct swifter transactions while ensuring proper regulatory review requires more scrutiny by the

³⁶ Cal Advocates, Opening Comments, August 15, 2023, at 4.

³⁷ SBUA Reply Comments, August 29, 2023, at 2-4.

³⁸ D.14-11-042 at 78.

Commission, involves multiple steps (e.g., coordination between staff), and may require developing additional upfront standards or at least reviewing the scope and applicability of the existing upfront standards to RPS-eligible transactions. Therefore, PG&E's request for a waiver of Tier 1 advice letter review process for short-term transactions is denied without prejudice.

6.2.5. PG&E's Request to Expand its Bundled Procurement Plan

PG&E requests that the Commission grant PG&E authority to include short-term (less than a five-year term) bundled RPS transactions as a standard product in its BPP so that short-term compliance needs can be met by RPS energy. SCE and SDG&E support PG&E's request and further request that the Commission grant them the same authority to include RPS transactions of five years or less as a standard product in the BPP, should the Commission approve PG&E's request.³⁹

PG&E lists several reasons to support its request. First, PG&E argues that given the state's decarbonization goals, it is good policy to enable PG&E to efficiently procure bundled RPS energy to manage PG&E's short-term energy position through the same pre-approval process that is used for procurement of "brown" or "unspecified" energy. Second, PG&E contends that the renewables market has sufficiently developed, and transacting renewables is no different than transacting traditional energy products. Last, PG&E believes that consolidating all short-term procurement authority requests and approvals to the QCR process reduces the administrative burden for both the Commission and Commission jurisdictional LSEs.

³⁹ SCE Comments, August 15, 2023, at 1.

The BPP process provides pre-approval to the IOUs to procure a variety of Commission-approved energy products, such as for capacity, energy, natural gas, and compliance instruments, in order to provide reliable service at the least cost to their bundled customers. The IOUs submit their BPPs with upfront procurement standards and guidelines for Commission review and approval and then report these procurement transactions to the Commission through QCR filings. The Commission reviews QCR filings to determine whether the IOUs' procurement transactions are compliant with their BPPs and determine whether BPP procurement costs can be recovered. In general, the BPP process permits the IOUs to execute certain contracts that are consistent with their BPPs for a duration of less than 5 years.

BPPs were reviewed and adopted every two years via a Commission decision in the Long-Term Procurement Plan (LTPP) proceeding. Although the IOUs' current BPPs were last approved, with modifications, by D.15-10-031 on October 22, 2015, in R.13-12-010, the IOUs have not filed a full update of their BPPs since then. Instead, the IOUs have updated various sections of their BPPs via advice letters as needed over the years. The IRP proceeding is the successor proceeding to the LTPP proceeding, however, a complete review of the IOU BPPs and changes to BPP procurement rules has yet to be addressed.

As noted by PG&E, this request aligns with PG&E's other request to waive the Tier 1 advice letter process for bundled RPS product transactions and merge review of bundled RPS product transactions into the QCR. The Commission denies without prejudice PG&E's request, and by extension SCE's and SDG&E's requests, for expanding their BPPs to include short-term RPS transactions. In order to timely complete the review of the RPS Plans and ensure staff availability

to examine the request in more detail, the Commission may add this matter to the scope of a new RPS OIR and address it in 2024.

6.2.6. PG&E's Request to Buy and Sell Bundled RPS Products in the Same Year

PG&E requests that the Commission grant PG&E the ability to both buy and sell bundled RPS products within the same compliance/calendar year. PG&E notes that energy markets experience rapid changes and price fluctuations that, when appropriately managed, present cost-saving opportunities for PG&E. PG&E states that because PG&E does not have the authority to both buy and sell bundled RPS products within the same compliance/calendar year, bundled ratepayers potentially lose out on money saving market transactions.

The Commission finds PG&E's request to buy and sell bundled RPS products in the same year reasonable and approves it. Approving PG&E's request would provide PG&E flexibility to manage its RPS portfolio and will allow PG&E to execute economical transactions. PG&E must seek Commission approval of any RPS contracts consistent with existing procedures by submitting a Tier 1 advice letter.

6.2.7. PG&E's Request to Retire RECs for Low Carbon Fuel Standard Credits

In its Draft 2023 RPS Plan, PG&E states that it expects greater participation in its current and future electric vehicle (EV) program offerings and a more diverse set of barriers that need to be addressed to support transportation electrification. To increase the amount of credits and credit revenues to fund these and future Low Carbon Fuel Standard (LCFS) program offerings, PG&E requests Commission authorization to participate in claiming incremental LCFS Credits through the retirement of RECs to demonstrate that PG&E is utilizing zero carbon-intensity electricity for EV-related charging.

PG&E proposes a method similar to the one approved for SCE in D.22-11-004 and D.22-12-030. PG&E intends to determine a fair market value of the RECs to compensate bundled customers, with the remaining value going to the LCFS program by selecting the higher of the most recent REC sale value and the 3-month weighted average price from Platts. If PG&E finds that this calculation is not representative of the fair market value, including compensation for administrative costs to implement this strategy, PG&E plans to apply a reasonable adder.⁴⁰

The Commission finds PG&E's request to retire RECs for LCFS credits reasonable and approves it. This authority has been granted to SCE with the approval of their 2021 and 2022 RPS Plans.⁴¹ Using RECs for this purpose conforms with the guidance provided by California Air Resources Board (CARB).⁴² However, PG&E must prioritize its REC retirements for RPS compliance first.

6.2.8. PG&E's Request to Modify RPS Plan Solicitation Materials Mid-Cycle

In its Draft 2023 RPS Plan, PG&E requests that the Commission grant PG&E the ability to modify solicitation materials included in its RPS Plan mid-cycle via the Tier 2 advice letter process to account for any material changes that may be needed, including the documents found in Appendices G, H, I, M and N of RPS Plans. To support its request, PG&E cites several factors, including

⁴⁰ PG&E Draft 2023 RPS Plan at 135-136.

⁴¹ D.22-11-004 and D.22-12-030.

⁴² CARB Guidance 20-03 at 2 footnote 2 states, "Entities generating credits for providing low-CI electricity may first use credit proceeds from incremental credits to offset the incremental cost of procuring low-CI electricity or RECs if that incremental cost is not already being paid by other sources."

rapid developments on both the supply and demand side complicating utility load forecasting and management, and the need to respond quickly to changes in market conditions such as prices, new technology, introduction of new technology types and updates to legislative or regulatory requirements. PG&E states that the ability to make material updates its RPS Plan solicitation materials outside of the normal planning cycle is thus an important tool in ensuring that PG&E meets its business and RPS compliance obligations.

PG&E's request to be able to modify solicitation materials included in its RPS Plan mid-cycle via the Tier 2 Advice Letter Process is denied. The Commission staff reviews solicitation materials in the context of the RPS Plan and RPS position of the IOUs. A mid-cycle request would require an updated RPS Plan submittal to determine if new solicitation materials are reasonable. It will be administratively burdensome, if not impossible, for the Commission staff to timely process such requests in addition to the statutorily mandated RPS Plan reviews and review and development of other program implementation issues.

6.2.9. PG&E's Request for Other Programmatic Changes

In its draft 2023 RPS Plan, PG&E urges the Commission to continue with tasks focusing on merging the IRP and RPS Plan. The Commission will address streamlining the filings and coordination issues in the future.

PG&E also urges the Commission to modify the cost recovery for the ReMAT program. There is a pending petition to modify D.13-05-034 filed by PG&E and SCE in R.11-05-005. This matter will be addressed in that docket.

6.2.10. Deficiencies in PG&E's Plan

The Commission staff has identified the following deficiencies in PG&E's Draft 2023 RPS Plan. PG&E must provide in its final 2023 RPS Plan the missing information listed below:

- 1) Table 1 of the 2023 ACR - Summary Requirements for 2023 RPS Procurement Plans: PG&E did not provide Table 1 RPS Plans Summary Checklist in Attachment B.
- 2) Long-Term Procurement – Section IV.B.1: PG&E’s Draft 2023 RPS Plan does not provide a quantitative assessment of retail seller’s long-term RPS position.⁴³ Although PG&E explains that it met its long-term requirements for CP 3 and will continue to exceed requirements, no quantitative assessment in GWh or MWh was provided. PG&E did not provide a short description of its long-term contracts, resources, or portfolio mix used to meet the long-term procurement requirement.
- 3) Portfolio Diversity and Reliability – Section IV.C - Transportation Electrification forecast: Although PG&E discusses transportation electrification (TE) in other Sections of its Draft 2023 RPS Plan (VI.C and VII.B), it does not compare its TE forecast to the CEC’s IEPR transportation electricity demand forecast.
- 4) Risk Assessment – Section VII: Although PG&E discussed these topics in detail, PG&E did not lay out the Risk Section into separate subsections for Compliance Risk, Risk Modeling & Risk Factors, System Reliability, and Lessons Learned. PG&E also did not explicitly discuss how its portfolio contributes to system reliability. Instead, PG&E discusses various aspects of system reliability and how it accounts for system reliability needs and factors in its planning.

6.3. SCE’s Draft RPS Plan

The SCE’s Draft 2023 RPS Plan contains each of the elements required in Table 1 of the 2023 ACR. SCE’s updated Draft 2023 RPS Plan is approved with

⁴³ See PG&E Draft 2023 RPS Plan at 60.

modifications. SCE must seek Commission approval of any RPS contracts consistent with existing procedures by submitting a Tier 3 or Tier 1 advice letter.

SCE's Draft 2023 RPS Plan demonstrates that its need for RPS resources to meet the Compliance Period 2025-2027 (CP 5) and Compliance Period 2028-2030 (CP 6) targets grew significantly since SCE filed its Final 2022 RPS Procurement Plan. This is primarily due to significant load growth⁴⁴ attributed to higher electrification load growth in transportation and building sectors as well as higher probabilities of some existing CCA customers' return to SCE bundled service.

In its Draft 2023 RPS Plan, SCE states that it will have to procure a total of 52,600 GWh of renewable resources that are available to deliver between 2025 through 2030, cumulatively, in CP 5 (13,700 GWh) and CP 6 (38,900 GWh) to meet its MTR and RPS requirements.⁴⁵ Noting that it is actively negotiating to meet the MTR requirements through solicitations in that docket, SCE proposes to meet some of its RPS need for eligible renewable resources through MTR solicitation(s) pursuant to the IRP Decision. To ensure compliance with its RPS obligations, SCE is actively negotiating to procure long-term contracts to meet IRP targets as required under the IRP Decision that will provide approximately 5,900 GWh of new emissions-free or RPS-eligible energy in CP 5 and 17,300 GWh of energy in CP 6 towards RPS compliance requirements.⁴⁶

SCE also proposes to purchase RECs through its own solicitations and bidding into solicitations of other market participants, including the other IOUs'

⁴⁴ SCE Draft 2023 RPS Plan at 10 and 14.

⁴⁵ SCE Draft 2023 RPS Plan at 62.

⁴⁶ SCE Draft 2023 RPS Plan at 31.

VAMO solicitations, bilateral contracting, or through transactions with brokers and/or exchanges.

SCE reports that its RPS-eligible procurement and generation costs have stabilized around \$2.2 billion in the last three years. On a forward-looking basis (2023-2033), SCE's RPS portfolio costs are expected to average about \$2.3 billion per year.

In its Draft 2023 RPS Plan, SCE states that the objective of SCE's renewables portfolio optimization strategy is to minimize costs to its customers while ensuring that RPS goals are met or exceeded. This strategy includes four primary actions: (1) beginning in 2023 and continuing in 2024, incremental procurement for new or existing eligible renewable resources and eligible renewable resources paired with energy storage; (2) engaging in procurement of Product Content Category (PCC) 1 and PCC 3 RECs and sale of BioRAM RECs; (3) assessing RPS eligible resource impacts on SCE's entire portfolio; and (4) optimization of its existing RPS portfolio.⁴⁷

Overall, the Commission finds SCE's portfolio management strategy reasonable and approves its RPS Plan as modified. The following sections primarily address SCE's requests that require Commission approval.

6.3.1. SCE's Request to Hold Solicitation to Procure RPS Volumes from New and Existing Resources

In D.22-12-030, the Commission granted SCE the option to pursue an RPS solicitation to procure and/or sell RPS volumes pursuant to its 2022 RPS Plan.⁴⁸ In its Draft 2023 RPS Plan, SCE reports that it launched a solicitation on

⁴⁷ SCE Draft 2023 RPS Plan at 33.

⁴⁸ D.22-12-030 at OP 6.

June 22, 2023, to procure RPS-eligible volumes pursuant to its 2022 RPS Plan. Further, SCE requests authority to conduct RPS solicitations to procure RPS volumes from new and existing resources through solicitations. Foreseeing a substantial need for RPS resources in CP 5 and beyond and a need for flexibility, SCE expresses its concern about availability of clean energy resources to meet RPS needs. SCE cites increased demand and competition from other retail sellers for clean energy, in addition to other factors such as supply chain issues and interconnection delays, as factors for potentially inadequate supply.⁴⁹

In its Draft 2023 RPS Plan, SCE lists many benefits to contracting with existing resources. SCE notes that some of its contracts for existing RPS-eligible resources are nearing the end of their contract term. SCE suggests that these resources may be available at a lower cost than new RPS-eligible resources because they no longer need to recover initial capital costs through a new PPA. Further, because the existing resources are already online, by procuring existing resources, SCE will ensure RPS deliveries meet its RPS compliance obligations.⁵⁰

The Commission finds SCE's request to hold solicitations for new and existing resources reasonable and approves it. Approving SCE's request would help SCE's portfolio optimization efforts. SCE must seek Commission approval of any RPS contracts consistent with existing procedures by submitting a Tier 3 advice letter.

In its updated Draft 2023 RPS Plan, SCE proposes changes to its 2023 Pro Forma RPS Power Purchase Agreement (PPA) for new and existing resources to align it with the contract used for procurement required by D.21-06-035 related

⁴⁹ SCE Draft 2023 RPS Plan at 2-3.

⁵⁰ SCE Draft 2023 RPS Plan at 36.

to MTR in the IRP docket. SCE's proposed changes to its 2023 Pro Forma RPS PPA are approved.

6.3.2. SCE's Request to Procure RECs

In its Draft 2023 RPS Plan, SCE requests the option to execute transactions for purchases of RECs in various ways. SCE does not plan to sell RECs during the 2023 RPS Plan cycle, except for RECs from BioRAM contracts as required by D.18-12-003.

More specifically, SCE requests authority to: (1) issue solicitations for short-term and long-term PCC 1 and PCC 3 RECs; (2) participate in other market participants' REC RFOs, including the other IOUs' VAMO Market Offers; and (3) to execute bilateral contracts for the purchase of RECs. SCE also requests authority to purchase RECs through brokers and exchanges at prices and term lengths consistent with upfront standards and criteria.⁵¹

The Commission finds SCE's request to procure RECs through various mediums -- including solicitations, other market participants' solicitations, bilateral contracts, brokers and exchanges -- reasonable and approves it. Approving SCE's request will provide SCE with the needed flexibility while meeting its forecasted need for RPS resources. However, the Commission does not approve SCE's request for preapproval of its REC purchases through upfront and achievable standards, as described in its Updated Plan dated August 29, 2023. Development of any upfront standards requires further review and consideration by the Commission. Therefore, SCE must seek Commission approval of any RPS contracts for procurement of RECs consistent with existing procedures by submitting a Tier 1 or Tier 3 advice letter.

⁵¹ SCE Draft 2023 RPS Plan at 12.

SCE's proposal to modify credit terms of the Pro Forma PCC 1 and PCC 3 RECs agreements as proposed in SCE's updated Draft 2023 RPS Plan are approved.

6.3.3. SCE's Request for Option to Retire RECs for LCFS Credits

In its Draft 2023 RPS Plan, SCE seeks Commission authorization to participate in claiming incremental LCFS Credits through the retirement of RECs. SCE expects that customer participation in SCE's LCFS-funded programs as part of SCE's 2021-2024 LCFS implementation will increase over time as EV adoption increases and SCE's program operations mature. To increase the amount of credits and credit revenues to fund these and future LCFS-funded programs, SCE received approval in its 2022 RPS Procurement Plan to participate in claiming incremental LCFS Credits through the retirement of RECs to demonstrate that SCE is utilizing zero carbon-intensity electricity for transportation electrification related charging.⁵²

Although SCE seeks authority to purchase PCC 3 RECs in 2024 to meet its RPS obligations, if SCE has sufficient PCC 3 RECs to claim incremental LCFS Credits, it plans to retire such PCC 3 RECs. SCE plans to apply a principled approach for determining the fair market value of the RECs and compensate bundled customers accordingly, with the remaining value going to the LCFS program. SCE currently believes the best approach for determining the value is to select the higher of the most recent REC sale value and the 3-month weighted average price from Platts. If SCE feels that this calculation is not representative of

⁵² SCE Draft 2023 RPS Plan at 112-113.

the fair market value, it proposes to apply a reasonable adder “to ensure bundled customers are made whole.”⁵³

The Commission finds SCE’s request for the option to retire RECs for LCFS credits reasonable and adopts it. However, SCE must ensure that RECs should first be used for meeting SCE’s RPS obligations.

6.3.4. SCE’s Request to Run a Future VAMO and Market Offer Sales

In its Draft 2023 RPS Plan, SCE states that it may request authority to run a future Voluntary Allocation and sell RECs through a future Market Offer process. If the Commission orders the IOUs to conduct a future VAMO, SCE seeks authority to conduct a future VAMO process in accordance with the final ruling by the Commission and to bid in the Market Offer solicitations of the other IOUs, which could occur as early as 2024.

SCE’s request to run a future VAMO is rejected without prejudice; the review of the RPS plans is not the proper venue for this request. As noted by SCE, there are multiple steps to be taken and specific requirements for approval before seeking authorization for a future VAMO.

D.21-05-030 requires that 90 days after each IOU completes its VAMO process, each IOU is required to file and serve a report on the effectiveness of its RPS VAMO process. The report will include a calculation of the remaining shares, a proposal of whether and when to hold a future RPS VAMO, and include best practices and lessons learned.⁵⁴ This report will then be followed by a workshop held by the Joint IOUs to review the filings and recommendations.

⁵³ SCE Draft 2023 Plan at 113.

⁵⁴ D.21-05-030 at OP 4.

Finally, 90 days after SCE files its report, SCE must then file a Tier 2 advice letter to propose whether and when to hold future RPS VAMO.

6.4. SDG&E's Draft RPS Plan

SDG&E's Draft 2023 RPS Plan contains each of the elements required in Table 1 of the 2023 ACR except for bid solicitation protocols. SDG&E's Draft 2023 RPS Plan is approved with modifications.

For 2022, SDG&E procured 59 percent of its power from renewable resources. SDG&E forecasts a long position in CP 4 and a short position beginning in CP 5. Changes in SDG&E's RPS position is attributed to changes in SDG&E's retail sales from departing load and the impacts of the VAMO process, and its voluntary allocations and market delivery to other LSEs.⁵⁵

In its Draft 2023 RPS Plan, SDG&E reports that it has a significant amount of RECs in its bank and may meet its RPS compliance requirements through 2033 by utilizing the bank and/or, holding solicitations or entering agreements bilaterally to procure long-term or short-term resources.⁵⁶ SDG&E also plans to use banking, REC sales, contract termination, and contract transfers to manage over-procurement as a result of departing load.⁵⁷

SDG&E reports that it procured 179 MWs of RPS resources to meet D.21-06-035 requirements with expected deliveries starting in 2025.⁵⁸ SDG&E plans to include RPS eligible procurement from the IRP in its planning, which also affects its RPS portfolio.

⁵⁵ SDG&E Draft 2023 RPS Plan at 3.

⁵⁶ SDG&E Draft 2023 RPS Plan at 14.

⁵⁷ SDG&E Draft 2023 RPS Plan at 15.

⁵⁸ SDG&E Draft 2023 RPS Plan at 3.

Overall, the Commission finds SDG&E's procurement strategy reasonable. It demonstrates future compliance with CP 4 and provides a plausible approach to meeting future shortfalls. Therefore, its RPS Plan is approved, as modified. The following sections primarily address SDG&E's requests that require Commission approval and list the deficiencies identified by Commission staff. SDG&E must update its final RPS Plan as directed below.

6.4.1. SDG&E's Request for an Option to Hold an RPS Solicitation and/or Pursue Bilateral Agreements

In its Draft 2023 RPS Plan, SDG&E anticipates that it will be short in CP 5.⁵⁹ Therefore, SDG&E requests authority for the option to hold a solicitation, if the RPS-eligible hybrid resources included in its planning are not sufficient to meet its compliance requirements. SDG&E also states that a solicitation may be necessary to "mitigate non-compliance risk arising from the impacts of portfolio optimization and load departure such as an unexpected return of customers that were not included in the forecast."⁶⁰

The Commission approves SDG&E's request for the option to hold an RPS solicitation on the condition that SDG&E submits its Bid Solicitation Protocols first, which requires a Tier 3 advice letter review process.

SDG&E did not provide its Bid Solicitation Protocols in its draft 2023 RPS Plan. SDG&E did not previously submit Protocols in its 2022 RPS Plans and does not have an older approved Protocol to use, either. Therefore, SDG&E must submit a Tier 3 advice letter for review and approval of its Bid Solicitation Protocols within 30 days of the effective date of this decision. The Bid Solicitation

⁵⁹ SDG&E Draft 2023 RPS Plan at 14.

⁶⁰ SDG&E Draft 2023 RPS Plan at 13-14.

Protocols must include the elements discussed in more detail in Section 6.4.5 below. After the bid solicitation protocols are approved, SDG&E may launch a procurement solicitation. In the future, SDG&E must include bid solicitation protocols in its RPS Plan consistent with Section 399.13(a)(6) and the RPS Plans ACR.

6.4.2. SDG&E's Request for an Option to Use Banked RECs

In its Draft 2023 RPS Plan, SDG&E reports that it has a substantial REC bank and requests the option to use banked RECs as another means to address its RPS short position in CP 5.⁶¹ The Commission finds SDG&E's request for the option to use its banked RECs reasonable and approves it.

6.4.3. SDG&E's Request for an Option to Sell RPS Volumes in CP 4

In its Draft 2023 RPS Plan, SDG&E requests authority to sell RPS volumes in CP 4 in order to better manage its portfolio, reduce over-procurement, and provide benefits (savings) to customers while maintaining RPS compliance.⁶²

SDG&E's request for the option to sell RPS volumes in CP 4 is approved. SDG&E must submit a Tier 1 advice letter for review and approval of contracts.

6.4.4. SDG&E's Other Requests

In its comments on the Draft 2023 RPS Plans, SDG&E supported PG&E's request to have the Tier 1 advice letter process be waived for review of short-term transactions and to expand BPP to include RPS purchases and sales that have less than five years of duration.⁶³ These requests are rejected for the reasons explained in Sections 6.2.4 and 6.2.5.

⁶¹ SDG&E Draft 2023 RPS Plan at 4 and 14.

⁶² SDG&E Draft 2023 RPS Plan at 4.

⁶³ SDG&E Opening Comments, August 15, 2023, at 1-2.

SDG&E also supported PG&E and SCE's requests for preapproval to use bilateral agreements and brokers to procure RPS resources, stating that retail sellers have been procuring RECs through brokers for many years. Therefore, in SDG&E's view, this is perceived as a tested and proven market for procuring many energy products, including RECs. SDG&E also adds that it needs the flexibility to participate in this market in order to not be at a disadvantage relative to other load-serving entities.

The Commission finds SDG&E's request to use bilateral agreements and brokers and exchanges to procure RPS resources reasonable and grants it with modification. The Commission affirms that the use of bilaterals requires a Tier 1 advice letter review process for short-term contract approval and Tier 3 advice letter review process for contracts with terms longer than five years. The use of brokers and exchanges is approved for RPS transactions (5 years or less) and requires a Tier 1 advice letter approval.⁶⁴

6.4.5. SDG&E's Deficiencies

The Commission staff has identified several deficiencies in SDG&E's Plan. SDG&E must provide the information identified in Table 1.

Table 1. Deficiencies in SDG&E' Draft 2023 RPS Plan

RPS Plan Section	Commission Finding
PDSU – Section V	SDG&E updated its plan to report that there are four projects in development for its RPS portfolio that are progressing on schedule. However, in the Risk Assessment and MMoP Sections of its RPS Plan, it states that there are only two projects that are in development. ⁶⁵ The Risk Assessment and MMoP Sections

⁶⁴ See D.14-12-047 at OP 27.

⁶⁵ SDG&E Plan at 36 and Appendix 1, at 40, at 44.

	must be updated to reflect the four online projects.
Risk Assessment – Section VII Compliance Risk Subsection	Although SDG&E assigns Compliance Risk with an overall rating of “low” due to its large REC bank size, ⁶⁶ SDG&E should assign severity of risk (high, medium, low) to individual risk factors, not just one overall assignment. Examples of individual compliance risk factors SDG&E notes or discusses but does not assign risk severity to includes delayed construction, project completion rate, delivery failure rate / underperformance of delivering projects permitting, transmission development, supply chains, financing. ⁶⁷
Bid Solicitation Protocols – Section X (at 44)	For its proposed RPS procurement solicitation, SDG&E lacks Bid Solicitation Protocols or a detailed description of its bid selection process and evaluation methodology outside of its description of LCBF. For example, while it includes a “RFP for Sale of Renewable Energy Products” document that describes the bid selection process for REC sales, it does not provide a similar document to describe bid selection protocols for RPS procurement. ⁶⁸

⁶⁶ SDG&E Plan at 40.

⁶⁷ SDG&E Plan at 40.

⁶⁸ At a minimum, bid solicitation protocols should describe:

- a. Overall solicitation processes
- b. Communication procedures between potential bidders and retail seller, including solicitation website (if used) and email addresses
- c. Solicitation schedules
- d. Solicitation goals:
 - i. Resource needs and eligibility requirements

LCBF Section in Appendix 8	<p>1. Congestion Cost criteria has been removed and should be added or clarified.</p> <p>2. Consideration of system reliability is not clearly stated.</p> <p>3. SDG&E must clarify the following: SDG&E calculates LCBF as Net Market Value (Benefits less Costs). While the LCBF section describes how the Benefits (energy, ancillary services, capacity) in the NMV equation are calculated, the description of how Costs (contract costs, transmission costs, congestion costs) are calculated is deleted. Although these cost elements are unchanged in the NMV calculation, their descriptions are missing.</p>
Conformance with IRP Proceeding – Section XV	<p>Although SDG&E provides adequate updates on IRP-RPS Planning alignment, it does not report IRP-RPS Planning alignment using the correct Table structure as directed in the ACR (see Table 4 of ACR). SDG&E should update its plan and fill out this section in the correct Table.</p>

-
- ii. Quantities desired (or offered for sale) and/or project sizes
 - iii. Resource vintages: new and/or existing
 - iv. Deliverability characteristics
 - v. Required online dates
 - vi. Term lengths
 - vii. Site control and interconnection requirements
 - e. Bidder credit requirements
 - f. Terms for solicitation participation (for bidders)
 - g. Required safety information & standards for potential projects
 - h. List of solicitation documents that bidders will use to submit projects in the solicitation (for example: bidder intro/cover letters, project offer forms, safety info questionnaires, etc.)

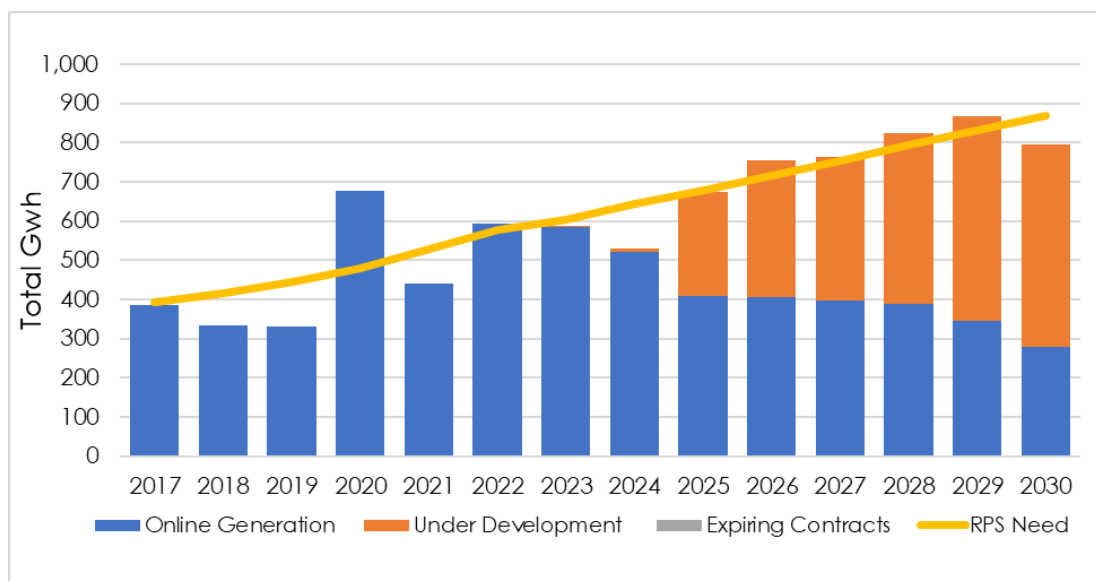
7. SMJUs

SMJUs make up a small but relevant share of California's energy market.⁶⁹ Upon review of the Draft 2023 RPS Plans, the Commission finds that the three SMJUs (BVES, PacifiCorp, and Liberty, collectively) need to procure more RPS eligible renewables beginning in 2024 to meet their respective RPS requirements (See Figure 2).

The RPS procurement requirements for SMJUs are different from those for the large IOUs. The RPS statute allows these utilities to meet their RPS procurement obligations without regard to the Portfolio Balance Requirement established in Section 399.16.⁷⁰ The Portfolio Balance Requirement is designed to ensure that most renewable energy procurement takes the form of in-state generation, rather than pure compliance instruments such as unbundled RECs. Given their near-term need for RPS-compliant resources, the Commission continues to encourage SMJUs to consider early procurement of resources rather than last-minute unbundled REC purchases.

⁶⁹ SMJUs' load in 2022 was roughly 1,500 GWh, or 0.8 percent of the total Commission-regulated retail load based on an Energy Division staff analysis of aggregated retail seller 2023 RNS templates, as submitted in their draft 2023 RPS Plans.

⁷⁰ Pub. Util. Code § 399.17(b). The PBR limitations in Section 399.16 are explained in D.11-12-052, §§ 3.5-3.7.

Figure 2: Aggregated SMJU Progress Towards 60% RPS

In this section, we discuss the SMJU's Draft 2023 RPS Plans and direct modifications to each, as necessary.

7.1. BVES' Draft RPS Plan

The Commission approves the Draft 2023 RPS Plan filed by BVES. BVES' Draft 2023 RPS Plan meets the requirements of the 2023 ACR.

In its Plan, BVES states that it has historically and will continue to meet the bulk of its RPS procurement requirement with unbundled RECs. BVES also reports that as a result of its February 2022 RFP BVES entered into a long-term PCC 1 contract that is anticipated to meet the bulk of its RPS needs through 2035.⁷¹

BVES states that it will use recently approved procurements of bundled and unbundled RECs to meet near-term RPS requirements for CP 4, and to help meet most of its long-term CP 5 and CP 6 procurement requirements.⁷² In

⁷¹ BVES Draft 2023 Plan at 2.

⁷² BVES Draft 2023 Plan at 8-9.

addition, BVES states that it will plan for future procurement of unbundled RECs and the use of RFPs and bilateral contracts to meet long-term RPS procurement requirements.⁷³ BVES continues pursuing development of a solar project which can also be used to help meet future RPS needs.⁷⁴

7.2. Liberty's Draft RPS Plan

The Commission approves the Draft 2023 RPS Plan filed by Liberty with modifications described below. These modifications concern Liberty's:

(1) unbundled REC procurement activity, if any, that may be used to cover short-term RPS shortfalls; (2) RNS and cost quantification tables.

Liberty anticipates that its overall plan for RPS procurement is expected to exceed SB 100 RPS mandates, ensuring continued compliance with the RPS program.⁷⁵ Liberty reports that most of the Liberty's RPS requirements will be met with output from Luning and Turquoise and the future Luning Expansion Project. Any additional procurement necessary for RPS compliance will be met with PCC 3 REC purchases.⁷⁶

7.2.1. Update on Procurement Needed

Liberty must provide an update in its final 2023 RPS Plan on any unbundled REC procurement activity that would be used to cover short-term RPS shortfalls that may result from continued delays due to the Luning Expansion Project approval.

In its Draft 2023 RPS Plan, Liberty states that it is assessing its need to procure unbundled RECs to meet the long-term renewables requirement that

⁷³ BVES Draft 2023 RPS Plan at 2 and 9.

⁷⁴ BVES Draft 2023 RPS Plan at 8.

⁷⁵ Liberty Draft 2023 RPS Plan at 6.

⁷⁶ Liberty Draft 2023 RPS Plan at 6.

was anticipated to come from the Luning project⁷⁷ during CP 4.⁷⁸ Liberty adds that it does not have a timeline for this unbundled REC procurement.⁷⁹ Because of the uncertainty Liberty is experiencing, the Commission directs Liberty to provide an update on its unbundled REC procurement in its final 2023 RPS Plan. The update must provide Liberty's solicitation timelines, dates, and targeted volumes procured for the unbundled REC solicitation.

7.2.2. RNS and Cost Quantification Table Revision Needed

The Commission staff identified the following deficiencies in Liberty's RNS and Cost Quantification Tables:

- 1) The column for 2033 in Table 2 of the Cost Quantification template has no values for "Total Retail Sales (MWh)" in Rows 26 and 53.
- 2) There is a "?" instead of a numerical value in Row 17, "Unbundled RECs (REC Only)" for the year 2023 in Table 2 of the Cost Quantification template.
- 3) Cost Quantification template and RNS template values do not match.
 - a. In the Cost Quantification template, in Table 4, the column for the year 2033 lists zero for "Total RPS Eligible Procurement (MWh)". This value does not match the value provided in the same column and year for the RNS template, which lists 262,855 MWh for "Total RPS Eligible Procurement (MWh)" in Row F.
 - b. The values for "Total RPS Eligible Procurement (MWh)," Table 3, Row 24, on the Cost Quantification template do not match the values

⁷⁷ Application 21-04-006 filed by Liberty requesting expansion of the existing Luning Solar was recently granted, as modified, by D.23-08-032.

⁷⁸ Liberty Draft 2023 RPS Plan at 2.

⁷⁹ Liberty Draft 2023 RPS Plan at 41.

in “Total RPS Eligible Procurement (MWh)”, Row F, on the RNS template for the year 2022.

- c. The Values for each year in “Total RPS Eligible Procurement (MWh)”, Table 4, Row 51, on the Cost Quantification template do not match the values in “Total RPS Eligible Procurement (MWh)”, Row F, on the RNS template for the years 2023-2033.

Liberty must provide clarifications or corrections for the inconsistencies identified above in its Final 2023 RPS Plan.

7.3. PacifiCorp’s Draft RPS Plan

The Commission approves PacifiCorp’s Updated 2023 On-Year Supplement to its 2023 IRP with modifications. These modifications concern PacifiCorp’s Long-Term Procurement section.

PacifiCorp has historically relied on existing eligible renewable energy within PacifiCorp’s portfolio and unbundled PCC 3 REC procurement to meet its RPS requirements. PacifiCorp states that PacifiCorp plans to satisfy the RPS procurement requirements with: (1) existing eligible renewable energy and RECs procured within PacifiCorp’s system, consistent with PacifiCorp’s integrated system planning for its multi-state service territory and overall system operation; and (2) RECs procured through the issuance of RFPs seeking current-year vintage unbundled RECs in 2023 and future years that will qualify for California RPS obligations.⁸⁰

7.3.1. Deficiencies in PacifiCorp’s On-Year Supplement

The Commission staff identified the following deficiencies in PacifiCorp’s filing:

⁸⁰ PacifiCorp Updated 2023 On-Year Supplement at 5-6.

- Long-Term Procurement – Section IV.B.1 is missing a short description of the long-term contracts, resources, or portfolio mix used to meet the 65% long-term RPS requirement as required by the 2023 ACR.⁸¹

PacifiCorp must provide the missing information identified above in its final 2023 On-Year Supplement.

8. CCAs and ESPs

The Commission approves the CCAs' and ESPs' Draft 2023 RPS Plans with modifications.

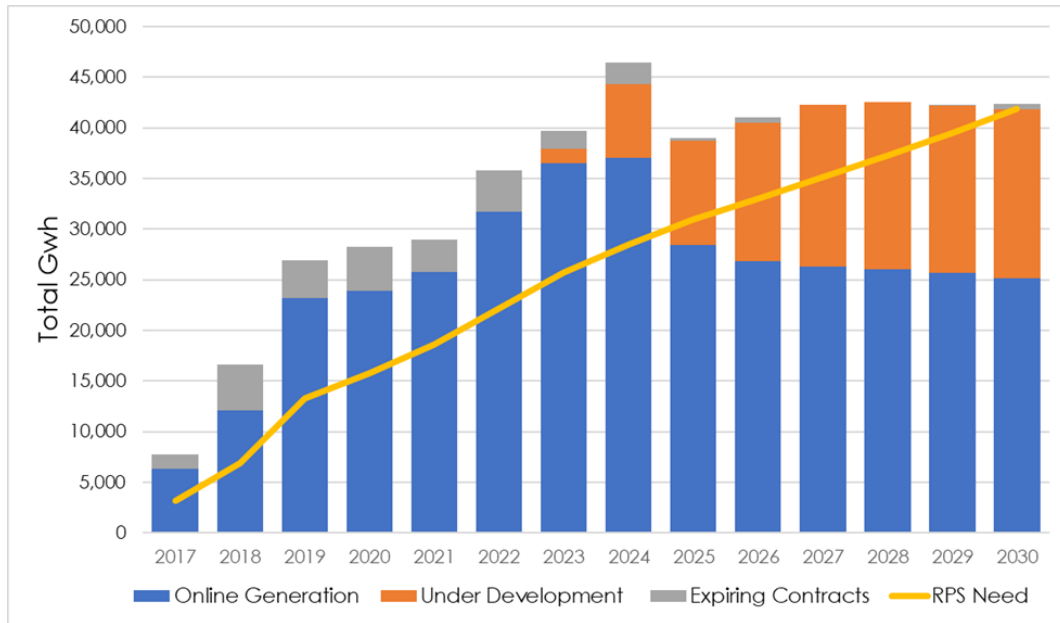
The Commission reviewed 25 CCA and 11 ESP Draft 2023 RPS Plans for completeness, accuracy of information, and compliance with the 2023 ACR. The CCA and ESP Draft 2023 RPS Plans were compliant with respect to most of the requirements of the 2023 ACR. Sections 8.3.1 through 8.3.11 of this decision provide the Commission's disposition on CCAs' and ESPs' Draft 2023 RPS Plans.

8.1. CCAs' Need to Procure

Collectively, the CCAs have executed enough renewable energy contracts to exceed their forecasted need in 2023 and plan to serve over 64,000 GWh of retail load in 2024.

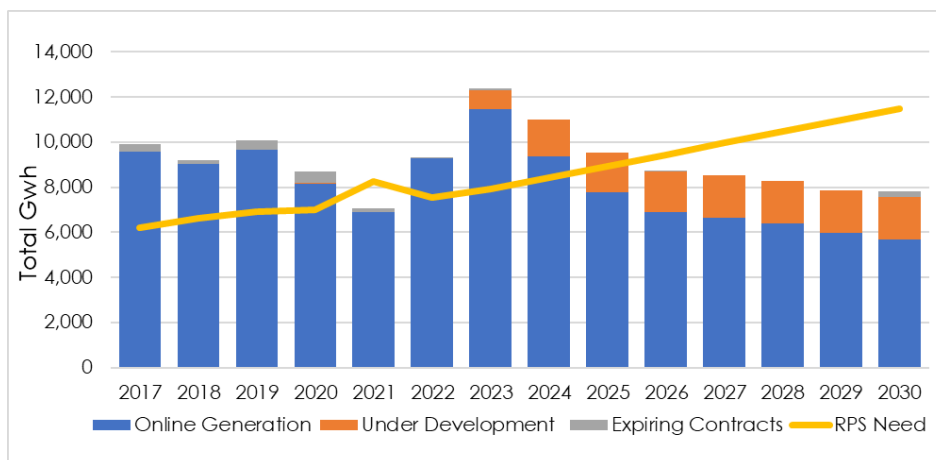
D.22-12-030 noted that the projected CCA retail sales growth in 2023 has increased to 64,000 GWh. Based on the CCAs' RNS reporting, several CCAs are expected to need additional RPS procurement beginning in 2024. Collectively, CCAs may need additional RPS procurement beginning in 2025 if there are delays to a significant quantity of projects in development.

⁸¹ 2023 ACR at 17.

Figure 3: Aggregated CCA Progress Towards 60% RPS

8.2. ESPs' Need to Procure

The Commission reviewed Draft 2023 RPS Plans filed by 11 ESPs. Based on these ESPs' RNS reporting, we find that the ESPs will collectively need additional procurement to meet RPS obligations beginning in 2026, as shown in Figure 4, as a consequence of historically relying on short-term contracts to match their RPS obligation to their overall retail sales.

Figure 4: Aggregated ESP Progress Towards 60% RPS

8.3. Issues to Address in the Final 2023 RPS Plans filed by CCAs and ESP

The Commission identified several deficiencies and errors in the Draft 2023 RPS Plans. Most of these deficiencies were minor and appeared to be typographical errors, inconsistent updating throughout a plan, or data entry errors. These findings are listed in Sections 8.3.1. through 8.3.11. The retail sellers identified in the tables below must update the relevant sections of their draft RPS Plans in their final submittal.

8.3.1. Inconsistencies Between Executive Summary and Other Sections

Retail sellers identified in the table below must update the Executive Summary or the relevant section of their Draft 2023 RPS Plan.

Table 2: Inconsistencies between Executive Summary and Other Sections

Retail Seller	Commission Finding
Pico Rivera Innovative Municipal Energy	The Draft 2023 RPS Plan at 13 states that Pico Rivera has engaged in RPS sales to sell surplus RPS, however these sales are not reflected in its RNS and Cost Quantification templates. This statement needs to be removed or clarified, or the sales figures need to be added to the RNS and Cost Quantification templates.
Rancho Mirage Energy Authority	The Draft 2023 RPS Plan at 12 states that Rancho Mirage has engaged in RPS sales to sell surplus RPS, however these sales are not reflected in its RNS and Cost Quantification templates. This statement needs to be removed or clarified, or the sales figures need to be added to the RNS and Cost Quantification templates.
San Diego Community Power	The Draft 2023 RPS Plan at 5 states that retail sales increased from 2,000 GWh in 2021 to 5,700,000 GWh. San Diego Community Power should verify these figures.
San Jacinto Power	The Draft 2023 RPS Plan at 12-13 states that San Jacinto Power has engaged in RPS sales to sell surplus RPS, however these sales are not reflected in its RNS and Cost Quantification templates. This statement needs to be removed or clarified, or the sales figures need to be added to the RNS and Cost Quantification templates.

8.3.2. Portfolio Supply and Demand

The Commission requires retail sellers listed in Table 3 to provide complete and/or corrected information or explain discrepancies between the plan narrative and the Cost Quantification template in their Final 2023 RPS Plans.

Table 3: Portfolio Supply & Demand

Retail Seller	Commission Finding
City of Palmdale	This section requires various clarifications: <ul style="list-style-type: none"> • The discussion of past renewables procurement mix from solar, wind, and small hydro is not consistent with the resource mix presented in the Cost Quantification template. • The RPS Plan at 19 mentions a new geothermal facility commencing operation in mid-2026, but the same facility is not mentioned in the Project Development Status Update section or template.
City of Pomona	Discussion of past renewables procurement mix from solar, wind, and small hydro is not consistent with the resource mix presented in the Cost Quantification template.
Rancho Mirage Energy Authority	Discussion of past renewables procurement mix from solar, wind, and small hydro is not consistent with the resource mix presented in the Cost Quantification template.
San Jacinto Power	Discussion of past renewables procurement mix from solar, wind, and small hydro is not consistent with the resource mix presented in the Cost Quantification template, which includes biomass as well.

8.3.3. Long-Term Procurement

As explained in 2023 ACR, RPS Plans should demonstrate how they are meeting the long-term procurement requirement. D.17-06-026 established that 65 percent of each retail seller's procurement counted towards RPS requirements be from contracts with term lengths of 10 years or more in duration.

In its Draft 2023 RPS Plan, Clean Power Alliance of Southern California's (Clean Power Alliance's) long-term contracting position for 2033, as described in Section IV.B.1 of its plan, does not match the 2033 RNS figure. For the year 2033, the RNS figure shows a 29 percent RPS position with only 3,700 GWh of RECs

for “Total RPS Eligible Procurement.” Meanwhile, the long-term contracting chart in this section⁸² shows that Clean Power Alliance will have 8,274 GWh of long-term contract deliveries in 2033 and will achieve 167 percent of the long-term contracting requirement. This long-term contracting forecast seems too high for only forecasting 3,700 GWh of total RPS-eligible procurement for 2033. That is, if Clean Power Alliance forecasts that it will have only 3,700 GWh of RECs in 2033, the forecast that 8,000 GWh of those RECs will be long-term is puzzling. Clean Power Alliance must clarify and/or provide a corrected number in its Final 2023 RPS Plan.

8.3.4. Portfolio Diversity

Pursuant to the directives given in 2023 ACR, Section IV.C of the RPS Plans covers portfolio diversity and reliability issues. The Commission identified the following inconsistencies in portfolio diversity section of Draft 2023 RPS Plans. The retail sellers identified below should provide the necessary corrections in their final 2023 RPS Plans.

Table 4: Portfolio Diversity

Retail Seller	Commission Finding
Pico Rivera Innovative Municipal Energy	Pico Rivera’s Draft 2023 RPS Plan at 35 states that it employs a MMoP of two percent. However, in Section IX.A MMoP, it discusses employing a MMoP of four percent. These different MMoPs need to be updated or clarified.
Rancho Mirage Energy Authority	Rancho Mirage’s Draft 2023 RPS Plan at 34 states that it employs a MMoP of two percent. However, in Section IX.A MMoP, it discusses employing a MMoP of four percent. These different MMoPs need to be updated or clarified.
San Jacinto Power	San Jacinto Power’s Draft 2023 RPS Plan at 34 states that it employs a MMoP of two percent. However, in Section IX.A

⁸² Clean Power Alliance RPS Plan at 15.

	MMoP, it discusses employing a MMoP of four percent. These different MMoPs need to be updated or clarified.
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8.3.5. PDSU

Section 399.13 requires retail sellers to include a status update on the development schedule of all eligible renewable energy resources currently under contract in their RPS Plans. This information is important for the Commission to monitor retail sellers' ability to meet RPS compliance obligations. Additionally, the Commission is required to report RPS capacity additions and contracts signed for new RPS projects to the Legislature. Without the information in RPS Plans, the Commission cannot accurately report to the Legislature.

In their Draft 2023 RPS Plans, most CCAs and ESPs include their respective PDSU spreadsheet, however some retail sellers have missing or inconsistent information. Therefore, we direct the retail sellers identified in the table below to provide an updated PDSU section in their Final 2023 RPS Plans pursuant to the findings below.

Table 5: Project Development Status

Retail Seller	Commission Finding
Clean Power Alliance	<ul style="list-style-type: none"> Although Clean Power Alliance provided the commercial online dates (CODs) in the PDSU narrative of the main RPS plan, there are many missing/blank CODs in the PDSU template for the projects listed. These errors apply to all the projects in development. There are eight projects on the PDSU template that seem to have already achieved CODs a few years ago but are still included in the template. These eight projects are not discussed in the narrative. Cape Station geothermal project of 33 MW, located in UT, is in development and mentioned in the narrative of plan at 21 but is not reported on the PDSU template.
Pioneer Community Energy	<ul style="list-style-type: none"> The PDSU template is missing CODs for all projects reported. The expected delivery dates for the Yellow Pine Solar II project do not match between the RPS Plan narrative in

	Section V and the PDSU template. The RPS Plan at 37 states that the deliveries will begin in late 2023 while the PDSU template shows that the contract start date is the end of May 2024 and does not provide a COD.
Redwood Coast Energy Authority	<ul style="list-style-type: none"> The CODs for the North Coast Highway Solar 2 project and North River Clean Power project in the PDSU template do not match the CODs listed in the RPS Plan narrative table (Table 4 at 22) and in the narrative (at 33).

8.3.6. Risk Assessment

Section 399.13(a)(6)(F) requires an assessment of the risk that an eligible renewable energy resource will not be built, or that construction will be delayed or reduced in size, with the result that electricity will not be delivered as required by the contract. Retail sellers must discuss compliance risk, risk modeling and risk factors, system reliability, and lessons learned in subsections of their 2023 RPS Plan, as instructed by 2023 ACR.

In its Draft 2023 RPS Plan, Clean Power Alliance discusses its risk factors, but does not describe or detail its risk modeling or models used to assess its RPS portfolio risk or lessons learned in assessing RPS portfolio risk. It also does not lay out the Risk Assessment discussion into the subsections (compliance risk, risk modeling & risk factors, system reliability, and lessons learned) as required by the 2023 ACR.

Clean Power Alliance must update its Draft 2023 RPS Plan to address the Commission findings on risk assessment by reorganizing this section into the required subsections, in addition to updating the deficient areas mentioned above, to make its Risk Assessment discussion clearer.

8.3.7. RNS Calculation

Section 6.8 of the 2023 ACR directed all retail sellers to provide both a narrative and quantitative response demonstrating how the results of their risk assessments have been incorporated into their 2023 RNS calculations.

The Commission finds that most retail sellers met the 2023 ACR requirements. However, two retail sellers' Draft 2023 RPS Plans need clarification in this matter. The Commission directs these retail sellers to supplement their final 2023 RPS Plans based on the findings described in Table 6.

Table 6: RNS Calculation

Retail Seller	Commission Finding
King City Community Power	The RPS procurement forecast for 2033 in the RNS template has blank cells (last column on RNS). The RPS procurement forecast for the year 2033 needs to be clarified.
BP Energy Retail Company California LLC	It is not clear if the delays to BP's Fifth Standard Solar contract are reflected in derates and/or failure rates to BP's RNS template for the 2023 forecast year. BP must update its Final 2023 RPS Plan to report on the latest status of its Fifth Standard Solar contract and reflect its status in its RNS calculations.

8.3.8. MMoP

The Commission finds that San Jacinto Power and Rancho Mirage Energy Authority must provide consistent MMoP figures for their Final 2023 RPS Plan submissions.

The use of an MMoP is necessary to mitigate risk and ensure that retail sellers meet the State's climate and reliability goals, particularly as California moves toward aggressive long-term RPS contracting requirements that promote the development of new renewable generation resources. Section 399.13(a)(5)(D) requires that "an appropriate [MMoP] above the minimum RPS procurement level is necessary to comply with the RPS to mitigate the risk that renewable projects planned or under contract are delayed or canceled." The Commission's 2014 RNS Ruling provides clear instructions on how retail sellers are to incorporate MMoP when developing risk-adjusted portfolios, and how

additional RPS procurement above a risk-adjusted portfolio (i.e., VMoP) should be reported in retail sellers' RNS.

The retail sellers identified below are required to update or clarify the inconsistent values of MMoPs provided in their Draft 2023 RPS Plans.

Table 7: MMoP

Retail Seller	Commission Finding
Rancho Mirage Energy Authority	On pages 62 and 64 Rancho Mirage states that it employs a MMoP of two percent. However, throughout the rest of Section IX.A MMoP, it discusses employing a MMoP of four percent. These different MMoPs need to be updated or clarified.
San Jacinto Power	On pages 62 and 63 San Jacinto states that it employs a MMoP of two percent. However, throughout the rest of Section IX.A MMoP, San Jacinto discusses employing a MMoP of four percent. These different MMoPs need to be updated or clarified.

8.3.9. Safety Considerations

The 2023 ACR directed the retail sellers to describe how they incorporate safety considerations into their RPS planning and procurement decisions. The 2023 ACR provided relevant safety issues to address, including future land use impacts due to climate change (e.g., sea level rise), Public Safety Power Shut-off (PSPS) events, wildfire risk mitigation, or a combination of these approaches to overall system and public safety.

In their Draft 2023 RPS Plans, nearly all retail sellers fulfilled the obligations to consider and provide their approach to safety in the RPS program, as directed by the 2023 ACR. Under this section, the City of Pomona made an inconsistent statement. While the City of Pomona stated that the city has yet to commence CCA operations,⁸³ the City also provided that “the City successfully commenced CCA service in October 2020 and currently serves approximately

⁸³ City of Pomona Draft 2023 RPS Plan at 72.

37,000 customer accounts.”⁸⁴ The City of Pomona must clarify these inconsistent statements in its final 2023 RPS Plan.

8.3.10. Cost Quantification

The Commission requires retail sellers listed in Table 8 to provide complete and/or corrected information or explain discrepancies between the submitted RNS calculations and Cost Quantification sheets in their Final 2023 RPS Plans.

Pursuant to the 2023 ACR requirements, “All retail sellers must submit the native file versions of the required Microsoft Excel spreadsheets for the RNS calculations, Project Development Status Update, and Cost Quantification to Energy Division staff through the CPUC’s Secure File Transfer Protocol (FTP). This submission is in addition to including the required data in the retail sellers’ RPS Plan.”⁸⁵

The Commission finds that seven retail sellers, listed in Table 8, did not submit complete and correct Cost Quantification sheets. The retail sellers must review the findings below and correct or explain the differences in their 2023 Final RPS Plans.

Table 8: Cost Quantification

Retail Seller	Commission Finding
City of Santa Barbara	<ul style="list-style-type: none"> The values for “Total RPS Eligible Procurement (MWh)” for the year 2022 in Table 3, row 24 of the Cost Quantification Template do not match the values for “Total RPS Eligible Procurement (MWh)” for the year 2022 in row F of the RNS template.
Clean Power Alliance	<ul style="list-style-type: none"> The “Total Retail Sales (MWh)” values for the years 2023 – 2033 in Table 2, rows 26 & 53, of the Cost Quantification template do not match the “Total Retail Sales (MWh)”

⁸⁴ City of Pomona Draft 2023 RPS Plan at 10.

⁸⁵ 2023 ACR at 40.

	values for the years 2023–2033 in row A, of the RNS template.
Redwood Coast Energy Authority	<ul style="list-style-type: none"> • The values for “Total Retail Sales (MWh)” for the year 2022 in Table 1, row 25 of the Cost Quantification Template do not match the values for “Total Retail Sales (MWh)” for the year 2022 in row A of the RNS template. • The values for “Total RPS Eligible Procurement (MWh)” for the year 2022 in Table 3, row 24 of the Cost Quantification Template do not match the values for “Total RPS Eligible Procurement (MWh)” for the year 2022 in row F of the RNS template. • The values for “Executed REC Sales (MWh)” for the year 2022 in Table 3, row 23 of the Cost Quantification Template do not match the values for “Executed REC Sales (MWh)” for the year 2022 in row Fd of the RNS template.
Rancho Mirage Energy Authority	<ul style="list-style-type: none"> • The values for “Total RPS Eligible Procurement (MWh)” for the year 2022 in Table 3, row 24 of the Cost Quantification Template do not match the values for “Total RPS Eligible Procurement (MWh)” for the year 2022 in row F of the RNS template.
San Diego Community Power	<ul style="list-style-type: none"> • The values for “Total Retail Sales (MWh)” for all years in Table 1 and Table 2 of the Cost Quantification Template do not match the values for “Total Retail Sales (MWh)” for all years in row A of the RNS template.
BP Energy Retail Company California LLC	<ul style="list-style-type: none"> • The values for “Total Retail Sales (MWh)” for the years 2023 – 2033 in Table 2, rows 26 & 53, of the Cost Quantification template do not match the “Total Retail Sales (MWh)” values for the years 2023 – 2033 in row A, of the RNS template.
The Regents of the University of California	<ul style="list-style-type: none"> • The values for “Total RPS Eligible Procurement (MWh)” for the years 2021-2033 in Table 1 and Table 2 of the Cost Quantification Template do not match the values for “Total RPS Eligible Procurement (MWh)” for the year 2021-2033 in row F of the RNS template.

8.3.11. Conformance with the IRP Proceeding

As noted in 2023 ACR, while the Commission is still considering how to align the IRP process and RPS planning process, the Commission still expects consistent information on RPS Planning across the respective proceedings.

Under this section, all retail sellers are directed to explain in the table format how the information in their 2023 RPS Plans will align with information in their most recent IRPs filed on November 1, 2022.

The Commission finds that two retail sellers, listed in Table 9, did not submit complete or correct information under this section. The retail sellers must review the findings below and provide corrections in their 2023 Final RPS Plans.

Table 9. Conformance with the IRP Proceeding

City of Palmdale	The City of Palmdale mentions a new geothermal resource that was procured in a Joint Mid-term Reliability RFP that will achieve COD in 2026, but this facility is not mentioned in the Project Development Status Update section or template.
Rancho Mirage Energy Authority	On page 93, the discussion of IRP portfolios references the <u>City of Pomona's</u> 25 MMT Conforming Portfolio. It is not clear whether the resources listed are City of Pomona's or Rancho Mirage's resources.

9. Motions for Confidentiality

The motions for confidentiality of retail sellers named in Table 10 are partially approved. The Commission reviewed draft 2023 RPS Plans to ensure retail sellers did not excessively redact information. This decision orders retail sellers identified in the table below to correct their excess redactions in their Final 2023 RPS Plans.

The underlying principle of confidentiality pursuant to the 2023 ACR and D.06-06-066, as modified by D.21-11-029, is about making information publicly accessible to the greatest extent possible while protecting certain market-sensitive information. As such, the party seeking confidentiality protection for data in RPS Plans must make claims consistent with the confidentiality matrices in D.06-06-066, as modified D.21-11-029. The party seeking confidentiality bears the burden of proof.

We find some retail sellers have excessively redacted the information, which is out of compliance with prior CPUC guidance. The table below lists retail sellers for whom Commission review found unauthorized redactions. Final 2023 RPS Plans must be revised to comply with the guidance in D.06-06-066, as modified by D.21-11-029.

Table 10: Confidentiality Redactions and Commission Findings

Retail Seller	Commission Finding
PacifiCorp	RNS Variables Ia, Ib, J, J0-J2, La, and Lb are inappropriately redacted for 2017-2020, CP 3 Total, and 2021-2022.
CleanPowerSF	<ul style="list-style-type: none"> Variable Faa (Failure Rate for Online Generation) and Variable Fbb (Failure Rate for RPS Facilities in Development) are inappropriately redacted in the RNS template for the years 2023-2025, and the CP 4 and CP 5 totals. These figures are unredacted in the public version of the RPS Plan narrative. Motion does not provide adequate justification for why this data is redacted.
Desert Community Energy	Variable Faa (Failure Rate for Online Generation) and Variable Fbb (Failure Rate for RPS Facilities in Development) are inappropriately redacted in the RNS template for the years 2023-2025 and the CP 4 total. Motion does not provide adequate justification for why this data is redacted.
East Bay Community Energy	<ul style="list-style-type: none"> The data for the years 2021 and 2022 is inappropriately redacted in Figure 1 on page 15 of the RPS Plan narrative. The values for historical and contracted generation and VMoP are already displayed publicly in the RNS template. Variable Faa (Failure Rate for Online Generation) and Variable Fbb (Failure Rate for RPS Facilities in Development) are inappropriately redacted in the RNS template for the years 2023-2025 and the CP 4 and CP 5 totals. These figures are unredacted in the public version of the RPS Plan narrative. RNS Variables Hc-J0 and La-Lb are inappropriately redacted for 2018-2020, CP 3 Total, and 2021-2022.

Retail Seller	Commission Finding
Orange County Power Authority	Variable Faa (Failure Rate for Online Generation) and Variable Fbb (Failure Rate for RPS Facilities in Development) are inappropriately redacted in the RNS template for the years 2023-2025 and the CP 4 total. Motion does not provide adequate justification for why this data is redacted.
San Diego Community Power	<ul style="list-style-type: none"> • On page 42 of the RPS Plan Narrative, the Expected COD and Network Upgrades Milestones cells for the IP Oberon project are redacted. However, in the confidential version of the RPS Plan these same entries are not marked for redaction. SDCP should clarify whether or not it is requesting confidential treatment for these items. • Variable Faa (Failure Rate for Online Generation) and Variable Fbb (Failure Rate for RPS Facilities in Development) are inappropriately redacted in the RNS template for the years 2023-2025 and the CP 4 and CP 5 totals. These figures are unredacted in the public version of the RPS Plan narrative. • The columns for Expected Annual Generation and Total Contract Volume in the Project Development Status Update template are inappropriately redacted. Contract summary information is public according to ESP confidentiality matrix, including expected deliveries.
Silicon Valley Clean Energy	The columns for 2026-2033 are inappropriately redacted in Table 4 of the Cost Quantification template.
Sonoma Clean Power Authority	Variable Faa (Failure Rate for Online Generation) and Variable Fbb (Failure Rate for RPS Facilities in Development) are inappropriately redacted in the RNS templates in Appendices B and E for the years 2023-2025. Motion does not provide adequate justification for why this data is redacted.
Commercial Energy	In the Cost Quantification template in Table 2, Row 53, "Total Retail Sales (MWh)", the values are redacted for the years 2023-2025. However, this data is not identified or requested for confidential treatment in Commercial Energy's Motion to File Under Seal. Commercial Energy should clarify these redactions.

Retail Seller	Commission Finding
Constellation New Energy	Redactions on page 6 of Section II, Executive Summary, and on page 40 of Section V, PDSU, are not identified or requested for confidential treatment in Constellation New Energy's Motion to File Under Seal. Constellation New Energy should clarify these redactions.
UC Regents	<ul style="list-style-type: none"> • In Section IV.A., on page 8, of the Redlined draft 2023 RPS Plan there is a redaction that is not redacted in the same section, on page 7, in the clean version of the draft 2023 RPS Plan. UC Regents should clarify these redactions. • The table in Section IV.B.1., on page 13, inappropriately redacts forecast values for the year 2026. • Section IV.C., on page 17, inappropriately redacts values for the year 2022. • The table in Section VII, on page 30, inappropriately redacts forecast values for the year 2026.

10. Comments on Proposed Decision

The proposed decision of ALJ 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 November 28, 2023, by CleanPowerSF; GPI; Apple Valley Choice Energy, City of Lancaster, City of Pico Rivera, City of Rancho Mirage, City of Pomona, City of San Jacinto, City of San José, Administrator of San José Clean Energy, City of Santa Barbara, Clean Energy Alliance, Marin Clean Energy, Peninsula Clean Energy Authority, San Diego Community Power, and the Regents of the University of California (collectively, Joint Parties); PacifiCorp; PG&E; SBUA; SCE; and SDG&E. Reply comments were filed on December 4, 2023 by PG&E, SBUA, SCE, and SDG&E. All comments and reply comments have been carefully reviewed. We respond to some of these comments below.

CleanPowerSF requests that its opening comments serve as corrections to the two typos in its Motion to File Under Seal identified by the proposed decision. CleanPowerSF's request is granted, and Table 10 of the proposed decision is revised accordingly.

In response to the Joint Parties' opening comments, the proposed decision is modified to accept and deem as final all Draft 2023 RPS Plans that are not identified in the proposed decision as requiring a correction to a specified deficiency.

In its opening comments, PacifiCorp requests that the proposed decision be revised to eliminate any requirements for PacifiCorp to modify the RNS and Cost Quantification templates in its 2023 On-Year Supplement to its 2023 Integrated Resource Plan. PacifiCorp clarifies that the "Total RPS Eligible Procurement (MWh)" values differ between the RNS and Cost Quantification templates because PacifiCorp includes the MMoP value in its RNS template calculation as required by D.22-01-004, reducing the "Total RPS Eligible Procurement (MWh)" value. The Cost Quantification template calculation does not incorporate the MMoP value, resulting in mismatched "Total RPS Eligible Procurement (MWh)" values. After considering PacifiCorp's explanation for the mismatched values, the Commission finds that it is reasonable to revise the proposed decision to eliminate any requirements for PacifiCorp to modify the RNS and Cost Quantification templates in its 2023 On-Year Supplement to its 2023 Integrated Resource Plan.

In its opening comments, PacifiCorp requests that the Commission eliminate any requirement for PacifiCorp to disclose additional information in its Renewable Net Short template given the pendency of a motion for reconsideration of the June 12, 2023 Administrative Law Judge's Ruling

Regarding the Motions for Leave to File Confidential Material Under Seal. Because the findings pertaining to PacifiCorp, as listed in Table 10 of the proposed decision, are consistent with the guidance provided in D.06-06-066, as modified by D.21-11-029, and the findings of the Administrative Law Judge's Ruling Granting ESP Parties' Motion, dated November 29, 2023, PacifiCorp's request is denied.

In response to PG&E's opening comments, the proposed decision is revised to expressly approve PG&E's Portfolio Content Category (PCC 3) pro forma contract attached as Appendix M.4 to PG&E's Updated 2023 RPS Plan filed on August 29, 2023.

In response to SDG&E's opening comments, Ordering Paragraph 18 of the proposed decision is revised to reflect the Commission's authorization for SDG&E to buy and/or sell RPS volumes using solicitations, bilateral agreements and brokers and the associated process for approval.

In its opening comments, SDG&E requests that the Commission clarify that SDG&E may sell RPS volumes for compliance periods other than Compliance Period 4, in accordance with SDG&E's RECs Sales Framework. SDG&E states that "...despite SDG&E's request, the Commission was silent with regard to selling volumes for other Compliance Periods."⁸⁶ In its Draft 2023 RPS Plan, SDG&E requested authorization for the option to sell RPS volumes in CP 4, only.⁸⁷ Furthermore, SDG&E reported that it anticipates being short in CP 5.⁸⁸ Given SDG&E's anticipated short position, and the lack of clarification or support for a request to sell past CP 4 in its Draft 2023 RPS Plan, it is reasonable

⁸⁶ SDG&E Opening Comments, November 28, 2023, at 4.

⁸⁷ SDG&E Draft 2023 RPS Plan at 4.

⁸⁸ SDG&E Draft 2023 RPS Plan at 3.

to authorize SDG&E to sell RPS volumes in CP4 only. SDG&E should clarify and better support its request to sell past CP 4 in the 2024 RPS planning cycle.

11. Assignment of Proceeding

John Reynolds is the assigned Commissioner and Nilgun Atamturk is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Three IOUs, three SMJUs, 25 CCAs, and 11 ESPs submitted Draft 2023 RPS Plans.
2. All but three retail sellers are forecasted to meet the 65 percent long-term contract procurement requirement.
3. Calpine Energy Solutions, Pilot Power Group, and Shell Energy Solutions contracted above five percent but less than 65 percent of their RPS contracts as long-term contracts.
4. For 2022, the IOUs reported that 38.5 percent of PG&E's load, 36.2 percent of SCE's load, and 59 percent of SDG&E's load was met by RPS-eligible resources.
5. A combination of approaches that allows long-term and short-term RPS procurement and simultaneous RPS sales gives IOUs flexibility to realize the incremental value for their customers and balance their RPS portfolio.
6. PG&E's updated Draft 2023 RPS Plan contains the required elements, except for the RPS Plan Checklist.
7. PG&E's updated Draft 2023 RPS Plan demonstrates that PG&E will be physically short of its RPS requirement beginning in 2023.
8. PG&E has not held a solicitation to procure resources in 2023 and still needs to maintain flexibility to fulfill its RPS obligations.

9. Authorizing PG&E and SDG&E to conduct sales of bundled RPS products via bilateral negotiations in addition to bundled RPS product sales they conduct via solicitations will provide them with another tool to balance their RPS portfolios.

10. Allowing PG&E to transact bundled RPS sales for deliveries of up to five years forward from the execution date may make its sales solicitations more competitive.

11. The issue of how to enable the IOUs to conduct swift short-term transactions while ensuring proper regulatory review requires more scrutiny by the Commission, involves multiple steps (*e.g.*, coordination between staff), and may require developing upfront standards or at least reviewing the scope and applicability of the existing upfront standards to RPS-eligible transactions.

12. Approving PG&E's request to buy and sell bundled RPS products in the same year will provide PG&E flexibility to manage its RPS portfolio.

13. Using RECs for the LCFS credits conforms with the guidance provided by CARB.

14. Because the Commission staff reviews solicitation materials in the context of the RPS Plan and RPS position of the IOUs, a mid-cycle request would require an updated RPS Plan submittal to determine if new solicitation materials are reasonable.

15. It will be administratively burdensome, if not impossible, for the Commission staff to timely process requests for modifying solicitation materials mid-cycle via a Tier 2 advice letter process.

16. There are deficiencies in PG&E's Draft 2023 RPS Plan pertaining to Table 1 of the 2023 ACR, long-term procurement, portfolio diversity, and risk assessment.

17. SCE's updated Draft 2023 RPS Plan contains the required elements.
18. Approving SCE's request to hold solicitations to procure RPS volumes from new and existing resources may help SCE's portfolio optimization efforts.
19. SCE proposes changes to its 2023 Pro Forma RPS Power Purchase Agreement for new and existing resources in its updated Draft 2023 RPS Plan to align it with the contract used for procurement required by D.21-06-035 related to MTR in the IRP docket.
20. SCE's request to procure RECs through various mediums, including solicitations, other market participants' solicitations, bilateral contracts, brokers and exchanges will provide SCE flexibility while meeting its forecasted need for RPS resources.
21. D.21-05-030 established a schedule and process for IOUs to propose whether and when to hold future RPS VAMO.
22. SDG&E's Draft 2023 RPS Plan contains the required elements except for its bid solicitation protocols.
23. In anticipation of being short in CP 5, SDG&E requests authority to hold a solicitation to meet its compliance requirements.
24. Selling RPS volumes in CP 4 may help SDG&E better manage its portfolio, reduce over-procurement, and provide savings to customers while maintaining RPS compliance.
25. Using banked RECs may help SDG&E meet its RPS compliance requirements.
26. There are several deficiencies in SDG&E's Draft 2023 RPS Plan with respect to the PDSU, Risk Assessment, Bid Solicitation, LCBF, Conformance with the IRP Proceeding sections.

27. The three SMJUs (Bear Valley Electric Service, Inc., PacifiCorp, and Liberty, collectively) need to procure more RPS eligible renewables beginning in 2024 to meet their respective RPS requirements.

28. BVES' Draft 2023 RPS Plan contains the required elements of the 2023 ACR.

29. There are deficiencies in Liberty's RNS and Cost Quantification Tables.

30. There are deficiencies in PacifiCorp's long-term procurement section.

31. Based on the CCAs' RNS reporting, several CCAs are expected to need additional RPS procurement beginning in 2024.

32. The ESPs will collectively need additional procurement to meet RPS obligations beginning in 2026.

33. Most of the deficiencies and errors in the CCA and ESP Draft 2023 RPS Plans are minor and appear to be typographical or data entry errors, possibly due to inconsistent updating throughout a plan.

Conclusions of Law

1. PG&E's updated Draft 2023 RPS Plan should be approved with modifications.

2. It is reasonable to approve PG&E's request to conduct an RPS solicitation to procure RPS-eligible products during the 2023 RPS Plan cycle.

3. It is reasonable to approve PG&E's updated RPS pro forma contracts submitted with its updated Draft 2023 RPS Plan, including its PCC 3 pro forma contract.

4. PG&E's and SDG&E's request to conduct bundled RPS sales via bilateral negotiations during the 2023 RPS cycle is reasonable.

5. It is reasonable to approve PG&E's request to transact bundled RPS sales for deliveries of up to five years forward from the execution date.

6. PG&E's request, and by extension SCE's and SDG&E's requests, for eliminating the advice letter approval process for short-term transactions should be denied without prejudice.

7. It is reasonable to approve PG&E's request to buy and sell bundled RPS products in the same year.

8. It is reasonable to approve PG&E's and SCE's requests to retire RECs for LCFS credits.

9. PG&E's request to be able to modify solicitation materials included in its RPS Plan mid-cycle via the Tier 2 Advice Letter Process should be denied.

10. PG&E should provide in its final 2023 RPS Plan the missing information listed in Section 6.2.10 of this decision.

11. SCE's updated Draft 2023 RPS Plan should be approved with modifications.

12. It is reasonable to approve SCE's request to hold solicitations for new and existing resources.

13. SCE's proposed changes to its 2023 Pro Forma RPS Power Purchase Agreement (PPA) for new and existing resources in its updated Draft 2023 RPS Plan should be approved.

14. SCE's request to procure RECs through various mediums, including solicitations, other market participants' solicitations, bilateral contracts, brokers and exchanges should be approved.

15. SCE's request to run a future VAMO is rejected without prejudice, as the review of the RPS plans is not the proper venue for this request.

16. SDG&E's Draft 2023 RPS Plan should be approved with modifications.

17. SDG&E's request for authority to hold a solicitation to meet its compliance requirements should be approved.

18. It is reasonable to approve SDG&E's request for the option to use banked RECs.

19. SDG&E should submit a Tier 3 advice letter for review and approval of its Bid Solicitation Protocols 30 days after the effective date of this decision.

20. It is reasonable to approve SDG&E's request for the option to sell RPS volumes in CP 4.

21. SDG&E should address in its final 2023 RPS Plan the deficiencies listed in Section 6.4.5 of this decision.

22. Given their near-term need for RPS-compliant resources, SMJUs should consider early and timely procurement of resources rather than late unbundled REC purchases.

23. The Draft 2023 RPS Plan filed by BVES should be approved and deemed final.

24. The Draft 2023 RPS Plan filed by Liberty Utilities should be approved with modifications pertaining to its unbundled REC procurement activity and RNS and cost quantification tables.

25. PacifiCorp's On-Year 2023 Supplement should be approved with modifications described in Section 7.3.1 concerning PacifiCorp's long-term procurement position.

26. The CCA and ESP Draft 2023 RPS Plans were compliant with respect to the majority of the 2023 ACR requirements.

27. The CCAs and ESPs identified in this decision should correct the relevant section of their plans in their final 2023 RPS Plans.

28. Pico Rivera Innovative Municipal Energy, Rancho Mirage Energy Authority, San Diego Community Power, and San Jacinto Power should correct

the inconsistencies between the executive summary and the relevant section of their Draft 2023 RPS Plans.

29. The City of Palmdale, City of Pomona, Rancho Mirage Energy Authority, and San Jacinto Power should provide complete and/or corrected information or explain discrepancies between their plan narrative and the Cost Quantification Template in their Draft 2023 RPS Plan.

30. Clean Power Alliance should explain or correct the inconsistency between its 2033 RNS figure and the long-term procurement contracting position for 2033 as described in Section IV.B.1 of its plan.

31. Pico Rivera Innovative Municipal Energy, Rancho Mirage Energy Authority, and San Jacinto Power should provide the necessary corrections to correct inconsistencies in Section IV.C of their Plans.

32. Clean Power Alliance should update the Risk Assessment section in its Final 2023 RPS Plan to address the deficiencies identified in this decision.

33. Clean Power Alliance, Pioneer Community Energy, and Redwood Coast Energy Authority should update the PDSU section to provide missing information or correct inconsistent information.

34. King City and BP Energy Retail Company California LLC should supplement their RPS Plan and address the issues concerning their RNS calculations listed in Section 8.3.7 of this decision.

35. Rancho Mirage Energy Authority and San Jacinto should update or clarify the inconsistent MMoP figures used in their Draft 2023 RPS Plans.

36. The City of Pomona should correct the inconsistent statements it made under the Safety Considerations section of its Draft 2023 RPS Plan.

37. The City of Santa Barbara, Clean Power Alliance, Redwood Coast Energy Authority, Rancho Mirage Energy Authority, San Diego Community Power,

BP Energy Retail Company California LLC, The Regents of the University of California should complete and correct their Cost Quantification sheets as detailed in Section 8.3.10 of this decision.

38. The City of Palmdale and Rancho Mirage Energy Authority should submit or correct information under the conformance with the IRP proceeding section of their Draft 2023 RPS Plans, as detailed in Section 8.3.11 of this decision.

39. Retail sellers as identified in Table 10 should unredact non-confidential material in their Final 2023 RPS Plans to comply with guidance in D.06-06-066, as modified by D.21-11-029.

O R D E R

IT IS ORDERED that:

1. Pursuant to the authority provided in Public Utilities Code Section 399.13(a)(1), the Draft 2023 Renewables Portfolio Standard Procurement Plans, filed by Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas & Electric Company are accepted, as modified herein.

2. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company must file a clean version and a redlined copy of their Final Renewables Portfolio Standard Procurement Plans within 30 days of the issuance date of this decision.

3. Pacific Gas and Electric Company's request to conduct a solicitation to procure Renewables Portfolio Standard (RPS) eligible products during the 2023 RPS Plan cycle is approved.

4. Pacific Gas and Electric Company's and San Diego Gas & Electric Company's requests to conduct bundled Renewables Portfolio Standard (RPS) sales via bilateral negotiations during the 2023 RPS cycle is approved.

5. Pacific Gas and Electric Company's request to transact bundled Renewables Portfolio Standard sales for deliveries of up to five years forward from the execution date is approved.

6. Pacific Gas and Electric Company's request, and by extension Southern California Edison Company's and San Diego Gas & Electric Company's requests, for eliminating the advice letter approval process for short-term transactions is denied without prejudice.

7. Pacific Gas and Electric Company's request, and by extension Southern California Edison Company's and San Diego Gas & Electric Company's requests, for expanding the Bundled Procurement Plan process to include short-term Renewables Portfolio Standard-eligible transactions is denied without prejudice.

8. Pacific Gas and Electric Company's request to buy and sell bundled Renewables Portfolio Standard eligible products in the same year is approved.

9. Pacific Gas and Electric Company's and Southern California Edison Company's requests to retire renewable energy credits for the Low Carbon Fuel Standard credits are approved.

10. Pacific Gas and Electric Company's request to be able to modify solicitation materials included in its Renewables Portfolio Standard Procurement Plan mid-cycle via the Tier 2 advice letter process is denied.

11. Southern California Edison Company's request to hold solicitations to procure from new and existing resources is approved.

12. Southern California Edison Company's request to procure renewable energy credits through various mediums, including solicitations, other market participants' solicitations, bilateral contracts, brokers and exchanges is approved.

13. Southern California Edison Company's request to run a future Voluntary Allocation and sell Renewable Energy Credits through a future Market Offer process is denied without prejudice.

14. San Diego Gas & Electric Company's request for authority to hold a solicitation to procure renewable resources to meet its compliance requirements is approved.

15. San Diego Gas & Electric Company's request for the option to use banked renewable energy credits is approved.

16. San Diego Gas & Electric Company must submit a Tier 3 advice letter for review and approval of its bid solicitation protocols 30 days after the effective date of this decision.

17. San Diego Gas & Electric Company's request for the option to sell Renewables Portfolio Standard volumes in Compliance Period 4 is approved.

18. San Diego Gas & Electric Company's request to use bilateral agreements and brokers to procure and/or sell Renewables Portfolio Standard volumes is approved.

19. Pacific Gas and Electric Company and Southern California Edison Company may issue solicitations to procure and/or sell Renewables Portfolio Standard (RPS) volumes in accordance with the directives of this decision within 10 days of filing Final 2023 Renewables Portfolio Standard Procurement Plans, unless the IOUs' amended RPS Procurement Plans are suspended by the Energy Division Director within the 10-day period.

20. Investor-owned utilities requests for approval for long-term procurement contracts must be through a Tier 3 Advice Letter process and a Tier 1 Advice Letter for contracts less than five years of contract term, consistent with Decision

14-11-042 for procurement of products for Renewables Procurement Standard compliance.

21. Pursuant to the authority provided in Public Utilities Code Section 399.13(a)(1), the Draft 2023 Renewables Portfolio Standard Procurement Plan filed by Bear Valley Electric Service, Inc. is accepted and deemed final.

22. Pursuant to the authority provided in Public Utilities Code 399.13(a)(1), the Draft 2023 Renewables Portfolio Standard Procurement Plan filed by Liberty Utilities (CalPeco Electric), LLC (Liberty) is accepted with modifications. Liberty must file its Final 2023 Renewables Portfolio Standard Procurement Plan as supplemented in accordance with the directives provided in Section 7.2 and its subsections of this decision. Liberty must file a clean version and a redlined copy showing modifications with the Commission within 30 days of this decision's issuance date.

23. The 2023 On-Year Supplement to the 2023 Integrated Resource Plan of PacifiCorp is accepted with modifications. PacifiCorp's Final 2023 On-Year Supplement must be supplemented in accordance with the directives provided in Section 7.3.1 of this decision. PacifiCorp must file a clean version and a redlined copy showing modifications with the Commission within 30 days of this decision's issuance date.

24. Pico Rivera Innovative Municipal Energy, Rancho Mirage Energy Authority, San Diego Community Power, and San Jacinto Power must file their Final 2023 Renewables Portfolio Standard Procurement Plans as corrected to address Commission findings listed in Section 8.3.1 of this decision.

25. The City of Palmdale, City of Pomona, Rancho Mirage Energy Authority, and San Jacinto Power must update the Cost Quantification section, provide complete and/or corrected information or explain discrepancies between their

plan narrative and the Cost Quantification Template in their Draft 2023 Renewables Portfolio Standard Procurement Plans to address Commission findings listed in Section 8.3.2 of this decision.

26. Clean Power Alliance of Southern California must explain or correct the inconsistency between its 2033 RNS figure and the long-term procurement contracting position for 2033 in its Draft 2023 Renewables Portfolio Standard Procurement Plan to address the Commission findings detailed in Section 8.3.3 of this decision.

27. Pico Rivera Innovative Municipal Energy, Rancho Mirage Energy Authority, and San Jacinto Power must update the Portfolio Diversity section in their Draft Final 2023 Renewables Portfolio Standard Procurement Plans to address Commission findings listed in Section 8.3.4 of this decision.

28. Clean Power Alliance of Southern California, Pioneer Community Energy, and Redwood Coast Energy Authority must update the Project Development Status Update section in their Draft 2023 Renewables Portfolio Standard Plans to address Commission findings listed in Section 8.3.5 of this decision.

29. Clean Power Alliance of Southern California must update the Risk Assessment section in its Draft 2023 Renewables Portfolio Standard Procurement Plan to address the Commission findings listed in Section 8.3.6 of this decision.

30. King City Community Power and BP Energy Retail Company California LLC must supplement their Draft 2023 Renewables Portfolio Standard Procurement Plans and address the issues concerning their residual net short calculations listed in Section 8.3.7 of this decision.

31. Rancho Mirage Energy Authority and San Jacinto Power must update their Draft 2023 Renewables Portfolio Standard Procurement Plans to correct or clarify

the inconsistent minimum margin of procurement figures as detailed in Section 8.3.8 of this decision.

32. The City of Pomona must correct the inconsistent statements made under the Safety Considerations section of its Draft 2023 RPS Plan, as described in Section 8.3.9 of this decision.

33. City of Santa Barbara, Clean Power Alliance of Southern California, Redwood Coast Energy Authority, Rancho Mirage Energy Authority, San Diego Community Power, BP Energy Retail Company California LLC, The Regents of the University of California must complete and correct their Cost Quantification sheets in their Draft 2023 Renewables Portfolio Standard Procurement Plans as detailed in Section 8.3.10 of this decision.

34. The City of Palmdale and Rancho Mirage Energy Authority must submit or correct information under the conformance with the IRP proceeding section of their Draft 2023 Renewables Portfolio Standard Procurement Plans, as detailed in Section 8.3.11 of this decision.

35. Pursuant to Public Utilities Code Section 365.1(c)(1), the 2023 Renewables Portfolio Standard (RPS) Procurement Plans filed by the following Community Choice Aggregators are accepted and deemed final: Apple Valley Choice Energy; Central Coast Community Energy; Clean Energy Alliance; Lancaster Choice Energy; Marin Clean Energy; Peninsula Clean Energy; San Jose Clean Energy; Valley Clean Energy Alliance. All other Community Choice Aggregators listed in the Summary section of this decision must file their Final 2023 RPS Procurement Plans within 30 days of the issuance date of this decision.

36. Pursuant to Public Utilities Code Section 365.1(c)(1), the 2023 Renewables Portfolio Standard Procurement Plans filed by the following Electric Service Providers (ESP) are accepted and deemed final: 3 Phases Renewables, Inc.;

Brookfield Renewable Energy Marketing US LLC; Calpine Energy Solutions, LLC; Calpine PowerAmerica-CA, LLC; Direct Energy Business, LLC; Pilot Power Group, LLC; Shell Energy Solutions. All other ESPs listed in the Summary section of this decision must file their Final 2023 RPS Procurement Plans within 30 days of the issuance date of this decision.

37. Motions to update Draft 2023 Renewable Portfolio Standard Procurement Plans filed by Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, PacifiCorp, and Valley Clean Energy Alliance, dated August 29, 2023, are granted.

38. The motions seeking confidentiality filed by parties are granted, in part. As noted in Table 10 – Confidentiality Redactions and Commission Findings in Section 9 of this decision, these retail sellers must each remove the excess redactions in their Draft 2023 Renewable Portfolio Standard Procurement Plans. All other motions for confidentiality for the 2023 Renewables Portfolio Standard Procurement Plans are granted.

39. Rulemaking 18-07-003 remains open.

This order is effective today.

Dated December 14, 2023, at San Francisco, California.

ALICE REYNOLDS
President
DARCIE L. HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
Commissioners

Commissioner GENEVIEVE SHIROMA, being necessarily absent, did not participate.