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Decision 24-12-035 December 19, 2024

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

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| --- | --- |
| Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program. | Rulemaking 24-01-017 |

**DECISION ON 2024 RENEWABLES PORTFOLIO**

STANDARD PROCUREMENT PLANS

DECISION ON 2024 RENEWABLES PORTFOLIO

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**DECISION ON 2024 RENEWABLES PORTFOLIO**

**STANDARD PROCUREMENT PLANS**

**Summary**

Today's decision adopts, with modifications, the Draft 2024 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 (SMJUs) under our jurisdiction: Bear Valley Electric Service, Inc., Liberty Utilities (CalPeco Electric), LLC (Liberty), and PacifiCorp, d/b/a Pacific Power (PacifiCorp).
		3. Community Choice Aggregators (CCAs): Apple Valley Choice Energy; Ava Community Energy; Central Coast Community Energy; City of Palmdale; City of Pomona; City of Santa Barbara; City of San Jacinto dba San Jacinto Power; Clean Energy Alliance; Clean Power Alliance of Southern California; CleanPowerSF; Desert 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 Jose Clean Energy; Silicon Valley Clean Energy; Sonoma Clean Power Authority; and Valley Clean Energy Alliance.
		4. Electric Service Providers (ESPs): 3 Phases Renewables, Inc.; BP Energy Retail Company California LLC; Calpine Energy Solutions, LLC; Calpine Power America-CA, LLC; Commercial Energy of Montana, Inc.; Constellation NewEnergy, Inc; Direct Energy Business, LLC; Pilot Power Group, LLC; Shell Energy North America (US), L.P.; and The Regents of the University of California.

Any Draft 2024 RPS Plan that does not require a correction, or clarification is deemed as final. For the Draft 2024 RPS Plans that require corrections as identified in this decision, the Final 2024 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 IOUs:

* The IOUs’ requests to hold solicitations for long-term procurement of RPS-eligible resources are approved. Any Tier 3 Advice Letter submitted by the IOUs must clearly demonstrate that the contracts procured under this procurement authority are RPS-eligible and meet either RPS needs, portfolio goals from their Integrated Resource Planning (IRP) filings, or a formally adopted IRP portfolio, or any remaining IRP procurement needs for orders issued through the RPS Plan implementation year.
* The IOUs are authorized to enter into short-term transactions to procure RPS resources by submitting contracts and receiving approval through Tier 1 Advice Letter process. The IOUs must demonstrate that the contracts are RPS-eligible and that they are either needed to meet RPS needs or that the contracts are necessary for the IOUs to comply with IRP-related orders such as Diablo Canyon Power Plant bridge resource procurement order, D.24-09-006.
* The IOUs’ requests to eliminate the Tier 1 Advice Letter requirement for approval of short-term transactions will be considered in a separate decision in early 2025.
* PG&E is authorized to sell RPS products from either its bundled customer Voluntary Allocation or overall portfolio.
* PG&E is authorized to renegotiate its existing contracts.
* PG&E’s request to enter bilateral negotiations to procure long-term and short-term RPS-eligible resources and conduct short-term sales during the 2024 RPS cycle is approved.
* PG&E is authorized to procure long-term and short-term RPS resources and conduct short-term RPS sales in the same year.
* PG&E’s request for approval to transact bundled RPS sales up to five years forward is approved.
* PG&E is authorized to participate in other market participants’ competitive solicitations to procure long-term and short-term RPS resources and to conduct short-term RPS sales.
* PG&E is authorized to use brokers and exchanges to procure long-term and short-term RPS-eligible resources and to sell short-term RPS-eligible products.
* PG&E’s request for removal of Tier 2 Advice Letter process for approval of shortlists resulting from RPS solicitations is denied.
* PG&E is authorized to retire renewable energy credits (RECs) for Low Carbon Fuel Standard Credits from either the Power Charge Indifference Adjustment (PCIA)-eligible portfolio or its own shares of Voluntary Allocations, or both.
* SCE is authorized to purchase and sell portfolio content category (PCC) 1, PCC 2, and PCC 3 RECs.
* SCE is authorized to use its own solicitations, other market participants solicitations, bilaterals, brokers and exchanges to procure and sell RPS products.
* SCE is authorized to procure long-term RPS resources from new and existing facilities.
* SCE’s request for approval of its revised 2024 Pro Forma Renewable Power Purchase Agreement (PPA) is approved.
* SCE’s request to buy Bioenergy Renewable Auction Mechanism RECs using a reservation price is denied.
* SDG&E is authorized to use banked RECs consistent with excess procurement rules to meet RPS requirements.
* SDG&E’s request for short-term RPS sales (for 5 years or less), using its own solicitations and brokers and exchanges, is approved.
* SDG&E is authorized to sell RPS products from its PCIA-eligible portfolio, its Voluntary Allocation, and the available RECs that were not required to be offered and not allocated in Decision 21-05-030 transactions.
* SDG&E is authorized to conduct only short-term REC sales and long-term and short-term RPS procurement in the same year.
* SDG&E’s request to not hold a Request for Information (RFI) in the 2024 planning cycle is approved.
* The procuring IOUs must continue to submit either Tier 1 or Tier 3 Advice Letters seeking approval of the short-term or long-term procurement contracts, respectively.
* The IOUs that sell RPS products must continue to submit Tier 1 Advice Letters seeking approval of the short-term sales contracts.

Small and Multi-Jurisdictional Utilities:

* BVES, Liberty, and PacifiCorp’s Draft 2024 RPS Plans are accepted as final with no modifications.

Community Choice Aggregators and Energy Service Providers:

* Several CCAs and ESPs must supplement their Final 2024 RPS Plans according to the directives provided in Section 9 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 (SB X1-2); Chapter 600, Statutes of 2011 (SB 836); Chapter 547, Statutes of 2015 (SB 350); Chapter 312, Statutes of 2018 (SB 100). The RPS program is codified in Public Utilities (Pub. Util.) Code Sections 399.11-399.33.[[1]](#footnote-2)

SB 1078 established the RPS program, requiring 20 percent of retail electricity sales to be served by renewable resources by 2017. SB 107 accelerated SB 1078’s 20 percent mandate to 2010. SB 1036 changed the payment structure of RPS contracts. SB 836 required the Commission to report renewable energy contract costs to the Legislature. SB 2X-1 increased California's RPS to require all retail sellers of electricity and all publicly owned utilities to procure at least 33 percent of electricity delivered to their retail customers from renewable resources by 2020.

SB 350 included interim annual RPS targets with three-year compliance periods and required 65 percent of RPS procurement to be derived from long-term contracts of 10 or more years. In 2018, SB 100 again increased and accelerated the RPS procurement to 60 percent by 2030. It also set a goal for 100 percent of the state’s retail electricity sales to come from renewable and zero-carbon resources by 2045. SB 1020 established interim targets for eligible renewable energy resources and zero-carbon resources to supply 90 percent of all retail sales of electricity to California end-use customers by December 31, 2035, and 95 percent of all retail sales of electricity to California end-use customers by December 31, 2040.

In Decision (D.) 12-11-016, the California Public Utilities Commission (Commission) refined the RPS procurement process as part of its implementation of SB X1-2. 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 of “retail seller” includes small and large electrical corporations, Community Choice Aggregators (CCAs), and Electric Service Providers (ESPs).[[2]](#footnote-3)

On May 17, 2024, an assigned Commissioner and assigned Administrative Law Judge (ALJ) Ruling (2024 ACR) was issued according to the authority provided in Pub. Util. Code Section 399.13(a)(1). This 2024 ACR identified the 2024 RPS Procurement Plan filing requirements for all retail sellers of electricity and set a schedule for the Commission’s review of the 2024 RPS Plans.

On June 14, 2024, an ALJ Ruling was issued that requested party comments on an Energy Division Staff (Staff) proposal on the application of confidentiality rules for RPS Plans (ALJ Ruling on Confidentiality). Comments were filed on July 1, 2024, by: (1) PG&E, SCE, and SDG&E (collectively, Joint IOUs); (2) Bear Valley Electric Service, Inc. (BVES), Liberty Utilities (CalPeco Electric), LLC (Liberty) and PacifiCorp, d/b/a Pacific Power (PacificCorp) (collectively, SMJUs); (3) Apple Valley Choice Energy (AVCE), Clean Energy Alliance, Clean Power Alliance of Southern California, 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, Marin Clean Energy, Peninsula Clean Energy Authority, Pioneer Community Energy, Sonoma Clean Power, the Regents of the University of California, San Diego Community Power (SDCP), and Silicon Valley Clean Energy (SVCE) (collectively, Joint Parties); (4) Ava Community Energy; (5) CleanPowerSF; (6) Alliance for Retail Energy Markets (AReM); and (7) Green Power Institute (GPI). Reply comments were filed on July 11, 2024, by GPI.

On June 18, 2024, an ALJ Ruling granted the Joint IOUs’ request to extend 2024 RPS Plan procedural deadlines and modified the proceeding schedule.

In July 2024, the following retail sellers timely filed their Draft 2024 RPS Plans: PG&E; SCE; SDG&E; BVES; Liberty; PacifiCorp; AVCE; Ava Community Energy; Central Coast Community Energy (3CE); City of Palmdale; City of Pomona; City of Santa Barbara; Clean Energy Alliance; Clean Power Alliance of Southern California; CleanPowerSF; Desert Community Energy (DCE); King City Community Power; Lancaster Choice Energy (LCE); Marin Clean Energy; Orange County Power Authority (OCPA); Peninsula Clean Energy; Pico Rivera Innovative Municipal Energy (Pico Rivera); Pioneer Community Energy; Rancho Mirage Energy Authority (Rancho Mirage); Redwood Coast Energy Authority; San Diego Community Power; San Jacinto Power; San Jose Clean Energy (SJCE); Silicon Valley Community Energy (SVCE); Sonoma Clean Power Authority; Valley Clean Energy Alliance; 3 Phases Renewables, Inc. (3PR); BP Energy Retail Company California LLC; Calpine Energy Solutions, LLC; Calpine Power America-CA, LLC (CPA); Commercial Energy of Montana, Inc. (Commercial Energy of Montana); Constellation NewEnergy, Inc; Direct Energy Business, LLC (DEB); Pilot Power Group, LLC; Shell Energy North America (US), L.P. (Shell); and The Regents of the University of California (UC Regents).

Comments on the Draft RPS plans were filed on August 22, 2024, by the Public Advocates Office at the Commission (Cal Advocates), GPI, and Small Business Utility Advocates (SBUA). Reply comments on the Draft RPS Plans were filed on September 5, 2024, by AReM, the Joint Parties, GPI, Large-Scale Solar Association (LSA), Small Business Utility Advocates (SBUA), and Joint IOUs.

On September 5, 2024, PG&E, SCE, and SVCE filed motions to update their Draft 2024 RPS Plans; SDG&E filed substitute sheets to update its Draft 2024 RPS Plan.

# Submission Date

This matter was submitted on September 5, 2024, upon submission of reply comments and motions to update draft 2024 RPS Plans.

## Issues Before the Commission

In this decision, we review the Draft 2024 RPS Plans for information required by statute and the 2024 ACR and dispose of any requests or proposals specific to each retail seller.

To help retail sellers organize the submission of comprehensive 2024 RPS Plans, the 2024 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 2024 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 2024 RPS Plans for completeness, accuracy, and compliance. Based on the guidance in the 2024 ACR, we also examined the Draft 2024 RPS Plans for the following:

1. Compliance with Table 1 of the 2024 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 2024 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 2024 ACR.
6. **Organization of the Decision**

The RPS statute requires that retail sellers prepare an annual RPS procurement plan for Commission review.[[3]](#footnote-4) This decision reviews 41 Draft 2024 RPS plans filed by the IOUs (3), SMJUs (3), ESPs (10), 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.

1. **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 public comments on the Docket Card of this proceeding beyond the party comments mentioned above.

1. **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 (CP 4), though some elected for early compliance in the 2017–2020 compliance period (CP 3). 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 2024 RPS Plans’ compliance with the long-term procurement requirements for retail sellers shows that all but nine retail sellers are forecasted to meet the 65 percent long-term procurement requirement.

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.

1. **IOUs’ Draft 2024 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.[[4]](#footnote-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 2023, the IOUs reported that 41.3 percent of PG&E’s load,[[5]](#footnote-6) 40.8 percent of SCE’s load,[[6]](#footnote-7) and 48 percent of SDG&E’s load[[7]](#footnote-8) was met by RPS-eligible resources.

Figure 1 below summarizes the large IOUs’ actual and forecasted progress toward meeting the 60 percent RPS mandate by 2030.

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

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In their Draft 2024 RPS Plans, all three IOUs requested authority to hold long-term RPS solicitations and eliminate the Tier 1 Advice Letter review process for short-term RPS transactions. We consider these two requests in Sections 7.1. and 7.2.

## IOUs’ Requests for Authority to Hold Solicitations for Long-Term RPS-Eligible Resources

The Commission approves the IOUs’ requests to hold solicitations for long-term RPS-eligible resources. Any Tier 3 advice letter submitted by the IOUs must clearly demonstrate that the resources procured under this procurement authority are RPS-eligible and meet either RPS needs, portfolio goals from their IRP filings, or a formally adopted IRP portfolio, or any remaining IRP procurement needs to comply with orders issued through the RPS Plan implementation year.

In their Draft 2024 RPS Plans, PG&E, SCE, and SDG&E request authority to hold solicitations for long-term RPS-eligible resources to meet their compliance requirements under the RPS and IRP programs, and to better manage their portfolios. Each IOU has presented their portfolio needs in the context of the RPS program as well as other regulatory requirements.

SCE states that it expects a need to procure up to 13,000 gigawatt hours (GWh) by CP 6 (2028-2030) to meet its RPS compliance requirements.[[8]](#footnote-9) SCE anticipates its need for new RPS-eligible resources to meet RPS compliance targets starting in CP 6 to be greater than SCE’s need for RPS-eligible resources to meet requirements under the IRP Decision. According to SCE, this difference is due to the extension of the requirement to procure resources from 2026 to 2028 pursuant to D.23-02-040 and based on the presently expected Power Charge Indifference Adjustment (PCIA) allocation assumptions, and SCE’s current load forecast.[[9]](#footnote-10) SCE also notes there are several new challenges associated with building new RPS-eligible resources to deliver to the California market. These challenges increase demand for existing RPS-eligible resources as well as renewable energy credits (RECs), resulting in higher prices.[[10]](#footnote-11)

Unlike SCE, PG&E has sufficient long-term RPS contracts and banked RECs to meet its 2030 compliance target. However, PG&E states that its procurement year may accelerate for reasons such as need for portfolio optimization transactions, procurement delays or overlapping Greenhouse Gas (GHG) emission reductions requirements from the IRP proceeding and SB 1020 requirements.[[11]](#footnote-12) PG&E further explains that, based on PG&E’s forecasts, including current regulatory requirements, forecasted generation from existing RPS portfolio, executed Voluntary Allocation and Market Offer (VAMO) contracts, developing mid-term reliability (MTR) contracts, remaining incremental procurement need to meet D.21-06-035 and D.23-102-040 requirements, and the projected impact of the Borrowed Green Tariff Shared Renewables (GTSR) Pool from D.21-12-036, PG&E expects to sustain an annual RPS short position in most years.[[12]](#footnote-13)

SDG&E requests the authority to flexibly procure long-term RECs “if it is more advantageous to the portfolio considering costs and needs in the 2024 RPS Plan cycle.”[[13]](#footnote-14) Even though SDG&E has adequate resources to meet its RPS compliance requirements through 2034, it proposes to use RPS Plans to procure towards its IRP and SB 1020 goals. Since resources procured for ongoing IRP needs are expected to include additional RPS eligible resources, SDG&E needs
to optimize its long-term RPS procurement solicitations to seek RPS eligible resources that meet its 25 MMT portfolio goals from its 2022 IRP Filing and
SB 1020 goals for the year 2035. SDG&E states that it already fulfilled its MTR needs.

Cal Advocates objects to the IOUs’ request for authority to enter into long-term RPS contracts given the lack of immediate physical renewable energy need. Cal Advocates notes that the requested long-term procurement authority is not necessary to meet the IOUs’ respective 2030 targets and asserts that any new long-term RPS solicitation over the next year would likely result in RPS procurement in excess of each IOU’s respective 2030 need.[[14]](#footnote-15) Given the uncertainty and long planning horizon regarding the renewable energy markets during the post-2030 period, Cal Advocates does not consider increasing competition in renewable energy markets to be a justifiable factor to approve the IOUs’ request. Further, to the extent that any IOU is requesting procurement authority to meet its IRP obligations, in Cal Advocates’ view, it is more appropriate to consider those requests in the IRP proceeding, not the RPS proceeding.[[15]](#footnote-16)

GPI disagrees and supports approving the IOUs’ requests to procure additional RPS-eligible energy using the RPS program authority to comply with CP 5 and CP 6 RPS procurement requirements and recommends encouraging all LSEs, including the IOUs, to procure RPS-energy in alignment with the IRP-adopted Preferred System Plan and SB 1020 goals.[[16]](#footnote-17) Similarly, LSA supports the IOUs’ requests and states that safeguards like Procurement Review Groups exist to assess costs issues Cal Advocates is concerned about and to ensure that LSEs strike the appropriate balance between procuring in excess of near-term targets and cost-effectiveness.[[17]](#footnote-18)

In D.22-12-030 and D.23-12-008, the Commission authorized the IOUs to hold long-term RPS procurement solicitations. The IOUs received such authority to have flexibility to meet compliance obligations and meet emerging procurement needs with RPS-eligible resources.[[18]](#footnote-19) For the 2024 RPS planning cycle, even though the IOUs do not have immediate need for RPS-eligible resources, the Commission recognizes the need for the IOUs to timely conduct solicitations to flexibly meet potential compliance needs and start planning for uncertainties. While the IOUs have banked resources, they may still need to require additional RPS resources for their energy and capacity needs as well as to meet GHG emission targets. We also recognize the need to plan ahead to continue to optimize RPS portfolios in an increasingly competitive renewable energy market; waiting to plan for procurement until the banked resources are depleted may not be the most cost-effective strategy. As noted by PG&E, as California requires more stringent RPS, GHG-free and GHG emissions targets, the market for procuring RPS-eligible resources will naturally become more competitive.[[19]](#footnote-20) Therefore, early and well-planned procurement along with increased flexibility may help mitigate noncompliance risk and price risk while maintaining competitiveness among retail sellers.

In conclusion, authorizing the IOUs’ requests for long-term RPS solicitation would enable the IOUs to swiftly respond to evolving requirements and support state clean energy goals, including the SB 1020 target of 90 percent clean energy by 2035. Authorizing early solicitation would help the IOUs meet their RPS needs, procure competitive resources, and address overlapping procurement needs in an efficient and cost-effective manner. Having said that, the Commission cautions that the authorization granted herein would not obligate the IOUs to procure any resources unless the IOUs deem it necessary, with all transactions being subject to Commission’s review and approval. The IOUs must strike the appropriate balance between meeting RPS needs in a cost-effective manner and meeting regulatory procurement requirements. Any Tier 3 advice letter to be submitted by the IOUs must show that the contracts procured under this procurement authority are RPS-eligible and meet either RPS needs, portfolio goals from their IRP filing, or a formally adopted IRP portfolio, or any remaining IRP procurement needs for orders issued through the RPS implementation year. Portfolio goals may include system reliability, greenhouse gas emission targets, or portfolio resource mix optimization.

* 1. **Request to Eliminate Tier 1
	Advice Letter Requirement for
	Approval of Short-Term Transactions**

In their 2024 Draft RPS Plans, PG&E, SCE, and SDG&E request authority to eliminate the Tier 1 Advice Letter review process for short-term RPS contract approval.[[20]](#footnote-21) The IOUs propose that the Commission adopt upfront standards and criteria that the IOUs propose to receive preapproval of short-term RPS contracts. The IOUs recommend that the Commission review the preapproved short-term RPS contracts and determine whether the IOU satisfied their proposed upfront standards and criteria through a proposed Quarterly RPS Reporting Process.[[21]](#footnote-22) Parties either opposed or did not take a position on this request.

Although the IOUs presented in their Draft 2024 RPS Plans a more detailed proposal in this cycle compared to the one presented in 2023 RPS planning cycle, the Commission needs time to further examine these proposals and review party comments. Therefore, the Commission will resolve this issue in a separate decision in early 2025. Until then, the IOUs may enter into authorized short-term transactions under the current rules, via submitting Tier 1 Advice Letters for Commission’s review and approval.

* 1. **Comments on the
	Draft 2024 RPS Plan**

In addition to the comments on the IOUs’ requests for authority to procure, which are discussed in Section 6.1, and on the IOUs’ request to eliminate Tier 1 Advice Letters for approval of short-term RPS transactions, GPI and SBUA filed comments on several other topics. These recommendations do not identify any compliance deficiency, do not necessarily improve the plans, and therefore do not warrant any changes to the plans. Nevertheless, we briefly mention below some of these recommendations and state our reasoning for not adopting them.

### GPI’s Comments Regarding RPS Waivers

In its opening comments, GPI recommends requiring all retail sellers to use the most recent Integrated Energy Policy Report (IEPR) forecast as the basis for, or comparison to, their Transportation Electrification (TE) demand forecasts in RPS Plans and recommends that the Commission use this as a criterion to review RPS waiver requests.[[22]](#footnote-23) In GPI’s opinion, this would improve the ability to rapidly evaluate the merits of a waiver request for unanticipated TE growth based directly on RPS Plan contents, as intended by D.18-05-026, and per
Pub. Util. Code Section 399.15(b)(5)(D)(i) requirement to utilize the “best and
most recently available information.” The Joint Parties oppose GPI’s recommendation.[[23]](#footnote-24)

As explained in D.18-05-024, Section 399.15(b)(5)(D)(i) directs the Commission to account for whether TE significantly exceeded forecasts in the service territory of the retail seller seeking a waiver using the best and most recently available information filed with the California Air Resources Board (CARB), the California Energy Commission (CEC), or other state agency. Accordingly, D.18-05-026 directs retail sellers to annually demonstrate that TE is quantitatively accounted for in their RPS Plans, which includes the use of or comparison to the CEC’s IEPR forecast. Further, the ACR providing guidance on the draft RPS plans every procurement cycle expressly directs the retail sellers to provide a detailed description of the data and methodology used to support their forecast and a comparison to the CEC’s IEPR transportation electricity demand forecast.[[24]](#footnote-25)

Given the clear direction in prior decisions and ACRs, the Commission does not find it necessary to tie retail sellers’ use of the IEPR forecast to the consideration of RPS waiver requests. Adopting GPI’s recommendation would result in prejudging the outcome of any future RPS compliance waiver requests and denying retail sellers’ due process rights. The Commission reviews all evidence and arguments presented by the retail sellers and considers the circumstances before resolving waiver requests. Therefore, the Commission does not adopt GPI’s recommendation. However, in future ACRs directing the filing of annual RPS Plans, the Commission may direct retail sellers to specify which vintage year IEPR forecast they are referencing for their transportation electrification forecasts and recommend that they use the most up to date IEPR forecast.

* + 1. **SBUA’s Recommendations**

SBUA provided 26 recommendations on the IOUs’ draft 2024 RPS Plans.[[25]](#footnote-26) PG&E, SCE, and SDG&E opposed all of them. SBUA’s comments on the IOUs’ request to eliminate the Tier 1 advice letter process for short-term transactions will be considered in the 2025 decision addressing that matter. Regarding the remaining recommendations, after reviewing the recommendations and the IOUs’ responses, the Commission concludes that none of the recommendations warrants any changes to the draft 2024 RPS Plans. We reply to some these recommendations below.

Recommendations for PG&E:

1. *SBUA recommends that PG&E describe the risk of drawing down its REC Bank below the Voluntary Margin of Over-Procurement (VMOP), its strategy for gradually replenishing its REC Bank, and plan for replenishing its Bank if VMOP is reached*.[[26]](#footnote-27)

SBUA argues that PG&E’s strategy presents a risk for not meeting the RPS requirements and PG&E does not provide a plan to cost effectively manage this scenario. In response, first, PG&E opposes providing further market sensitive details regarding the VMOP, and notes that this information is protected under RPS confidentiality rules.[[27]](#footnote-28) Further, PG&E explains that its RPS Plan already provides sufficient information about VMOP and its RPS strategies. PG&E adds that PG&E strategy is to always maintain its REC bank at or above the VMOP; that RPS need year is determined by when its REC bank drops below VMOP, and PG&E plans to procure resources to begin deliveries before that year.[[28]](#footnote-29) Given the duration of the planning horizon, the Commission finds that the level of specificity provided by PG&E is sufficient. In addition, PG&E already provided information about its VMoP and RPS procurement strategies in its Draft 2024 RPS Plan.

1. *SBUA recommends that PG&E provide detailed project narratives similar to SCE’s.*

The Commission finds that PG&E provides sufficient information on this matter. To the extent that this section has confidential redactions, this information can be protected under RPS confidentiality rules, and the Commission will determine whether the information qualifies to be kept confidential.

1. *SBUA recommends that PG&E provide a form copy of the long-term power purchase agreements.*

SBUA’s request is denied as PG&E already provides these PPAs in its Draft 2024 RPS Plan.[[29]](#footnote-30)

1. *SBUA recommends that PG&E consider adopting a Qualitative Factors methodology in its least-cost best-fit (LCBF) that is more similar to SCE’s methodology. SBUA considers SCE’s Qualitative Factors to be more actionable and granular.*

The Commission finds the information provided by PG&E to be sufficient. We note that the IOUs are permitted to develop their own individual LCBF methodologies that meet their unique needs.

1. *SBUA recommends that PG&E be required to incorporate a price adjustment mechanisms into current contracts akin to the manner of SDG&E, so that it can use price mechanisms to control price risk and ratepayer cost*.

In response, PG&E stated that RPS Plan’s Long-term RPS Solicitation Protocols did include the cost of key components of renewables projects as a price adjustment mechanism. PUC 399.13(a)(6)(E) requires that RPS Plans describe how price adjustment mechanisms are “considered” but does not necessarily require LSEs to adopt them. The Commission finds SBUA’s request unsupported.

1. *Asserting that VAMO has significantly affected PG&E’s strategy, SBUA recommends that PG&E update its Lessons Learned section with a discussion of lessons learned on VAMO.*

The Commission has sufficient information on VAMO based on the IOUs’ after-action reports on the “Effectiveness of VAMO,” filed on September 21, 2023, September 28, 2023, and October 2, 2023, followed by a post-VAMO workshop, held on November 6, 2023, and Advice Letters detailing IOU requests to close VAMO.[[30]](#footnote-31) Therefore, there is no need for additional information on this matter.

Recommendations for SCE

1. *SBUA recommends that SCE be required to track the Renewable Market Adjusting Tariff (ReMAT) and Bioenergy Market Adjusting Tariff (BioMAT) failure rates.*

The Commission does not adopt SBUA’s recommendation. Given the small sizes of the ReMAT and BioMAT procurement programs compared to SCE’s overall renewables portfolio (SCE’s ReMAT and BioMAT programs equals to 340 MW total, with project sizes less than or equal to 3 MW or less; and BioMAT contracts are almost non-existent), it is unclear how additional tracking and detail enhances SCE’s forecasting and provides more value to RPS Plans. Further, tracking these programs’ failure rates is unlikely to significantly alter SCE’s RPS strategy. Interested parties can track failure rates at the IOUs’ ReMAT and BioMAT webpages where contract statuses are updated.

1. *SBUA recommends that SCE be required to incorporate price adjustment mechanism into current contracts akin to the manner of SDG&E*.

PUC 399.13(a)(6)(E) requires that RPS Plans describe how price adjustment mechanisms are considered but does not necessarily require LSEs to adopt them. SCE explains how it considers price adjustment mechanisms and why it no longer uses some of them and shows where others are incorporated into its contracts. The Commission finds SCE’s plan adequate and does not adopt SBUA’s recommendation.

1. *SBUA recommends that SCE update its Lessons Learned section with discussion of the shift in its load forecast from the 2023 RPS Plan to the present draft from 14 precent annual increase to 5 percent annual decrease, how this impacts SCE's planning, SCE’s efforts to improve forecasting and SCE's confidence in the accuracy of its forecast.*

SCE already explains in RPS plan and reply comments why its load forecast changed between the 2023 and 2024 RPS Plans: The difference is not a result of errors in forecasting that requires lessons learned, but of factors outside SCE’s control, e.g., rate of load departure for CCAs. SBUA’s recommendation is unnecessary and not adopted.

Recommendations for SDG&E

1. *SBUA recommends, for clarity, that SDG&E provide answers to the May 21, 2014, Administrative Law Judge’s Ruling on Renewable Net Short, in a separate document or verbatim response to the Ruling’s questions as PG&E and SCE do.*

SDG&E provides sufficient information in its response and SBUA does not explain why this change is necessary other than stating that it “would be more convenient.”[[31]](#footnote-32)

1. *SBUA recommends that SDG&E consider adopting a LCBF methodology more similar to SCE’s methodology described in Appendix H.1.*

The Commission notes that IOUs are permitted to develop their own individual LCBF methodologies adapted to their unique needs.

1. *SDG&E should update its Lessons Learned section with information provided to SBUA in its third data response.*

The Commission finds that the information provided by SDG&E is sufficient and lessons from last year continue to be relevant.

Recommendations for all IOUs:

1. *SBUA recommends that retail sellers should provide a glossary of terms defining all terms and abbreviations used in their plans.*

The Commission does not require but allows a glossary of terms. This is not a matter that will impact the IOUs’ compliance with RPS requirements.

1. *IOUs should not assume 100 precent volumetric success rates for all in-development projects or for BioMAT and ReMAT executed contracts.*

SBUA’s recommendation is not adopted. First, SBUA does not explain how this affects the IOUs’ RPS compliance. IOUs mitigate project supply risks and other compliance risks by establishing a buffer of REC bank (MMoP or VMoP). IOUs also account for project development and supply risks (failure rates, delays, undergeneration) in overall risk modeling. Although PG&E conservatively forecasts ReMAT and BioMAT contracting, it is unclear how SBUA’s request enhances forecasting given very small sizes of ReMAT and BioMAT procurement programs compared to the IOUs’ overall renewables portfolio. Tracking these programs’ failure rates is unlikely to significantly alter the IOUs’ RPS strategies.

1. *SBUA submitted several recommendations associated with project failure rates and delivery rates*.

The Commission finds the information provided by the IOUs sufficient and therefore does not adopt SBUA’s recommendations.

1. *SBUA recommends that the IOUs be required to report on how they utilize proceeds from the sale of RPS products*.

SBUA’s recommendation is not adopted. IOUs already explained to SBUA in data request responses and RPS Plans that proceeds from REC sales are directly credited to customers. For example, sales revenues are credited to the portfolio allocation balancing account which benefits bundled customers and departed load customers.

1. *SBUA recommends that the IOUs report how frequently the additional LCBF qualitative factors are determinative of bid selection in practice and provide additional detail on the manner of evaluating these factors in practice.*

SBUA’s request is unsupported and denied. SBUA does not explain why this request is necessary for RPS Plans and how the requested change will enhance RPS procurement strategies or lower costs.

1. *SBUA recommends that the IOUs be required to disclose near-term total retail sales.*

SBUA’s request is denied. This type of information can be kept confidential under RPS confidentiality rules and Commission will evaluate whether the information is properly redacted.

1. *SBUA recommends that IOUs be required to translate incremental rate impact figures into typical monthly bill impact amounts for residential and small business customers in order to contextualize the real-life cost impact of the RPS program.*

Total incremental rate impact is already provided in Cost Quantification tables of the Draft RPS Plans and in the Commission’s annual reports to the legislature.

* 1. **PG&E’s Draft RPS Plan**

PG&E’s updated Draft 2024 RPS Plan contains all the required elements listed in Table 1 of the 2024 ACR. PG&E’s updated Draft 2024 RPS Plan is approved with modifications. PG&E must seek Commission approval of any RPS contracts consistent with existing procedures by submitting a Tier 3 or Tier 1 Advice Letter.

In its Draft 2024 RPS Plan, PG&E reports that due to the impact of VAMO[[32]](#footnote-33) and modifications to PG&E’s GTSR Program,[[33]](#footnote-34) PG&E became physically short of the RPS compliance target in 2023 and expects this short position to continue for years, except for 2025.[[34]](#footnote-35)

PG&E plans to meet the RPS compliance requirement by continuing to use banked resources, which, in PG&E’s opinion, will allow PG&E to meet RPS procurement compliance requirements while rebuilding its RPS portfolio over the coming decade.[[35]](#footnote-36) PG&E does not foresee a need to procure renewable resources for RPS compliance in this decade.[[36]](#footnote-37) PG&E states that its existing portfolio includes over 7,000 MW of RPS-eligible projects either online or under development. PG&E adds that over 95 percent of PG&E’s RPS generation during the forecast period is expected to come from long-term contracted resources, with project terms of 10 years or more. PG&E held an RPS Request for Offer (RFO) in 2023 and may hold additional RPS solicitations in 2024 for long-term contracts coming on-line in 2028.[[37]](#footnote-38)

Even though PG&E does not report an immediate need for procurement for RPS obligations, PG&E states that its procurement need year may accelerate between 2030 and 2035 for several reasons, including but not limited to, portfolio optimization activities, procurement delays or overlapping GHG emission reduction requirements from the IRP proceeding and SB 1020 GHG-free energy requirements.[[38]](#footnote-39) PG&E includes in its Draft 2024 RPS Plan several requests for additional procurement flexibility “to facilitate long-term portfolio optimization and remain competitive.”[[39]](#footnote-40)

PG&E’s long-term RPS compliance strategy includes incremental RPS procurement in order to avoid procuring a large volume of resources in a given year, possible sales of excess RECs for portfolio optimization, use of banked RECs,[[40]](#footnote-41) use of IRP MTR procurement requirements to procure new RPS-eligible resources and using 2022 IRP filing procurement needs to procure additional RPS.

As noted in its Draft 2024 RPS Plan, PG&E’s RPS portfolio costs are expected to average about $2 billion per year during the period 2024-2034.[[41]](#footnote-42)

Overall, the Commission finds PG&E’s portfolio management strategy reasonable and approves its Draft 2024 RPS Plan as modified. The portfolio management strategy aims to meet short-term and long-term RPS requirements while seeking economical transactions that will promote affordability goals and optimize its RPS portfolio. The following sections primarily address PG&E’s requests that require Commission approval. PG&E must update its final RPS Plan as directed below.

* + 1. **PG&E’s Request for
		Streamlined Approval for
		Short-Term RPS Transactions**

PG&E seeks the Commission’s pre-approval to execute short-term (terms of less than five years in duration) transactions of RPS products that are consistent with strategies detailed in PG&E’s Draft 2024 RPS Plan.[[42]](#footnote-43) Currently, pursuant to D.14-11-042, PG&E must submit the contracts and receive approval via Tier 1 Advice Letter before deliveries can occur. PG&E’s request for streamlined approval for short-term RPS transactions is discussed along with the other IOUs’ similar requests in Section 6.2. PG&E requests authority to conduct RPS procurement activities for short-term products to optimize its portfolio, add value, and reduce costs.[[43]](#footnote-44)

PG&E’s Draft 2024 RPS Plan demonstrates that it does not have any physical need in the short run and has sufficient banked resources to meet its RPS obligations. However, PG&E may need short-term RPS-eligible resources to comply with other Commission orders. For example, in D.24-09-006, the Commission authorized LSEs with an obligation to provide Diablo Canyon Power Plant replacement resources to contract for zero-emitting or otherwise RPS-eligible resources to serve as “bridging resources” for a period of no more than three years from the MTR compliance deadline of June 1, 2025.[[44]](#footnote-45) Therefore, PG&E’s request to enter into short-term procurement is approved. PG&E must demonstrate that the short-term contracts are RPS-eligible and that they are either needed to meet RPS needs or that the contracts are necessary to comply with IRP procurement orders. PG&E must submit Tier 1 Advice Letter for approval of short-term transactions until the Commission considers the IOUs’ proposal to eliminate this regulatory requirement.

* + 1. **PG&E’s Request for Approval
		to Sell RPS Products from
		PG&E’s Retained Bundled
		Customers’ VAMO Share**

In its Draft 2024 RPS Plan, PG&E requests authority to have flexibility to sell RPS products from its bundled customer Voluntary Allocation in order to better optimize its bundled customer RPS portfolio needs and bundled customer affordability goals.[[45]](#footnote-46) Currently, PG&E is authorized to sell RPS products from its overall PCIA-eligible RPS portfolio pre-allocation. These sales reduce the amount of RPS products that are allocated to all LSEs that took a Voluntary Allocation and transacted through the market offer solicitation. The revenue resulting from the RPS sales is shared between bundled and departed load customers. PG&E states that the sought authority would permit a greater share of revenues to accrue to its bundled customers and prevent sales activities from impacting other LSEs’ positions.[[46]](#footnote-47)

PG&E’s request is reasonable and approved. PG&E is authorized to sell RPS products from either its bundled customer Voluntary Allocation or overall portfolio by submitting a Tier 1 Advice Letter.

* + 1. **Approval to Renegotiate
		Existing Contracts.**

PG&E seeks authority to optimize its existing portfolio of RPS-eligible contracts by renegotiating these contracts. PG&E states that it would pursue contract amendments related to but not limited to contract price reductions, extension of contract terms, increased buyer curtailment flexibility, and repowers of existing facilities and/or upgrades of existing facility equipment.[[47]](#footnote-48)

PG&E’s request aims to provide value to the ratepayers, and therefore, is approved. PG&E must submit a Tier 3 advice letter for Commission review of any renegotiated contracts.

* + 1. **Authority to Transact RPS
		Products via Bilateral Negotiations**

PG&E requests authority to transact bilaterally for the purchase and sale of short and long-term RPS products. PG&E states that this authority will enable PG&E to transact swiftly.[[48]](#footnote-49)

Given the increasing competitiveness in renewable energy markets, the Commission finds PG&E’s request to enter into bilateral negotiations for short-term and long-term purchases and short-term sales during the 2024 RPS cycle is reasonable. PG&E must continue to submit Tier 3 Advice Letters for any long-term RPS contracts resulting from bilateral negotiations and a Tier 1 Advice Letter for short-term transactions.

* + 1. **Authority to Buy and Sell
		Bundled and Unbundled RPS
		Products in the Same Year**

D.23-12-008 granted PG&E the ability to both buy and sell bundled RPS products within the same compliance /calendar year. PG&E requests continuation of the authority granted by the Commission in D.23-12-008.[[49]](#footnote-50)

PG&E’s request to continue to buy and sell bundled RPS products in the same year is approved. PG&E is authorized to sell bundled and unbundled RECs to optimize its portfolio.

* + 1. **Approval to Transact Bundled
		RPS Sales for Less Than Five
		Years Forward**

PG&E requests approval to transact bundled RPS sales for deliveries of less than five years forward from the execution date.[[50]](#footnote-51)

Under its 2022 RPS Plan, PG&E was authorized to transact bundled RPS sales for a period of up to two years from the execution date, and in its 2023 Plan, the Commission extended this authority for an additional three years, for a total of five years. PG&E asserts that extended delivery terms make its sales solicitations more competitive, because the additional flexibility may be preferred by potential buyers who prefer to lock in products for longer periods.[[51]](#footnote-52) PG&E adds that selling bundled products for longer-periods may help PG&E balance its portfolio physically or result in reduced costs.

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

* + 1. **Authority to Bid into Other
		Market Participant-Initiated
		Competitive Solicitations**

PG&E seeks authority to participate in other market participants’ competitive solicitations to maximize value for its customers.[[52]](#footnote-53) PG&E’s request is approved for procuring short-term and long-term RPS resources and conducting short-term RPS sales, only. PG&E must submit a Tier 3 Advice Letter for approval of long-term transactions and a Tier 1 Advice Letter for short-term transactions.

* + 1. **Approval to Transact via
		Brokers and Exchanges**

PG&E requests authority to procure RPS products through brokers and exchanges to remain competitive with other market participants who also use brokers and exchanges. PG&E argues that this flexibility will allow PG&E to access potentially lower cost products, thereby helping PG&E to optimize its portfolio, meet compliance obligations, and support customer affordability.[[53]](#footnote-54)

PG&E’s request is reasonable and approved. Given PG&E’s RPS procurement needs, PG&E is authorized to procure short-term and long-term contracts and sell short-term contracts, only, via brokers and exchanges.

* + 1. **Request to Remove Tier 2
		Advice Letter Approval for
		RFO Shortlists**

PG&E requests that the Commission remove the requirement for a Tier 2 Advice Letter process seeking approval of shortlists resulting from RPS RFO solicitations established in D.14-11-042.[[54]](#footnote-55)

PG&E argues that due to the substantial RPS market growth since 2014, seeking approval for RFO shortlists is no longer necessary and puts PG&E at a disadvantage, especially when there are protests to the advice letter and delay in the approval process deters counterparties to transact with PG&E.[[55]](#footnote-56) PG&E adds that some counterparties may be reluctant to engage in negotiations until after the approval is received. PG&E provides an example from its 2023 RPS RFO to support its argument.[[56]](#footnote-57)

In D.14-11-042, the Commission established rules to streamline the Commission’s review of the IOUs’ advice letter filings seeking approval of the IOUs’ shortlists of bids (following the close of the annual solicitation).[[57]](#footnote-58) The purpose of the regulatory approval of a shortlist via Tier 2 Advice Letter is to identify transactions early if they are unreasonable or pose certain risks, before the utility goes through the process of preparing and executing the contract and then submitting them for Commission approval. This process saves time and resources for the Commission as well as for contracting parties. Therefore, PG&E’s request is denied.

### Ability to Retire RECs for Low Carbon Fuel Standard (LCFS) Credits

D.23-12-008 granted PG&E the authority to claim incremental LCFS Credits through the retirement of RECs.[[58]](#footnote-59) To provide additional flexibility for PG&E to optimize its portfolio, PG&E is modifying its request for retiring RECs for LCSF credits, so that PG&E can retire RECs from its retained Voluntary Allocation bundled share as well as its entire PCIA-eligible RPS portfolio.[[59]](#footnote-60)

PG&E’s request is reasonable and approved. PG&E may retire RECs for LCSF credits from either the PCIA-eligible portfolio or its own shares of Voluntary Allocations, or both.

### Deficiencies

The Commission staff did not identify any deficiencies in PG&E’s Draft 2024 RPS Plan. PG&E’s Draft 2024 RPS Plan meets the requirements of the 2024 ACR.

## SCE’s Draft RPS Plan

SCE’s updated Draft 2024 RPS Plan contains all the required elements listed in Table 1 of the 2024 ACR. SCE’s updated Draft 2024 RPS Plan is approved with modifications. SCE must seek Commission approval of any RPS contracts consistent with existing procedures by submitting a Tier 3 or Tier 1 Advice Letter.

In its Draft 2024 RPS Plan, SCE forecasts a need for RPS-eligible resources to meet its RPS compliance requirements under current conditions. SCE’s need for new RPS-eligible resources to meet RPS compliance targets starting in CP 6 (2028-2030) is greater than SCE’s need for RPS-eligible resources to meet requirements under the IRP Decision, as a result of the extension of the requirement to procure long-lead time (LLT) resources from 2026 to 2028 pursuant to D.23-02-040, under presently expected PCIA allocation assumptions, and SCE’s current load forecast.[[60]](#footnote-61)

SCE reports that its First Quarter 2024 bundled sales forecast assumes on average a 4.8 percent lower annual energy demand between 2024 and 2035 than the previous forecast used in 2023; from 2027 to 2030, the bundled sales forecast is about 5 percent lower annually than the prior forecast. SCE attributes this decrease in projected energy demand to two factors: (1) a near-term lower retail forecast because economic growth is weaker than that predicted in 2023 forecasts; (2) a higher long-term CCA forecast, assuming new CCA formation activities and low probabilities that existing CCA customers will return to SCE bundled service.[[61]](#footnote-62)

SCE expects to be able to meet its procurement need in CP 4 and CP 5, and it will need to start to procure up to 13,300 GWh by CP 6 to meet its CP 6 RPS compliance requirements. For MTR, SCE has executed long-term contracts to meet the IRP targets as required under the IRP Decision. These executed contracts will provide approximately 4,400 GWh of new RPS-eligible energy in CP 5 and 13,300 GWh in CP 6 toward RPS compliance requirements. These contracts have already been accounted for when calculating SCE’s need for additional RPS resources in CP 6.

In its 2024 RPS Plan, SCE requests the option to pursue RPS solicitations to procure RPS volumes from new and existing resources and to enter into transactions for short-term purchase and/or sales of RECs through solicitations, bilateral contracts, and brokers and exchanges. This additional flexibility to transact for RPS resources is necessary because SCE foresees a need for RPS resources in CP 6 and beyond.

As noted in its Draft 2024 RPS Plan, SCE’s RPS portfolio costs are expected to average about $2 billion per year during the period 2024-2034.[[62]](#footnote-63)

Overall, the Commission finds SCE’s portfolio management strategy reasonable and approves its RPS Plan as modified. SCE’s Draft 2024 RPS Plan demonstrates a well-reasoned approach to meet short- and long-term RPS requirements. The following sections primarily address SCE’s requests that require Commission approval.

### SCE’s Request for Flexibility for Short-Term Transactions

As discussed in Section 7.2., until the Commission considers the IOU’s proposal for streamlined approval of short-term transactions, SCE can continue to enter into short-term transactions for the purpose of portfolio optimization by submitting contracts and receiving approval via Tier 1 Advice Letter.

## Authority to Sell and Buy RECs

SCE’s request for authority to buy and sell RECs is approved with modifications.

SCE reports that it has a substantial need for RPS-eligible resources to meet the compliance target for CP 6 and has a marginal surplus in CP 5. Therefore, SCE requests flexibility to purchase Portfolio Content Category (PCC) 1, PCC 2, and PCC 3 RECs to ensure continued compliance with RPS requirements in CP 5 and help meet the target for CP 6.[[63]](#footnote-64) Additionally, SCE requests Commission authorization to sell PCC 1, PCC 2, and PCC 3 RECs to allow SCE to continue optimizing its portfolio.

To facilitate the purchase and sale of RECs, SCE requests authority to issue solicitations for short-term and long-term RECs, participate in other market participants’ REC RFOs, and to enter into bilateral contracts for the purchase and sale of RECs. SCE also requests authority to purchase RECs through brokers and exchanges at prices and term lengths consistent with upfront achievable standards and criteria.

SCE’s request is approved with modifications. SCE is authorized to purchase and sell short-term PCC 1, PCC 2, and PCC 3 RECs, only, in transactions with terms of less than five years. SCE must submit a Tier 1 Advice Letter for approval of these transactions. For short-term procurement, SCE must demonstrate that the short-term contracts are RPS-eligible and that they are either needed to meet RPS needs or that the contracts are necessary to comply with IRP procurement orders. SCE’s request to use solicitations, other market participants solicitations, bilaterals, brokers and exchanges is also approved. For long-term RPS procurement, SCE can use the authority granted in Section 7.1. of this decision.

### SCE’s Revised 2024 Pro Forma Renewable PPA

SCE’s request for approval of its revised 2024 Pro Forma Renewable PPA is approved with modification.

As explained in SCE’s Draft 2024 RPS Plan, SCE’s 2024 Pro Forma Renewable PPA is based on the technology neutral pro forma contract approved by the Commission in Resolution E-5004 and incorporates provisions consistent with SCE’s MTR solicitations for new projects to achieve commercial operation by the online dates required in the IRP Decision.[[64]](#footnote-65)

In its Draft 2024 RPS Plan, SCE submitted changes to the 2024 Pro Forma Renewable PPA, included in Appendices G.1 and G.2, to incorporate recent changes to the Technology Neutral Pro Forma contract to align language with the version used in SCE’s 2024 MTR RFO.[[65]](#footnote-66) SCE states that the substantive terms and conditions remain consistent with the 2023 Pro Forma Renewable PPA, except for additional drafting notes related to contracting existing resources, and with the other specific changes noted above in the summary table of major changes to pro forma contracts.[[66]](#footnote-67)

Since SCE’s pre-approved short-term RPS transaction proposal is yet to be considered, SCE’s request for approval of its revised 2024 Pro Forma Renewable PPA is approved with the modification that SCE’s pro forma PPA include “CPUC Approval” as a non-modifiable Standard Term and Condition.

### SCE’s Proposal to Sell Bioenergy Renewable Auction Mechanism (BioRAM) RECs Using a Reservation Price

SCE proposes a new reservation price methodology for BioRAM REC sales.[[67]](#footnote-68) SCE’s request to sell BioRAM RECs using a reservation price is denied.

 D.18-12-003 requires that the IOUs sell the RECs associated with BioRAM contracts as PCC 1 RECs and prohibits any unsold RECs to be used for RPS compliance,[[68]](#footnote-69) with the intent to discover the true value of the RECs by subjecting them to actual market transactions rather than assigning them a proxy value. The sales revenues are then subtracted from the Tree Mortality Non-Bypassable Charge (TMNBC) total costs assigned to all ratepayers.

More recently, in D.19-02-007, the Commission denied the IOUs’ request to buy RECs from their own BioRAM REC sales and to set any reservation price for unsold BioRAM RECs, stating that granting the request would inappropriately modify D.18-12-003.[[69]](#footnote-70)

In its Draft 2024 RPS Plan, SCE proposes to sell BioRAM PCC 1 RECs for its RPS compliance use. Under the proposal, SCE will buy all of its BioRAM RECs that are bid at prices lower than a set reservation price or will buy any portion of BioRAM RECs that no party bids on at the set reservation price.

SCE asserts that even though SCE’s unsold BioRAM REC volumes are small, inability to use unsold RECs contravenes RPS portfolio optimization and affordability goals. If granted, this proposal would allow SCE to buy BioRAM PCC 1 RECs at a fair price for bundled customers. In SCE’s opinion, both bundled and unbundled customers would benefit because the amount paid by SCE on behalf of bundled customers would be recorded as a credit in the TMNBC balancing account and reduce the overall cost of the TMNBC included in all customers’ Public Purpose Programs Charge rate.[[70]](#footnote-71)

SCE’s request is denied. D.18-12-003, *Decision Establishing a Non-Bypassable Charge for Costs Associated with Tree Mortality Biomass Energy Procuremen*t, issued in Application 16-11-005 (Joint Application to Establish Non-Bypassable Charge (NBC) for Above-Market Costs Associated with Tree Mortality Power Purchase Agreements (Tree Mortality) in Compliance with SB 859 (stats. 2016, ch. 368) and Resolution E-4805) was clear that IOUs must sell all BioRAM RECs and value the unsold RECs at zero dollars, and did not give the option of IOUs “buying back” these RECs.

Because SCE’s proposal seeks to inappropriately modify D.18-12-003, the BioRAM Non-bypassable Charge decision, SCE’s request is denied.

### Deficiencies

The Commission staff did not identify any deficiencies in SCE’s Draft 2024 RPS Plan. SCE’s Draft 2024 RPS Plan meets the requirements of the 2024 ACR.

## SDG&E’s Draft RPS Plan

SDG&E’s updated Draft 2024 RPS Plan contains all the required elements listed in Table 1 of the 2024 ACR. SDG&E’s updated Draft 2024 RPS Plan is approved with modifications. SDG&E must seek Commission approval of any RPS contracts consistent with existing procedures by submitting a Tier 3 or Tier 1 Advice Letter.

SDG&E reports that even though SDG&E met its CP 3 RPS requirements by achieving 42 percent renewable energy, load departure commencing in 2021 and the VAMO process commencing in 2023 led to significant changes in SDG&E’s RPS portfolio.[[71]](#footnote-72) Currently, SDG&E anticipates that its RPS position will fall short in CP 5.[[72]](#footnote-73)

According to SDG&E’s Draft 2024 RPS Plan, SDG&E plans to meet its compliance requirements through 2034 by utilizing its bank and/or, after considering the benefits to customers, holding a solicitation or entering into bilateral agreements to procure long-term and/or short-term resources to meet its Procurement Quantity Requirements.[[73]](#footnote-74) SDG&E intends to manage any potential over-procurement due to departing load by banking it for future compliance needs, terminating contracts, as appropriate, selling excess procurement, or transferring the obligation to a new party as permitted by the contract.[[74]](#footnote-75)

Overall, SDG&E’s procurement strategy is reasonable; it demonstrates a balanced approach to meeting short- and long-term RPS requirements and is approved with modifications.

### SDG&E’s Request to Utilize Banked RECs

Due to SDG&E’s RPS short position starting in CP 5, SDG&E requests the authority to utilize SDG&E’s banked RECs procured before 2023 starting from the year SDG&E begins a short position through 2034, as needed. SDG&E’s request aims to limit additional costs for RPS compliance and potentially protect bundled customers from rate impacts.[[75]](#footnote-76) SDG&E states that it may meet its compliance requirements through 2034 by utilizing the RECs in its bank.[[76]](#footnote-77) The Commission finds SDG&E’s request to use its banked RECs for meeting its RPS needs cost-effective, consistent with RPS rules, and therefore approves it.

### SDG&E’s Request for Option to Procure RECs for Compliance

The Commission approves SDG&E’s request for the option to procure RECs for compliance.

As an alternative to utilizing its banked RECs, SDG&E requests authority to conduct optional RPS procurement to buy RECs from new or existing resources, short-term or long-term, if it is advantageous to do so.[[77]](#footnote-78) Towards this end, using the alternative RNS forecast scenario, SDG&E has established a volumetric cap and a capacity cap of the amount of new eligible renewable resources it may procure if it exercises its option to hold a solicitation.

SDG&E’s request for procurement of short-term RPS resources is approved. SDG&E must submit a Tier 1 advice letter for review and approval of short-term purchases. SDG&E must also demonstrate that the short-term contracts are RPS-eligible and that they are either needed to meet RPS needs or that the contracts are necessary to comply with IRP procurement orders, such as D.24-09-006. SDG&E’s request for procurement of long-term RPS resources is approved, as discussed in Section 7.1.

### Authorization to Sell RPS Volumes

In its Draft 2024 RPS Plan, SDG&E requests authorization for the option to sell RPS volumes from: (1) the PCIA-eligible RPS portfolio, (2) SDG&E’s PCIA-eligible portfolio allocation, and (3) the available RECs that were not required to be offered and not allocated in the D.21-05-030 transactions, in accordance with SDG&E’s RECs Sales Framework, to provide benefits to customers while maintaining RPS compliance.[[78]](#footnote-79)

SDG&E states that it will consider opportunities to sell REC volumes from the projects in the PCIA-eligible portfolio prior to the distribution of the VAMO transactions to further balance its RPS portfolio.[[79]](#footnote-80) To benefit its customers, SDG&E will consider selling the RPS volumes not allocated in the VAMO process if it does not use these volumes towards its compliance. According to SDG&E, if allowed, the potential RPS sales revenue may promote affordability for both bundled and unbundled customers.

SDG&E’s request for the option to sell RPS volumes is approved with modifications. SDG&E’s request for short-term REC sales (for 5 years or less) is approved. SDG&E may use brokers and exchanges to sell RECs and may sell RECs from either its PCIA-eligible RPS portfolio, its PCIA-eligible portfolio allocation, and the available RECs that were not required to be offered and not allocated in the D.21-05-030 transactions. SDG&E must submit a Tier 1 advice letter for review and approval of contracts.

### Flexibility to Buy and Sell RECs in the Same Year and/or Compliance Period

SDG&E seeks flexibility to manage its RPS portfolio by buying and selling both long-term and short-term products in the same year and/or compliance period to meet compliance, counter increased competition, adapt to the fast-changing market, and find the most economical option for its bundled customers.[[80]](#footnote-81) SDG&E asserts that this authority will allow SDG&E to react swiftly to the rapidly changing renewable energy market and manage its portfolio in a cost-effective way.

The Commission finds SDG&E’s portfolio optimization strategy reasonable and approves it with modification. SDG&E is authorized to conduct only short-term REC sales, and short-term and long-term RPS procurement in the same year.

### Authority to Utilize Both Brokers and Exchanges

SDG&E requests that its authorization to transact with brokers be extended to exchanges.[[81]](#footnote-82) In D.23-12-008, SDG&E was given authorization to transact with brokers.[[82]](#footnote-83) To ensure a level playing field, SDG&E requests authorization to procure or sell RECS through both brokers and exchanges.

SDG&E’s request to use brokers and exchanges for short-term and long-term RPS procurement and short-term REC sales only is reasonable and is approved. The use of brokers and exchanges for short-term RPS transactions (5 years or less) requires approval with a Tier 1 advice letter,[[83]](#footnote-84) while long-term RPS procurement transactions require approval with a Tier 3 advice letter.

### Request for not Holding RFI

SDG&E does not propose another RFI in the 2024 RPS Plans cycle due to minimal interest in previous RFIs and because it is still evaluating responses from its latest RFI.[[84]](#footnote-85)

SDG&E’s request to not hold an RFI during the 2024 planning cycle is approved. SDG&E can optimize its RPS portfolio by selling RECs and using its REC bank to meet future RPS requirements.

### Deficiencies

SDG&E’s Draft 2024 RPS Plan meets the requirements of the 2024 ACR except for the following:

In Section IX.B. (MMoP Scenarios) of its Draft 2024 RPS Plan, SDG&E states that its “RPS portfolio consists of entirely long-term contracts.”[[85]](#footnote-86) However, when discussing long-term procurement, SDG&E discusses a short-term RPS contract that it recently signed that provides one to two percent of SDG&E’s forecasted RPS generation.[[86]](#footnote-87) SDG&E must revise the statement in Section IX.B to reflect SDG&E’s short-term RPS contract.

# SMJUs

SMJUs comprise a small but relevant share of California’s energy market. Following a review of aggregated RNS templates in their Draft 2024 RPS Plans, the Commission finds that the three SMJUs (BVES, PacifiCorp, and Liberty, collectively) must procure more RPS eligible renewables starting in 2025 to meet their respective RPS requirements (*See* Figure 2).

Unlike PG&E, SCE, SDG&E, and the SMJUs can meet their RPS procurement obligations without satisfying the Portfolio Balance Requirement, codified in Section 399.16, that aims to ensure most renewable energy procurement is in the form of in-state generation. As such, SMJUs may satisfy their RPS procurement obligations through pure compliance instruments such as unbundled RECs.[[87]](#footnote-88) 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 purchases of unbundled RECs.

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

In this section, we discuss the SMJU’s Draft 2024 RPS Plans and direct modifications to each, as necessary.

## BVES’ Draft RPS Plan

Upon our review, BVES’ Draft 2024 RPS Plan meets the requirements of the 2024 ACR. Accordingly, the Commission approves the BVES’ Draft 2024 RPS Plan with no modifications.

In its Plan, BVES states that it has historically satisfied most of its RPS procurement requirement with unbundled RECs. To that point, BVES explains that its long-term PCC 1 power purchase agreement with Shell is expected to meet the bulk of its RPS needs through 2035.[[88]](#footnote-89) Further, BVES signed a short-term contract for PCC 3 RECs that have delivered energy in fixed volumes as of 2023.[[89]](#footnote-90) BVES also states that it has negotiated bilateral short-term agreements to obtain 50,000 PCC 3 RECs to be delivered in the years spanning 2023-2025.[[90]](#footnote-91)

However, BVES also reports that it intends to use both unbundled and bundled procurement to meet current and future RPS obligations.[[91]](#footnote-92) Of note, BVES filed Application (A.) 24-05-020 to seek Commission approval for the development of a solar and battery project which can also be used to help meet future RPS needs.[[92]](#footnote-93)

## Liberty’s Draft RPS Plan

We find that Liberty’s Draft 2024 RPS Plan meets the requirements of the 2024 ACR. Accordingly, the Commission approves the BVES’ Draft 2023 RPS Plan with no modifications.

Liberty reports that energy delivered through its 2021 Nevada Energy Services Agreement (ESA) will serve the bulk of its RPS procurement requirement through December 2025.[[93]](#footnote-94) Additionally, Liberty explains that receipt of biomass PCC 3 RECs from two 10-year contracts, use of its REC bank, and implementation of its Commission-approved procurement strategy for unbundled RECs will be relied upon to meet RPS procurement obligations.[[94]](#footnote-95)

Liberty also intends to satisfy its RPS obligations with generation from existing utility-owned generation (UOG) resources, including the Luning Solar Project and Turquoise Solar Project and the future Luning Expansion Project, which at this time is delayed due to equipment cost and financing considerations.[[95]](#footnote-96)

* 1. **PacifiCorp’s Draft RPS Plan**

Upon our review, PacifiCorp’s Draft 2024 RPS Plan meets the requirements of the 2024 ACR. Accordingly, the Commission approves PacifiCorp’s Draft 2024 RPS Plan with no modifications.

In its Plan, PacifiCorp states that it has historically satisfied most of its RPS procurement requirement through acquisition of PCC 3 RECs. To demonstrate this, PacifiCorp reports that it entered into seven short-term agreements for 215,064 RECs in February 2023.[[96]](#footnote-97) Later in December 2023, PacifiCorp reports that it signed a long-term agreement to procure 40,000 RECs per year. PacifiCorp also intends to comply with its RPS requirement through use of RECs generated from its UOG resources, consistent with its integrated resource plan.[[97]](#footnote-98) In the future, PacifiCorp may satisfy its RPS procurement requirements solely through the acquisition of PCC 3 RECs. PacifiCorp will rely on PCC 3 RECs in the short-term to meet California’s RPS requirements while procuring a significant amount of renewable resources as a long-term solution to meet IRP needs.

1. **CCAs and ESPs**

The Commission approves the CCAs’ and ESPs’ Draft 2024 RPS Plans with modifications. To make this determination, the Commission reviewed 25 CCA and 10 ESP Draft 2024 RPS Plans for completeness, accuracy of information, and compliance with the 2024 ACR. Based on our review, CCA and ESP Draft 2024 RPS Plans complied with most of the 2024 ACR requirements. Sections 9.1 and Section 9.2 provide an overview of actual and projected RPS procurement for ESPs and CCAs to meet future RPS obligations. Sections 9.3.1 through 9.3.12 in this decision provide a description of the Commission’s findings and disposition of CCAs’ and ESPs’ Draft 2024 RPS Plans.

Finally, while Brookfield Renewable Energy Marketing US LLC (BREMUS) served its draft 2024 RPS plan to the R.24-01-017 service list, it did not file its draft 2024 RPS Plan in the Commission’s RPS docket. As a registered ESP BREMUS must file a 2024 RPS Plan in the R.24-01-017 docket within 30 days of the issuance of this decision.

* 1. **CCA Procurement Needs**

Collectively, the CCAs have executed enough renewable energy contracts to exceed their forecasted need in 2024 and plan to serve over 66,000 GWh of retail load in 2025.[[98]](#footnote-99)

Based on the CCAs’ RNS reporting, several CCAs are expected to need additional RPS procurement beginning in 2025. Collectively, CCAs may need additional RPS procurement beginning in 2026 if there are delays to a significant quantity of projects in development.

**Figure 3: Aggregated CCA Progress Toward 60% RPS**

* 1. **ESP Procurement Needs**

The Commission reviewed Draft 2024 RPS Plans filed by 11 ESPs. Based on the ESPs’ reporting of their RNS positions, we find that the ESPs will collectively need additional procurement to meet RPS obligations beginning in 2025, as shown in Figure 4. This is due to the ESPs’ historical reliance on short-term contracts to match their RPS obligation with their overall retail sales.

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

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* 1. **Issues to Address in the Final
	2024 CCA and ESP RPS Plans**

The Commission identified several deficiencies in the CCAs’ and ESPs’ Draft 2024 RPS Plans. In addition to minor errors, many deficiencies were related to instances where the retail seller failed to demonstrate how it would meet future RPS compliance requirements or where its risk assessment was inadequate. These findings are listed in Sections 9.3.1. through 9.3.12. The retail sellers identified in the paragraphs and tables below must update the relevant sections of their draft RPS Plans in their final submittal.

* + 1. **Executive Summary**

In their RPS Plan filings, each retail seller should provide a high-level summary of key issues discussed in their RPS Plans. These issues may include but are not limited to service expansions, outcomes from RPS resource solicitations, and contracts from these solicitations that were executed within the last calendar year. Further, retail sellers should list and summarize each specific request which seeks Commission authorization and reference the section in their RPS Plans that provide detailed explanations of such requests.

Based on our review of their Executive Summary, 3CE must explain why two sets of over procurement values were reported. 3CE states that “(s)tarting in 2024 and ending in 2034 it intends to exceed the annual RPS requirement with a 3 [percent MMoP] each year combined with a steadily increasing voluntary margin of over procurement.” 3CE reports a set of over procurement values that starts at 8 percent in 2024 and 37 percent in 2034. Later, 3CE presents a set of over procurement levels that starts at 11 percent in 2024 and 40 percent in 2034.[[99]](#footnote-100) 3CE should clarify why these two different sets of over procurement levels were reported and identify which set is the most accurate.

* + 1. **Portfolio Supply and Demand**

The Commission’s review of CCAs’ and ESPs’ Draft 2024 RPS Plans revealed that (1) Commercial Energy of Montana did not provide a portfolio supply and demand assessment through 2034, indicate whether resources with specific operational and deliverability characteristics are needed and have been considered, and detail other factors including curtailment rights, and (2) Direct Energy did not reconcile inconsistent statements concerning its failure to secure an RPS contract in a 2023 RFO and an expected volume of renewable generation.

The 2024 ACR requires that retail sellers’ RPS Plans must include an assessment of annual or multi-year portfolio supplies and demand to determine the optimal mix and need for eligible renewable energy resources with deliverability characteristics that may consist of peaking, dispatchable, baseload, firm, and as-available capacity, and any additional factors, such as curtailment rights. The assessment should also cover all years through 2034 and a near-term planning horizon that accounts for both portfolio supply and demand. The retail seller’s RPS Plan must also explain how the quantitative analysis provided in response to Section 6.8 of the 2024 ACR supports this assessment. Lastly, the assessment should describe how procurement, allocations, or sales planned for the period covered by the 2024 RPS Plans is consistent with the evaluation of supply and demand.

Upon our review of their Draft 2024 RPS Plans, Commercial Energy of Montana and Direct Energy must address noted gaps related to Section IV.A, “Portfolio Supply & Demand” in their RPS Plans, as detailed in Table 1 below.

**Table 1: Portfolio Supply & Demand**

|  |  |
| --- | --- |
| **Retail Seller**  | **Commission Finding** |
| **Commercial Energy of Montana** | Commercial Energy of Montana does not provide an assessment of portfolio supply and demand through 2034. The 2024 ACR requires that the assessment “should be completed for all years through 2034 and a near-term planning horizon that accounts for both portfolio supply and demand.[[100]](#footnote-101) Further, Commercial Energy does not discuss whether it considers RPS resources with specific deliverability characteristics (e.g., peaking, dispatchable, baseload, firm, and as-available capacity) and additional factors such as curtailment rights and operational flexibility. Per the 2024 ACR, the portfolio supply and demand section in RPS Plans requests that retail sellers describe their need for (or consideration of) RPS resources with specific deliverability characteristics and any additional factors, such as curtailment rights and operational flexibility.[[101]](#footnote-102)  |
| **Direct Energy** | Direct Energy reports that it “issued an RFO in June 2023, but none of the bids materialized in an RPS contract.” Despite the bids not being contracted, Direct Energy also states that “the expected volumes being negotiated are included in the quantification of Direct Energy’s RPS position in the table below, along with Net Short and Cost Quantification worksheets.”[[102]](#footnote-103) In light of this information, Direct Energy should clarify why its June 2023 RFO did not result in an RPS contract but generation volumes are still expected.  |

* + 1. **Long-Term Procurement**

Pursuant to D.17-06-026, retail sellers must specifically show that 65 percent of their procurement that is designated to meet their RPS requirement consists of contracts with term lengths of 10 years or more. To ensure compliance with this D.17-06-026 provision, the 2024 ACR explains that RPS Plans should demonstrate how retail sellers are satisfying this long-term procurement requirement.

According to our assessment of their Draft 2024 RPS Plans, we find that UC Regents, the City of Palmdale, DCE, and King City Community Power must provide additional information and assessments and resolve questions related to Section IV.B.1, “Long-Term Procurement” in their RPS Plans, as shown in Table 2 below.

**Table 2: Long-Term Procurement**

|  |  |
| --- | --- |
| **Retail Seller**  | **Commission Finding** |
| **UC Regents** | UC Regents does not provide a timeline in its Draft 2024 RPS Plan that details how it will meet the 65 percent long-term procurement requirement in future compliance periods. Accordingly, we require that UC Regents provide such a timeline in Section IV.B.1, “Long-Term Procurement,” in its Final 2024 RPS Plan. |
| **City of Palmdale** | The City of Palmdale reports that it “is now in late-stage negotiations with a prospective long-term PCC 3 supplier and expects to complete this contracting process in February 2023. In addition to this supply opportunity, the City of Palmdale is advancing discussions with a prospective long-term PCC 1 supplier, which could result in the delivery of additional long-term RPS volumes in Compliance Period 4.”[[103]](#footnote-104) However, this 2023 transaction update appears to be copied from the City of Palmdale’s 2023 RPS Plan that was not updated. The City of Palmdale must provide a 2024 update on the status of these transactions in their Final 2024 RPS Plan. |
| **DCE** | DCE must include a quantitative assessment of its long-term RPS position, per 2024 ACR requirements. This quantitative assessment must include specific long-term procurement values in GWh for current and future compliance periods and must be clear enough to gauge a retail seller’s long-term RPS position. To ensure compliance with 2024 ACR requirements, we direct DCE to provide a quantitative assessment of its long-term RPS position, with these specific details. |
| **King City Community Power** | King City does not provide an adequate response to Section IV.B.1 “Long-term Procurement.” As required by the 2024 ACR, King City must include a quantitative assessment of its long-term RPS position. The quantitative assessment must include specific long-term procurement values in gigawatt-hours (GWh) for current and future compliance periods. In addition, this section must include a short description of the long-term contracts, resources, or portfolio mix that will be used to meet the long-term procurement requirement. Accordingly, we require King City to provide a quantitative assessment that includes these essential components. |

* + 1. **Project Development Status Update**

Pub. Util. Code Section 399.13 requires retail sellers to include a status update of their project development schedule for all eligible renewable energy resources currently under contract in their RPS Plans. This information is important because it allows the Commission to monitor each retail seller’s ability to meet RPS compliance obligations and report RPS capacity additions and new RPS contracts to the Legislature. In their Draft 2024 RPS Plans, most CCAs and ESPs include their respective PDSU spreadsheet, however some retail sellers have missing or inconsistent information.

Upon our review of their Draft 2024 RPS Plans, 3 Phases Renewables Inc. and Clean Power SF must resolve inconsistencies related to Section V, “Project Development Status Update” in their Final 2024 RPS Plans, as detailed in Table 3 below.

**Table 3: Project Development Status Update**

|  |  |
| --- | --- |
| **Retail Seller**  | **Commission Finding** |
| **3PR** | In its Draft 2024 RPS Plan, 3PR reports that it executed a solar energy contract that would provide PCC 1 RECs at the beginning of 2024.[[104]](#footnote-105) However, 3PR also reported that this project is delayed, and as such, deliveries are not expected to start until the beginning of 2025. Accordingly, we require that 3PR resolve this inconsistency in Section V, “Project Development Status Update” in its Final RPS Plan.[[105]](#footnote-106) |
| **CleanPower SF** | CleanPowerSF reports that it has five contracts that are not yet in commercial operation.[[106]](#footnote-107) However, in the next paragraph, and in Table 5, and in its PDSU template, CleanPowerSF references four contracts that have not yet reached commercial operation. Given this conflicting information, CleanPowerSF should clarify how many contracts have not yet reached commercial operation.  |

* + 1. **Potential Compliance Delays**

Pursuant to Section 399.13(a)(6)(B), retail sellers must provide a narrative that describes any potential project development delays, reduced generation, and projected changes in load. Further, retail sellers must show how these delays will impact the retail seller’s RPS compliance, including its RPS net short, progress towards 65 percent long-term procurement, and procurement decisions. Finally, retail sellers are required to identify methods to account for and minimize these delays.

Upon review of the CCAs’ and ESPs’ Draft 2024 RPS Plans, the Commission finds that Calpine Energy Solutions has not considered risks to its RPS contracts that are online and providing deliveries which may result in compliance delays.

Calpine Energy Solutions should discuss whether it anticipates any risks to these contracts, such as reduced generation or curtailment, if these risks could impact RPS compliance, and outline steps that have been taken to minimize identified risks.

* + 1. **Risk Assessment**

Section 399.13(a)(6)(F) requires that retail sellers conduct a risk assessment to determine the potential that an eligible renewable energy resource will not be built, or that construction will be delayed or reduced in size, resulting in delivery of electricity that does not conform with contract terms. Retail sellers must discuss compliance risk, risk modeling and risk factors, system reliability, and lessons learned in subsections of their Draft 2024 RPS Plan, as instructed by the 2024 ACR.

 Based on our review of their Draft 2024 RPS Plans, we direct 3PR, Commercial Energy of Montana, UC Regents, and LCE to update or clarify risk assessment-related information as described in Table 4 below.

**Table 4: Risk Assessment**

|  |  |
| --- | --- |
| **Retail Seller**  | **Commission Finding** |
| **3PR** | 3PR does not provide any lessons learned in Section VII.D “Lessons Learned” in its Draft 2024 RPS Plan. Section VII.D provides that , “responses (from retail sellers) will be deemed deficient if they state the retail seller has no risks or if they only acknowledge that risk exists, without any description of proposed strategies to mitigate their portfolio’s risk(s).” 3PR states that because it has not been directly involved in the development of new RPS resources, it cannot offer any lessons learned on project development risk. However, 3PR reports that it has contracted with a new solar project that is delayed and is scheduled to start deliveries in 2025. 3PR does not offer any lessons learned from this delayed contract. Accordingly, 3PR must provide a discussion of lessons learned from delays encountered from contracting with this new project. |
| **Commercial Energy of Montana** | In the subsection for “Compliance Risk” in Section VII, Commercial Energy of Montana states that it “is well positioned to meet and exceed its RPS compliance requirements for the next three compliance periods.” However, Commercial Energy of Montana states in its discussion regarding MMoP, that “based on the MMoP and VMoP, it will need to procure additional RECs to be compliant in Compliance Periods 5/6.”[[107]](#footnote-108) Commercial Energy of Montana must reconcile these two conflicting statements. In the subsection for “Compliance Risk” in Section VII, Commercial Energy of Montana does not provide an assessment of the severity of the compliance risks it faces (e.g., high, medium, low) as required by the ACR. Accordingly, we require that Commercial Energy of Montana must provide a degree of severity for compliance risks.In the subsection for “Compliance Risk” in Section VII, Commercial Energy does not provide an adequate description of the steps it would need to take to overcome or reduce compliance risk, other than a vague reference to having participated in the development of VAMO and accepted Voluntary Allocations. The 2024 ACR requires retail sellers to “include concrete steps, with timelines, for how to overcome or mitigate compliance risks.” Accordingly, Commercial Energy of Montana must revise this discussion to provide more concrete and specific measures required to reduce compliance risk.In the subsection for “Risk Modeling & Risk Factors” in Section VII, Commercial Energy of Montana does not identify and describe the models and modeling methodology used to conduct annual risk assessments of its RPS portfolio. The 2024 ACR requires retail sellers to “provide details of the modeling and model(s) used (e.g., deterministic, stochastic) to conduct annual risk assessments of their entire RPS portfolio-specific inputs and assumptions to their risk assessment model.” Further, Commercial Energy of Montana appears to provide information that addresses “Compliance Risk” as required in the previous subsection of Section VII rather than information that is responsive to 2024 ACR questions that solicit information on “Risk Modeling & Risk Factors” as specified in this subsection of Section VII. As such, we require Commercial Energy of Montana to identify and describe the models and modeling methodology used to conduct annual risk assessments of its RPS portfolio. |
| **UC Regents** | In the subsection for “Compliance Risk” in Section VII, UC Regents does not provide an adequate description of the steps it would need to take to overcome or reduce compliance risk in future compliance periods. The 2024 ACR requires retail sellers to “include concrete steps, with timelines, for how to overcome or mitigate compliance risks.” Accordingly, UC Regents must provide a description of required steps to overcome or reduce compliance risk in future compliance period, that includes a timeline. |
| **LCE** | LCE states that it has established a 4 percent MMoP. However, later in that paragraph and in various other places in its RPS Plan, LCE states that it has a 3.15 percent MMoP. LCE should clarify if this is an apparent typographic error or there is an alternate explanation for this discrepancy.[[108]](#footnote-109) |

* + 1. **Renewable Net Short**

The renewable net short (RNS) determines the amount of new renewable generation capacity, including resources obtained through short-term and long-term procurement, that must be built in California or delivered from out-of-state sources or both to meet RPS targets. In their draft RPS Plans, retail sellers are required to provide both a quantitative and narrative response that shows how their risk assessments as described in Section VIII of their 2024 RPS Plans have been incorporated into their 2024 RNS calculations.

 Upon our review of their Draft 2024 RPS Plans, the retail sellers listed below must address identified inconsistencies related to Section VIII, “[RNS] Calculation” in their RPS Plans, as detailed in Table 5.

**Table 5: Renewable Net Short Calculation**

|  |  |
| --- | --- |
| **Retail Seller**  | **Commission Finding** |
| **LCE** | LCE reports that it has established a 4 percent MMoP. However, in various other places in its RPS Plan, LCE states that it has a 3.15 percent MMoP. This typo should be clarified.[[109]](#footnote-110)LCE reports that it applied a 4 percent MMoP to existing and online generation in its RNS template in rows 14 and 16. However, rows 14 and 16 show failure rates of 9.5 percent. Also, Row 16 pertains to facilities in development, not existing and online facilities. These differing statements need to be clarified.LCE’s reported values for “Total RPS Eligible Procurement (MWh)” for the years 2021 and 2022 in row F of the RNS template do not match the values for “Total RPS Eligible Procurement (MWh)” in Table 3, row 24, of the Cost Quantification Template for the years 2021 and 2022.[[110]](#footnote-111) The “Executed REC Sales (MWh)” for the year 2022 do not match between the RNS template and Cost Quantification template. The RNS template has volumes entered while the Cost Quantification template entry is blank for that year. |
| **CleanPower SF** | CleanPowerSF reports values for “Total Retail Sales (MWh)” for the years 2021 and 2032 in row A of the RNS template that do not match the values for “Total Retail Sales (MWh)” in Table 1, row 25, and Table 2, rows 26 and 53, of the Cost Quantification Template for the years 2021 and 2032. Except for the year 2023, the values for “Total RPS Eligible Procurement (MWh)” for the years 2021-2034 in row F of the RNS template do not match the values for “Total RPS Eligible Procurement (MWh)” in Table 3, row 24, and Table 4, row 51, of the Cost Quantification Template for the years 2021-2034. |
| **Valley Clean Energy** | The values for “Total RPS Eligible Procurement (MWh)” for the year 2021 in row F of the RNS template do not match the values for “Total RPS Eligible Procurement (MWh)” in Table 3, row 24, of the Cost Quantification Template for the year 2021. |

* + 1. **Minimum Margin of Procurement**

Per RPS requirements, retail sellers must define a MMoP in their RPS Plans to show how risk will be mitigated if renewable projects under contract are delayed or terminated, or projects do not perform as expected.

During our review of their Draft 2024 RPS Plan, LCE describes a “2 percent planning reserve” and “2 percent margin of over-procurement.” At first glance, it is not clear if these figures refer to LCE’s MMoP and if so, should the MMoP be updated to 3.15 percent, as found elsewhere in LCE’s Draft 2024 RPS Plan. As such, we require LCE to clarify and identify the correct MMoP value.

* + 1. **Bid Solicitation Protocol**

Pursuant to Pub. Util. Code Section 399.13(a)(6)(C), 2024 RPS Plans must include a bid solicitation protocol that sets forth the need for eligible renewable energy resources of each deliverability characteristic, required online dates, and locational preferences, if any. The solicitations should be consistent with the retail seller’s portfolio supply and demand assessment (RPS Plan Section V) and RNS position (Section VII). Further, retail sellers are also required to consistently report solicitations across all relevant retail sellers’ Draft 2024 RPS Plans and report their participation in joint solicitations.

According to our review of their Draft 2024 RPS Plans, the retail sellers listed below must include their solicitation protocols in their Final 2024 RPS Plans filing, or include operational website links to their solicitation materials in their Final 2024 RPS Plans and send solicitation protocols to the Commission’s Energy Division Staff (ED Staff), to comply with requirements specified in Section X, “Bid Solicitation Protocol” in their RPS Plans, as detailed in Table 6.

**Table 6: Bid Solicitation Protocol**

|  |  |
| --- | --- |
| **Retail Seller**  | **Commission Finding** |
| **AVCE** | AVCE states that its most recent solicitation protocols were submitted to ED Staff and provided a public link to a website with its most recent solicitation materials.[[111]](#footnote-112) However, ED Staff did not receive the solicitation protocols in AVCE’s Draft 2024 RPS Plan submission. In addition, the website link to access AVCE’s solicitation materials provided in their Draft 2024 RPS Plan narrative is not functional. Based on these findings, AVCE should include the solicitation protocols in its Final 2024 RPS Plan filing, or at a minimum, fix the broken link in its Final 2024 RPS Plan narrative and send the solicitation protocols to ED Staff. |
| **City of Palmdale** | The City of Palmdale provided a public link to a website with its most recent solicitation materials.[[112]](#footnote-113) However, the link provided in their Draft 2024 RPS Plan narrative is not functional. Accordingly, the City of Palmdale should include the solicitation protocols in its Final 2024 RPS Plan filing, or at a minimum, fix the broken link in its Final 2024 RPS Plan narrative and send the solicitation protocols to ED Staff. |
| **City of Pomona** | The City of Pomona provided a public link to a website with its most recent solicitation materials. However, the link provided in the Draft 2024 RPS Plan narrative is not functional.[[113]](#footnote-114) The City of Pomona should include the solicitation protocols in its Final 2024 RPS Plan filing, or at a minimum, fix the broken link in its Final 2024 RPS Plan narrative and send the solicitation protocols to ED Staff. |
| **City of Santa Barbara** | The City of Santa Barbara provided a public link to a website with its most recent solicitation materials. However, the link provided is not functional.[[114]](#footnote-115) Based on this finding, we direct City of Santa Barbara to include the solicitation protocols in its Final 2024 RPS Plan filing, or at a minimum, fix the broken link in its Final 2024 RPS Plan narrative and send the solicitation protocols to ED Staff. |
| **LCE** | LCE reports that its most recent solicitation protocols were submitted to ED Staff and provided a public link to a website with its most recent solicitation materials. However, ED Staff did not receive the solicitation protocols in LCE’s Draft RPS Plan submission and the link provided in the Draft 2024 RPS Plan narrative is not functional.[[115]](#footnote-116) Accordingly, LCE should include the solicitation protocols in its Final 2024 RPS Plan filing, or at a minimum, fix the broken link in its Final 2024 RPS Plan narrative and send the solicitation protocols to ED Staff. |
| **Pico Rivera** | Pico Rivera states that its most recent solicitation protocols were submitted to ED Staff and provided a public link to a website with its most recent solicitation materials.[[116]](#footnote-117) However, ED Staff did not receive the solicitation protocols in Pico Rivera’s draft RPS Plan submission and the link provided in the Draft 2024 RPS Plans narrative is broken. Pico Rivera should include the solicitation protocols in its Final 2024 RPS Plan filing, or at a minimum, fix the broken link in its Final 2024 RPS Plan narrative and send the solicitation protocols to ED Staff. |
|  **Rancho Mirage** | Rancho Mirage reports that its most recent solicitation protocols were submitted to ED Staff and provided a public link to a website with its most recent solicitation materials.[[117]](#footnote-118) However, ED Staff did not receive the solicitation protocols in Rancho Mirage’s Draft RPS Plan submission and the link provided in the draft 2024 RPS Plan narrative is not functional. Accordingly, Rancho Mirage should include the solicitation protocols in its Final 2024 RPS Plan filing, or at a minimum, fix the broken link in its Final 2024 RPS Plan narrative and send the solicitation protocols to ED Staff. |
| **City of San Jacinto** | The City of San Jacinto reports that its most recent solicitation protocols were submitted to ED Staff and provided a public link to a website with its most recent solicitation materials.[[118]](#footnote-119) However, ED Staff did not receive the solicitation protocols in the City of San Jacinto’s Draft RPS Plan submission and the link provided in the Draft 2024 RPS Plan narrative is not functional. Based on this finding, the City of San Jacinto should include the solicitation protocols in its Final 2024 RPS Plans filing, or at a minimum, fix the broken link in its Final 2024 RPS Plan narrative and send the solicitation protocols to ED Staff. |

* + 1. **Consideration of Price Adjustment**

Commercial Energy of Montana does not provide a response to Section XII “Consideration of Price Adjustments” in its Draft 2024 RPS Plan.

The 2024 ACR requires that each retail seller “describe how price adjustments (e.g., index to key components, index to Consumer Price Index, price adjustments based on exceeding transmission or other cost caps) will be considered and potentially incorporated into contracts for RPS-eligible projects.” Commercial Energy of Montana reports that it has no position on this topic because it does not own or operate any renewables facilities. However, Commercial Energy of Montana states that if load increases it will engage in long-term procurement through bilateral agreements and the VAMO process to satisfy its RPS requirements through 2034.[[119]](#footnote-120) Given this, we require Commercial Energy of Montana to discuss whether it considers price adjustment mechanisms as terms to be included in any future RPS contracts.

* + 1. **Cost Quantification Template**

Pursuant to SB 836 (Padilla, Stat. 2011, Ch. 600, § 1) and SB X1-2, the Commission provides annual reports to the California Legislature that include aggregated cost data on all procurement contracts for eligible renewable energy resources approved by the Commission. To support the Commission’s reporting requirement, retail sellers must report cost information in a Cost Quantification template in their RPS Plan filings.

In its Draft 2024 RPS Plan, SJCE reports “Total RPS Eligible Procurement (MWh)” values in its Cost Quantification template that do not match the “Total RPS Eligible Procurement (MWh)” values in its RNS template in various years from 2021 through 2034. In reference to its Cost Quantification template, SJCE reports that, “the actual direct expenditures and REC procurement for 2023 is an estimate due to the ongoing [Western Renewable Energy Generation Information System (WREGIS)] system issues and will be updated in the Final 2024 RPS Procurement Plan.”[[120]](#footnote-121) Based on the information provided, it is difficult to ascertain if SCJE’s 2023 direct expenditures and REC eligible procurement attributed to WREGIS issues are creating a mismatch between values in the Cost Quantification and RNS templates.

Accordingly, SJCE should submit updated values for its 2023 direct expenditures and REC eligible procurement and should resolve any mismatches between these values as reflected in the Cost Quantification and RNS templates in Section XIV, “Cost Quantification Template” in its Final 2024 RPS Plan filing.

In the Cost Quantification template included in Direct Energy’s Draft 2024 RPS Plan, the “Total Retail Sales (MWh)” entries are either blank or filled in with zeros in row 25 of Table 1 and rows 26 and 53 of Table 2. Direct Energy must fill these rows with Total Retail Sales (MWh) figures.

* + 1. **Coordination with
		the IRP Proceeding**

Per 2024 ACR requirements, retail sellers must explain how information in their 2024 RPS Plans aligns with information in their most recent IRPs to ensure that they have complied with RPS obligations. To accomplish this, RPS Plans submitted by retail sellers must include a comparative narrative in tabular form that allows the Commission to determine if planned renewable resource procurement conforms with IRP determinations for the balanced and diverse set of resources identified in the most recent preferred system plan adopted by the Commission.

In its Draft 2024 RPS Plan, Rancho Mirage Energy Authority describes its March 2023 solicitation with CalChoice in Table 3, Alignment of IRP and RPS Planning, Subsection III.A., “Study Results, Conforming and Alternative Portfolios” but does not include a 2024 RPS Plan update, as found in Subsection IV.A, “Proposed Activities.”[[121]](#footnote-122) In the 2024 RPS Plan update, Rancho Mirage notes that CalChoice was unable to reach an agreement on terms for the two projects shortlisted from the solicitation. Accordingly, we require Rancho Mirage Energy Authority to update Table 3, Alignment of IRP and RPS Planning, Subsection III.A., “Study Results, Conforming and Alternative Portfolios” to describe the outcome from the March 2023 solicitation with CalChoice.

1. **Staff Proposal on Confidentiality Rules**

We adopt the Staff Proposal for the application of confidentiality rules in the draft and final RPS Plans, including the draft and final 2024 RPS Plans.[[122]](#footnote-123) We make this determination after considering the intent of the Staff Proposal and party comments on its merits.

As background, Staff reviews RPS Plans to ensure that they do not excessively redact energy procurement information and that all redactions comply with Commission guidance on the treatment of confidential and non-confidential information provided in D.06-06-006. D.21-11-029 revised confidentiality rules for RPS procurement records such that information is protected two years into the future and the current year or “year of filing.” However, when two versions of the same RPS Plan are filed in different years (e.g. a draft RPS Plan is filed in 2024 and a final RPS Plan is filed in 2025), data for the current year in the draft RPS plan, which was permitted to be redacted, becomes the past year of data in the final RPS Plan, and may not be redacted. Additionally, RPS data for the third forecast year in the draft RPS plan which may not be redacted and is publicly revealed (e.g. for a draft RPS Plan filed in 2024, the third forecast year is in 2027) becomes the second forecast year of data in the final RPS Plan. This data is deemed to be confidential and therefore can be redacted.

To resolve this issue, the Staff Proposal recommends that the filing date of the draft version of an RPS Plan should be considered as the ‘year of filing’ for both the draft and final versions of an annual RPS Plan. If the Staff Proposal is approved, Staff explains that retail sellers who file draft and final versions of the same year’s annual RPS Plan in subsequent calendar years may maintain their approved redactions of energy, capacity, and RPS Net Short Position data in their final version.[[123]](#footnote-124)

CleanPowerSF contends that adoption of Staff’s proposal would ensure that all LSEs can maintain the same duration of confidentiality irrespective of whether the Commission requires some LSEs to make changes to their RPS plans. CleanPowerSF also suggests that adoption of the Staff Proposal would align with the Confidentiality Matrix which allows CCAs and ESPs to cite prior rulings that grant motions to preserve confidentiality for RPS Plans in lieu of resubmitting additional confidentiality requests. Further, CleanPowerSF supports the Staff Proposal because it would not compel LSEs to file final RPS Plans on an expedited basis to prevent losing confidentiality for its second forecast year.[[124]](#footnote-125)

Liberty and PacifiCorp support the Staff Proposal because it would limit the confidentiality of 2024 data when final RPS Plans are filed in 2025, thereby preventing market participants from using confidential information to the competitive disadvantage of LSEs and minimizing impacts to ratepayers.[[125]](#footnote-126) Joint Parties recommend that the Staff Proposal should be adopted without modification to preserve three years of data confidentiality.[[126]](#footnote-127) PG&E, SCE, and SDG&E agree.[[127]](#footnote-128)

However, AReM suggests that revisions to data in RPS Plans, as required by ED Staff, should be protected by confidentiality rules, potentially for an additional year per discretion from ED Staff.[[128]](#footnote-129)

Based on party consensus, we adopt the Staff Proposal with no modifications, as it would preserve three years of confidentiality for data in draft and final RPS Plans. Additionally, we agree with Liberty and PacifiCorp that adoption of this measure could reduce the potential to place LSEs at a competitive disadvantage.

1. **Motions for Confidentiality**

The motions for confidentiality of retail sellers named in Table 7 are partially approved. The Commission reviewed Draft 2024 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 2024 RPS Plans.

The underlying principle of confidentiality pursuant to the 2024 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 2024 RPS Plans must be revised to comply with the guidance in D.06-06-066, as modified by D.21‑11‑029.

**Table 7: Confidentiality Redactions and Commission Findings**

CPA

In Table 2 of its Cost Quantification template, rows 26 and 53 for Total Retail Sales (MWh), are inappropriately redacted for the years 2028 - 2034. These figures are unredacted and already made public in CPA’s RNS template in variable A for the years 2028-2034. In addition, load and energy forecasts are confidential for the future two years and current year / year of filing.

| **Retail Seller** | **Commission Finding** |
| --- | --- |

| **Retail Seller** | **Commission Finding** |
| --- | --- |
| **CPA** | In Table 4 of its Cost Quantification template, rows 39, 50, and 51 for RPS procurement figures are inappropriately redacted for the years 2028 - 2034. Overall, load and energy forecasts are confidential for the future two years and current year / year of filing. In addition, the figures in row 51, Total RPS Eligible Procurement (MWh), for the years 2028-2034 are unredacted and already made public in CPA’s RNS template in variable F for the years 2028-2034. Finally, for row 39, contracts shall be public 30 days after commercial operation date (energy deliveries begin) or 18 months after contract execution, whichever comes first. According to Section V of its RPS Plan, CPA’s two solar contracts came online in 2023 and it does not report any contracts in development. |
| **DCE** | DCE must update its Motion to file Under Seal (MFUS) to correct several typographical errors:(1) In the RNS template, Executed REC Sales in row 18 is redacted. However, the narrative and table in its MFUS requests confidential treatment for row 19 and not row 18.(2) In Table 2 of the Cost Quantification template, rows 29-51 are redacted. However, the table in its MFUS requests confidential treatment for rows 63-51. |
| **DEB** | DEB must update its MFUS to correct several typographical errors regarding confidentiality claims for Table 4 of its Cost Quantification template. The individual cells that it claims for redaction in its MFUS for Table 4 do not match the cells that are redacted on the template for the years 2024-2026. |
| **OCPA** | OCPA must update its MFUS to correct several typographical errors: (1) In the RNS template, Executed REC Sales in row 18 is redacted. However, the narrative and table in its MFUS requests confidential treatment for row 19 and not row 18.(2) In Table 2 of the Cost Quantification template, rows 29-51 are redacted. However, the table in its MFUS requests confidential treatment for rows 63-51. |
| **PG&E** | PG&E must update its MFUS to request confidential treatment for all the information that is redacted in Appendix P, Project Development Status Update. These redactions are not claimed in its MFUS. |
| **SDCP** | The table on page 32 of its Draft 2024 RPS Plan (redlined plan at 39) is inappropriately redacted in the column for the CP 6 Totals. Energy forecasts are confidential for the future two years and current year / year of filing.The figures in the last sentence on page 31 (redlined plan at 39), which continue onto page 32 (redlined plan at 40), that discuss CP 6 long-term contracting procurement are inappropriately redacted. Energy forecasts are confidential for the future two years and current year / year of filing.In the Project Development Status Update template, for the IP Oberon and Duran Mesa projects, the cells for Contract Execution Date, Contract Start Date, Contract End Date, Expected Annual Generation, Total Contract Volume, and Commercial Operation Date (COD) are inappropriately redacted. Since these projects have achieved COD, their contract summaries are public. Contract prices and terms are confidential until 30 days after COD / energy deliveries begin or 18 months after the Contract Execution Date, whichever comes first. |
| **Shell** | On page 9 of Appendix A, Redlined Comparison against 2023 RPS Plan, Shell redacts a table on estimated VAMO deliveries but does not request confidential treatment for the table in its MFUS. Shell must update its MFUS to request confidential treatment for this redaction. We request this update so that Shell’s MFUS addresses all the redactions in its current RPS Plan, and redactions in the redlined version of the previous year’s RPS Plan that is attached as an appendix. Providing a detailed MFUS will enable a more efficient and effective means of reviewing redactions of confidential RPS data claimed in a specific RPS Plan and its appendices. It would be inefficient and unnecessarily prolong the RPS Plans review process if Commission Staff must research multiple MFUS from previous years for a current RPS Plan, and review the current MFUS for that RPS Plan, to identify which redactions apply to which year’s MFUS to determine if confidential redactions are valid. Further, it is the retail seller who bears the burden of proof to demonstrate that their confidential claims require confidential treatment. Therefore, all redactions for an RPS Plan, which includes those in the current plan and a redlined version of the previous year’s plan, must be claimed on a current MFUS. |
| **SVCE** | SVCE redacts all of the CODs for the projects listed in Table 2 on page 9 of its RPS Plan main narrative, but nine of the projects have CODs that have already come online and are inappropriately redacted. Since these projects have achieved COD, their contract summaries are public. Contract prices and terms are confidential until 30 days after COD / energy deliveries begin or 18 months after the Contract Execution Date, whichever comes first. SVCE must remove the redactions for its online projects.SVCE redacts all of the CODs for the projects listed in its PDSU template, but two of the projects have CODs that have already come online and are inappropriately redacted. Since these projects have achieved COD, their contract summaries are public. Contract prices and terms are confidential until 30 days after COD / energy deliveries begin or 18 months after the Contract Execution Date, whichever comes first. SVCE must remove the redactions for its online projects. |
| **UC Regents** | The row for the year 2027 is inappropriately redacted in the table on page 12 of its Draft 2024 RPS Plan main narrative. Energy forecasts are confidential for the future two years and current year / year of filing.UC Regents must update its MFUS to request confidential treatment of the redactions on the table on page 36, Section IX.A, of its Draft 2024 RPS Plan main narrative, including its redlined plan. These redactions are not claimed in its MFUS. |

1. **Procedural Matters**

This decision affirms all rulings made by the Administrative Law Judge and assigned Commissioner in this proceeding. All motions not ruled on are deemed denied.

1. **Comments on Proposed Decision**

The proposed decision of ALJ Nilgun Atamturk and Rajan Mutialu 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 December 5, 2024 by Ava Community Energy, Cal Advocates, GPI, IEP, PacifiCorp, PG&E, SBUA, SCE, Shell. Reply comments were filed on December 10, 2024 by American Clean Power - California, GPI, PG&E, SBUA, SCE, and SDG&E.

We have carefully reviewed all comments and reply comments and made appropriate changes to the proposed decision as warranted. We describe some of these changes below.

Cal Advocates recommends that the Commission clarify that SB 1020 goals are specifically evaluated as part of the IRP proceeding and do not justify procurement of RPS-eligible resources independent of IRP procurement orders.[[129]](#footnote-130) GPI also recommends revisions to the proposed decision to articulate IRP-identified procurement needs.[[130]](#footnote-131) We find the recommended revisions reasonable. Accordingly, the proposed decision is revised to reflect that procurement needs to meet SB 1020 goals is considered in the IRP proceeding, but the IOUs are authorized to procure RPS-eligible resources to meet Commission-determined IRP targets.

In its opening comments, SCE clarifies that it did not request authority to enter into long-term REC transactions.[[131]](#footnote-132) In response, the proposed decision is revised appropriately.

The proposed decision denied PG&E’s and SDG&E’s requests for short-term procurement due to lack of RPS portfolio needs. In its opening comments, PG&E states that PG&E needs to procure short-term resources to meet procurement needs related to other IRP-related Commission orders.[[132]](#footnote-133) SDG&E also expresses its need for flexibility for portfolio optimization goals.[[133]](#footnote-134) We find PG&E’s and SDG&E’s requests reasonable and consistent with the long-term procurement authority granted in Section 7.1. Therefore, the proposed decision is revised to allow PG&E and SDG&E to engage in short-term transactions to meet RPS needs or other procurement needs to comply with Commission orders issued in the Integrated Resource Planning proceeding.

We have revised the proposed decision by removing the phrase "or compliance period" from Section 7.6.4., COL 26, and OP 25, authorizing SDG&E to conduct short-term transactions, because the annual procurement plans represent what is to be procured or contracted in the coming year, not compliance period, which could be a short-term or long-term contract.

1. **Assignment of Proceeding**

John Reynolds is the assigned Commissioner and Nilgun Atamturk and Rajan Mutialu are the assigned Administrative Law Judges in this proceeding.

**Findings of Fact**

1. Three IOUs, three SMJUs, 25 CCAs, and 10 ESPs submitted Draft 2024 RPS Plans.
2. All but nine retail sellers are forecasted to meet the 65 percent long-term contract procurement requirement.
3. For 2023, the IOUs reported that 41.3 percent of PG&E’s load, 40.8 percent of SCE’s load, and 48 percent of SDG&E’s load was met by RPS-eligible resources.
4. IOUs’ pre-approved short-term RPS transaction proposals will be considered in early 2025.
5. PG&E has sufficient long-term RPS contracts and banked RECs to meet its 2030 compliance target.
6. SCE has a need to procure up to 13,000 gigawatt hours by CP 6 (2028-2030) to meet its RPS compliance requirements.
7. SDG&E anticipates that its RPS position will fall short in the next compliance period (CP 5).
8. SDG&E has adequate resources to meet its RPS compliance requirements through 2034, but SDG&E needs to procure to comply with its IRP and SB 1020 goals.
9. PG&E, SCE, and SDG&E request authority to hold solicitations for RPS-eligible resources to meet their compliance requirements under the RPS and IRP programs, and to better manage their portfolios.
10. Even though the IOUs do not have immediate need for RPS-eligible resources, there is need for the IOUs to conduct solicitations to flexibly meet potential compliance needs and hedge against market uncertainties.
11. PG&E’s updated Draft 2024 RPS Plan contains the required elements in Table 1 of the 2024 ACR.
12. Due to the impacts of VAMO and modifications to PG&E’s Green Tariff Shared Renewables Program, PG&E became physically short of the RPS compliance target in 2023 and expects this short position to continue for years, except for 2025.
13. Using banked resources will allow PG&E to meet RPS procurement compliance requirements while rebuilding its RPS portfolio over the coming decade.
14. PG&E can reduce or eliminate any excess RPS-eligible resources associated with its bank through short-term sales.
15. Having flexibility to sell RPS products from its bundled customer Voluntary Allocation may help PG&E better optimize its bundled customer RPS portfolio needs and bundled customer affordability objectives.
16. Pursuing contract amendments related to but not limited to contract price reductions, extension of contract terms, increased buyer curtailment flexibility, and repowers of existing facilities and/or upgrades of existing facility equipment may provide value to PG&E’s customers.
17. Bilateral negotiations may allow PG&E to transact swiftly.
18. PG&E’s RNS position demonstrates that it has enough generation and banked resources to meet its RPS obligations and does not need to buy short-term RECs in this planning cycle.
19. Extending the authority to transact bundled RPS sales for less than five years forward provides PG&E flexibility.
20. Participating in other market participants’ competitive solicitations may maximize value for PG&E’s customers.
21. Being able to transact via brokers and exchanges may provide PG&E flexibility.
22. The ability to retire RECs for LCFS credits from either the PCIA-eligible portfolio or its own shares of Voluntary Allocations will provide flexibility similar to the flexibility provided to its RPS sales.
23. Regulatory approval of a shortlist via Tier 2 advice letter is necessary to flag transactions early if they are unreasonable or pose certain risks, before the utility goes through the process of preparing and executing the contract and then submitting it for Commission approval.
24. SCE’s Updated Draft 2024 RPS Plan contains each of the elements required in Table 1 of the 2024 ACR.
25. SCE needs flexibility to purchase PCC 1, PCC 2, and PCC 3 RECs to ensure continued compliance with RPS requirements in CP 5 and help meet the requirements for CP 6.
26. PCC 1, PCC 2, and PCC 3 RECs sales will allow SCE to continue optimizing its portfolio.
27. SCE submitted changes to the 2024 Pro Forma Renewable PPA to incorporate recent changes to the Technology Neutral Pro Forma contract to align language with the version used in SCE’s 2024 MTR RFO.
28. D.18-12-003, Decision Establishing a Non-Bypassable Charge for Costs Associated with Tree Mortality Biomass Energy Procurement, issued in Application 16-11-005 (Joint Application to Establish Non-Bypassable Charge (NBC) for Above-Market Costs Associated with Tree Mortality Power Purchase Agreements (Tree Mortality) in Compliance with Senate Bill 859 and Resolution E-4805) was clear that IOUs must sell all BioRAM RECs and value the unsold RECs at zero dollars, and did not give the option of IOUs “buying back” these RECs.
29. SCE’s proposal seeks to inappropriately modify D.18-12-003.
30. SDG&E’s Draft 2024 RPS Plan contains the required elements except for the revision needed in Section IX.B of its Draft 2024 RPS Plan.
31. Using banked RECs may help SDG&E meet its RPS compliance requirements.
32. Selling RPS volumes not allocated to VAMO process and not used for RPS compliance may promote affordability for SDG&E’s customers.
33. The three SMJUs (BVES, PacifiCorp, and Liberty, collectively) need to procure more RPS eligible renewables beginning in 2025 to meet their respective RPS requirements.
34. BVES’ Draft 2024 RPS Plan contains the required elements of the 2024 ACR.
35. Liberty’s Draft 2024 RPS Plan contains the required elements of the 2024 ACR.
36. PacifiCorp’s Draft 2024 RPS Plan contains the required elements of the 2024 ACR.
37. Based on the CCAs’ RNS reporting, several CCAs are expected to need additional RPS procurement beginning in 2025.
38. The ESPs will collectively need additional procurement to meet RPS obligations beginning in 2025.
39. There are noted deficiencies in the CCAs’ and ESPs’ Draft 2024 RPS Plans regarding the Executive Summary and sections that address Portfolio Supply and Demand, Long-Term Procurement, Project Development Status Update, Potential Compliance Delays, Risk Assessment, RNS Calculation, MMoP, Bid Solicitation Protocol, Consideration of Price Adjustment Mechanisms, Cost Quantification Template, and Coordination with the IRP Proceeding.
40. BREMUS served, but did not file a draft 2024 RPS Plan.
41. Pursuant to D.21-11-029, RPS confidentiality rules protect confidential data in draft and final RPS Plans two years into the future and for the current year or “year of filing.”
42. When draft and final RPS Plans are filed in different years, Staff-approved data redactions for the current year in the draft RPS plan becomes data for the prior year in the final RPS Plan. In this instance, data for the prior year in the final RPS Plan may not be redacted and is publicly revealed.
43. When draft and final RPS Plans are filed in different years, data for the third forecast year in the draft RPS plan can become data for the second forecast year in the final RPS Plan. In this instance, Staff-approved data redactions for the second forecast year in the final RPS Plan is deemed to be confidential.
44. When draft and final RPS Plans are interpreted as being filed in the same year, Staff-approved data redactions for the current year and the first and second forecast years is deemed to be confidential.
45. Retail sellers identified in Section 11 of this decision have excessively redacted information in their Draft 2024 RPS Plans.

**Conclusions of Law**

1. The IOUs’ requests to hold solicitations for RPS-eligible resources should be approved to support state clean energy goals, meeting RPS procurement needs, portfolio goals from their IRP filings, or a formally adopted IRP portfolio, or any remaining procurement needs to comply with IRP orders issued during the RPS Plan implementation year.
2. PG&E’s updated Draft 2024 RPS Plan should be approved with modifications.
3. PG&E’s request to enter into short-term procurement should be approved.
4. It is reasonable to approve PG&E’s request to conduct long-term RPS solicitations to procure RPS-eligible products during the 2024 RPS Plan cycle.
5. PG&E should be authorized to sell RPS products from either its bundled customer Voluntary Allocation with sales revenues credited to its Energy Resources Recovery Account or overall portfolio with sales revenues continuing to be credited to its Portfolio Allocation Balancing Account.
6. PG&E should be authorized to file a Tier 1 Advice Letter implementing changes to its Energy Resources Recovery Account to record sales revenues from the sale of bundled customer Voluntary Allocation volumes consistent with this Decision and the Portfolio Allocation Balancing Account to update the description of RPS sales revenue to be recorded from selling from the RPS portfolio.
7. PG&E should be authorized to optimize its existing portfolio of RPS-eligible contracts by renegotiating these contracts.
8. PG&E’s request to enter into bilateral negotiations for short-term and long-term purchases and short-term sales should be approved.
9. PG&E should submit a Tier 3 advice letter for Commission review of any renegotiated contracts.
10. PG&E’s request to continue to buy and sell bundled RPS products in the same delivery year should be approved.
11. PG&E’s request to transact bundled RPS sales for deliveries of less than five years forward from the execution date should be approved.
12. PG&E should be authorized to participate in other market participants’ competitive solicitations.
13. PG&E should be authorized to conduct RPS transactions through brokers and exchanges.
14. PG&E’s request for removal of the requirement for a Tier 2 advice letter process seeking approval of shortlists resulting from RPS RFO solicitations should be denied.
15. PG&E should be authorized to retire RECs for LCFS credits from either the PCIA-eligible portfolio or its own shares of Voluntary Allocations, or both.
16. SCE’s Draft 2024 RPS Plan should be approved with modifications.
17. SCE’s request to purchase and sell PCC1, PCC 2, and PCC 3 RECs should be approved.
18. SCE’s request to use solicitations, other market participants solicitations, bilaterals, brokers and exchanges should be approved.
19. SCE’s request for approval of its revised 2024 Pro Forma Renewable PPA should be approved with the modification that SCE’s pro forma include “CPUC Approval” as a non-modifiable Standard Term and Condition.
20. SCE’s request to sell BioRAM RECs using a reservation price should be denied.
21. SDG&E’s Draft 2024 RPS Plan should be approved with modifications.
22. SDG&E’s request for authority to hold a solicitation to meet its compliance requirements should be approved.
23. It is reasonable to approve SDG&E’s request for the option to use banked RECs.
24. SDG&E’s request for procurement of short-term and long-term RPS resources should be approved.
25. It is reasonable to approve SDG&E’s request for short-term sales.
26. SDG&E should be authorized to conduct short-term REC sales and short-term and long-term RPS procurement only in the same year.
27. It is reasonable to approve SDG&E’s request to use brokers and exchanges for short-term REC sales and short-term and long-term RPS procurement.
28. SDG&E’s request to not hold an RFI in 2024 should be approved.
29. SDG&E should address in its final 2024 RPS Plan the deficiencies listed in Section 7.6.7 of this decision.
30. The Draft 2024 RPS Plan filed by BVES should be approved and deemed final.
31. The Draft 2024 RPS Plan filed by Liberty should be approved and deemed final.
32. The Draft 2024 RPS Plan filed by PacifiCorp should be approved and deemed final.
33. The CCAs and ESPs identified in this decision should correct the relevant section of their plans in their final 2024 RPS Plans.
34. 3CE should describe why two different sets of over procurement levels were reported in the Executive Summary of its Draft 2024 RPS Plan.
35. Commercial Energy of Montana should provide an assessment of portfolio supply and demand through 2034 in Section IV.A, “Portfolio Supply & Demand,” of its Draft 2024 RPS Plan.
36. Commercial Energy of Montana should discuss whether it considers RPS resources with specific deliverability characteristics and additional factors such as curtailment rights and operational flexibility in Section IV.A, “Portfolio Supply & Demand,” of its Draft 2024 RPS Plan.
37. Direct Energy should clarify why there are expected volumes of renewable energy if no RPS contracts resulted from its June 2023 RFO in Section IV.A, “Portfolio Supply & Demand,” of its Draft 2024 RPS Plan.
38. UC Regents should provide a timeline for how it will meet the 65 percent long-term procurement requirement in future compliance periods in Section IV.B.1 “Long-Term Procurement” of its Draft 2024 RPS Plan.
39. City of Palmdale should provide a 2024 status update for procurement transactions in Section IV.B.1 “Long-Term Procurement,” of its Draft 2024 RPS Plan.
40. DCE should provide a quantitative assessment of its long-term RPS position that includes specific long-term procurement values in GWhs for current and future compliance periods and provide enough clarity in the assessment to gauge its long-term RPS position Section IV.B.1 “Long-Term Procurement,” of its Draft 2024 RPS Plan.
41. King City Community Power should provide a quantitative assessment of its long-term RPS position that includes specific long-term procurement values in GWhs for current and future compliance periods and include a short-term description of the long-term contracts, resources, or portfolio mix that will be used to meet its long-term procurement requirement in Section IV.B.1 “Long-Term Procurement,” of its Draft 2024 RPS Plan.
42. 3 Phases Renewables should clarify why its contract with a solar project would provide PCC 1 RECs at the beginning of 2024 if the solar project has been delayed until the beginning of 2025 in Section V “Project Development Status Update,” of its Draft 2024 RPS Plan.
43. CleanPowerSF should clarify how many contracts have not yet reached commercial operation in Section V “Project Development Status Update,” of its Draft 2024 RPS Plan.
44. Calpine Energy Solutions should discuss if it anticipates any risks to its RPS contracts, such as reduced generation or curtailment, whether or not these risks could impact RPS compliance, and what steps have been taken to minimize these risks in Section VI, “Potential Compliance Delays,” of its Draft 2024 RPS Plan.
45. 3 Phases Renewables should discuss if it has experienced any lessons learned from a delayed solar project that will not schedule deliveries until 2025 in Section VII.D “Lessons Learned” in Section VII, “Risk Assessment,” of its Draft 2024 RPS Plan.
46. Commercial Energy of Montana should explain why it needs to procure additional RECs for Compliance Periods 5 and 6, based on the MMoP and VMoP, if it is well-positioned to meet its RPS compliance requirements in Section VII.A “Compliance Risk” in Section VII, “Risk Assessment,” of its Draft 2024 RPS Plan.
47. Commercial Energy of Montana should assess the severity of compliance risks in Section VII.A “Compliance Risk” in Section VII, “Risk Assessment,” of its Draft 2024 RPS Plan.
48. Commercial Energy of Montana should discuss more concrete and specific measures it would take to overcome or reduce compliance risk in Section VII.A “Compliance Risk” in Section VII, “Risk Assessment,” of its Draft 2024 RPS Plan.
49. Commercial Energy of Montana should identify the models, specific inputs and assumptions, and the modeling methodology used to conduct risk assessments of their entire RPS portfolio in Section VII.A “Compliance Risk” in Section VII, “Risk Assessment,” of its Draft 2024 RPS Plan.
50. UC Regents should identify and describe concrete steps, with timelines, to overcome or mitigate compliance risks in Section VII.A “Compliance Risk” in Section VII, “Risk Assessment,” of its Draft 2024 RPS Plan.
51. LCE should clarify, correct, or reconcile quantitative values reported in its RNS template and Cost Quantification template and in other areas of its Draft 2024 RPS Plan.
52. CleanPower SF should clarify, correct, or reconcile reported quantitative values in its RNS template and Cost Quantification template in its Draft 2024 RPS Plan.
53. Valley Clean Energy should clarify, correct, or reconcile reported quantitative values in its RNS template and Cost Quantification template in its Draft 2024 RPS Plan.
54. LCE should clarify the correct level of MMoP per RPS Section IX, “Minimum Margin of Procurement,” of its Draft 2024 RPS Plan.
55. AVCE, the City of Palmdale, the City of Pomona, the City of Santa Barbara, LCE, Pico Rivera Innovative Municipal Energy, Rancho Mirage Energy Authority, and the City of San Jacinto should include their solicitation protocols in their Final 2024 RPS Plans or provide operational website links to their solicitation protocols in their Final 2024 RPS Plans, and send the solicitation protocols to Energy Division staff, per requirements as specified in Section X, “Bid Solicitation Protocol,” of their Draft 2024 RPS Plans
56. Commercial Energy of Montana should describe how price adjustments will be considered and potentially incorporated into contracts for RPS-eligible projects in Section XII “Consideration of Price Adjustment Mechanism” of its Draft 2024 RPS Plan.
57. SJCE should submit a Final 2024 RPS Plan with updated 2023 values for RPS eligible procurement and direct expenditures and resolve the discrepancy between these values in their Cost Quantification and RNS templates per requirements in the Section XIV, “Cost Quantification Template,” of its Draft 2024 RPS Plan.
58. BREMUS should file a 2024 RPS Plan because it is a registered ESP.
59. Draft and final RPS Plans should be interpreted as being filed in the same year to preserve the confidentiality of data for the current year and the first and second forecast years, starting with the Draft 2024 RPS plans.
60. Retail sellers as identified in Table 7 should unredact non-confidential material in their Final 2024 RPS Plans to comply with guidance in D.06-06-066, as modified by D.21-11-029.
61. All rulings by the assigned Commissioner and the assigned ALJ should be affirmed.
62. All motions not otherwise ruled on should be deemed denied.
63. This proceeding should remain open.

**ORDER**

**IT IS ORDERED** that:

1. Pursuant to the authority provided in Public Utilities Code Section 399.13(a)(1), the Draft 2024 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.

1. 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.
2. Pacific Gas and Electric Company’s, Southern California Edison Company’s, and San Diego Gas & Electric Company’s requests to conduct solicitations to procure long-term Renewables Portfolio Standard (RPS) eligible products during the 2024 RPS Plan cycle are approved.
3. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas &Electric Company are authorized to issue solicitations to procure and/or sell Renewables Portfolio Standard volumes in accordance with the directives of this decision within 10 days of filing of Final 2024 Renewables Portfolio Standard Plans, unless the investor-owned utilities’ final plans are suspended by the Energy Division Director within a 10-day period following their filing
4. Pacific Gas and Electric Company’s request for authority to procure short-term Renewables Portfolio Standard (RPS) eligible resources is approved to the extent the procurement is either needed to meet RPS needs or to comply with Commission’s procurement-related orders issued in the Integrated Resource Planning proceeding.
5. Pacific Gas and Electric Company is authorized to sell Renewables Portfolio Standard eligible products from either its bundled customer Voluntary Allocation or overall portfolio.
6. Pacific Gas and Electric Company must file a Tier 1 Advice Letter implementing changes to its Energy Resources Recovery Account to record sales revenues from the sale of bundled customer Voluntary Allocation volumes consistent with this decision and the Portfolio Allocation Balancing Account to update the description of RPS sales revenue to be recorded is received from selling from the RPS portfolio within 30 days of the issuance of this decision.
7. Pacific Gas and Electric Company is authorized to renegotiate the contracts in its Renewables Portfolio Standard portfolio.
8. Pacific Gas and Electric Company’s request to enter bilateral negotiations for short-term and long-term purchases and short-term sales is approved.
9. Pacific Gas and Electric Company’s (PG&E) request to continue to buy and sell bundled Renewables Portfolio Standard (RPS) eligible products in the same delivery year is approved.
10. Pacific Gas and Electric Company’s request to transact bundled Renewables Portfolio Standard eligible product sales for deliveries of less than five years forward from the execution date is approved.
11. Pacific Gas and Electric Company is authorized to participate in other market participants’ competitive solicitations.
12. Pacific Gas and Electric Company is authorized to conduct Renewables Portfolio Standard transactions through brokers and exchanges.
13. Pacific Gas and Electric Company’s request for removal of the requirement for a Tier 2 advice letter process seeking approval of shortlists resulting from Renewables Portfolio Standard solicitations is denied.
14. Pacific Gas and Electric Company is authorized to retire renewable energy credits for the Low Carbon Fuel Standard credits from either the Power Charge Indifference Adjustment -eligible portfolio or its own shares of Voluntary Allocations, or both.
15. Southern California Edison Company is authorized to purchase and sell short-term portfolio content category (PCC) 1, PCC 2, and PCC 3 renewable energy credits.
16. Southern California Edison Company is authorized to use solicitations, other market participants’ solicitations, bilateral contracts, brokers, and exchanges to procure renewable energy credits.
17. Southern California Edison Company’s revised 2024 Pro Forma Renewable Power Purchase Agreement is approved with modification.
18. Southern California Edison Company’s request to sell Bioenergy Renewable Auction Mechanism renewable energy credits using a reservation price is denied.
19. Southern California Edison Company must revert to its original Power Purchase Agreement pro forma so that the pro forma includes “CPUC Approval” as a non-modifiable standard term and condition.
20. San Diego Gas & Electric Company is authorized to use banked renewable energy credits consistent with excess procurement rules to meet its Renewables Portfolio Standard compliance requirements.
21. San Diego Gas & Electric Company’s request to procure long-term renewables portfolio standard eligible resources is approved.
22. San Diego Gas & Electric Company ‘s request for procurement of short-term renewables portfolio standard eligible resources is approved to the extent the procurement is either needed to meet RPS needs or that the contracts are necessary for SDG&E to comply with Commission’s procurement orders issued in the Integrated Resource Planning proceeding.
23. San Diego Gas & Electric Company’s request for short-term renewable energy credit sales is approved.
24. San Diego Gas & Electric Company is authorized to conduct short-term renewable energy credit sales and short-term and long-term Renewables Portfolio Standard eligible procurement in the same year.
25. San Diego Gas & Electric Company is authorized to use brokers and exchanges for short-term renewable energy credit sales.
26. San Diego Gas & Electric Company’s request to not hold a Request for Information in 2024 is approved.
27. San Diego Gas & Electric Company should address the deficiencies listed in Section 7.6.7 of this decision in its Final 2024 Renewables Portfolio Standard Plan.
28. Pursuant to the authority provided in Public Utilities Code Section 399.13(a)(1), the Draft 2024 Renewables Portfolio Standard Procurement Plan filed by Bear Valley Electric Service, Inc. is accepted and deemed final.
29. Pursuant to the authority provided in Public Utilities Code Section 399.13(a)(1), the Draft 2024 Renewables Portfolio Standard Procurement Plan filed by Liberty Utilities (CalPeco Electric), LLC is accepted and deemed final.
30. Pursuant to the authority provided in Public Utilities Code Section 399.13(a)(1), the Draft 2024 Renewables Portfolio Standard Procurement Plan filed by PacifiCorp, d/b/a Pacific Power is accepted and deemed final.
31. Central Coast Community Energy must file its Final 2024 Renewables Portfolio Standard Procurement Plans to address Commission findings regarding Portfolio Supply and Demand in Section 9.3.1 of this decision.
32. Commercial Energy of Montana, Inc. and Direct Energy Business, LLC must file its Final 2024 Renewables Portfolio Standard Procurement Plans to address Commission findings regarding Portfolio Supply and Demand in Section 9.3.2 of this decision.
33. The Regents of the University of California, the City of Palmdale, Desert Community Energy, and King City Community Power must file their Final 2024 Renewables Portfolio Standard Procurement Plans to address Commission findings regarding Long-Term Procurement in Section 9.3.3 of this decision.
34. 3 Phases Renewables, Inc. and CleanPowerSF must file their Final 2024 Renewables Portfolio Standard Procurement Plans to address Commission findings regarding Project Development Status Update in Section 9.3.4 of this decision.
35. Calpine Energy Solutions, LLC must file its Final 2024 Renewables Portfolio Standard Procurement Plan to address Commission findings regarding Potential Compliance Delays in Section 9.3.5 of this decision.
36. 3 Phases Renewables, Inc., Commercial Energy of Montana, Inc., the Regents of the University of California, and Lancaster Choice Energy must file their Final 2024 Renewables Portfolio Standard Procurement Plans to address Commission findings regarding Risk Assessment in Section 9.3.6 of this decision.
37. Lancaster Choice Energy, CleanPowerSF, and Valley Clean Energy must file their Final 2024 Renewables Portfolio Standard Procurement Plans to address Commission findings regarding Renewable Net Short Calculations in Section 9.3.7 of this decision.
38. Lancaster Choice Energy must file its Final 2024 Renewables Portfolio Standard Procurement Plan to address Commission findings regarding Minimum Margin of Procurement protocol in Section 9.3.8 of this decision.
39. Apple Valley Choice Energy, the City of Palmdale, the City of Pomona, the City of Santa Barbara, Lancaster Choice Energy, Pico Rivera Innovative Municipal Energy, Rancho Mirage Energy Authority, and the City of San Jacinto must file their Final 2024 Renewables Portfolio Standard Procurement Plans to address Commission findings regarding Bid Solicitation Protocol in Section 9.3.9 of this decision.
40. Commercial Energy of Montana, Inc. must file its Final 2024 Renewables Portfolio Standard Procurement Plan to address Commission findings regarding Consideration of Price Adjustment Mechanisms in Section 9.3.10 of this decision.
41. San Jose Clean Energy must file its Final 2024 Renewables Portfolio Standard Procurement Plan to address Commission findings regarding Cost Quantification Template in Section 9.3.11 of this decision.
42. Direct Energy must file its Final 2024 Renewables Portfolio Standard Procurement Plan to address Commission findings regarding Cost Quantification Template in Section 9.3.11 of this decision.
43. Rancho Mirage Energy Authority must file its Final 2024 Renewables Portfolio Standard Procurement Plan to address Commission findings regarding Coordination with the Integrated Resources Planning proceeding, discussed in Section 9.3.12 of this decision.
44. Brookfield Renewable Energy Marketing US LLC must file a 2024 Renewables Portfolio Standard Procurement Plan within 30 days of the issuance of this decision.
45. Pursuant to Public Utilities Code Section 365.1(c)(1), the Draft 2024 Renewables Portfolio Standard (RPS) Procurement Plans filed by the following Community Choice Aggregators are accepted and deemed final: Ava Community Energy; Clean Energy Alliance; Clean Power Alliance of Southern California; Marin Clean Energy; Orange County Power Authority; Peninsula Clean Energy; Pioneer Community Energy; Redwood Coast Energy Authority; San Diego Community Power; Silicon Valley Clean Energy; and Sonoma Clean Power Authority. All other Community Choice Aggregators listed in the Summary section of this decision must file their Final 2024 RPS Procurement Plans within 30 days of the issuance date of this decision.
46. Pursuant to Public Utilities Code Section 365.1(c)(1), the Draft 2024 Renewables Portfolio Standard Procurement Plans filed by the following Electric Service Providers (ESP) are accepted and deemed final: BP Energy Retail Company California LLC; Calpine Power America-CA, LLC; Constellation NewEnergy, Inc; Pilot Power Group, LLC; and Shell Energy North America (US), L.P. All other ESPs listed in the Summary section of this decision must file their Final 2024 RPS Procurement Plans within 30 days of the issuance date of this decision.
47. Motions to update Draft 2024 Renewable Portfolio Standard Procurement Plans filed by Pacific Gas and Electric Company, Southern California Edison Company, and Silicon Valley Clean Energy, dated September 5, 2024, are granted.
48. Any Draft 2024 RPS Plan that does not require a correction or clarification is deemed as final.
49. Draft and Final RPS Plans will be interpreted as being filed in the same year to preserve the confidentiality of data for the current year and the first and second forecast years, starting with the Draft 2024 RPS plans.
50. The motions seeking confidentiality filed by the retail sellers are granted, in part. As noted in Table 7 – Confidentiality Redactions and Commission Findings in Section 11 of this decision, these retail sellers must each remove the excess redactions in their Draft 2024 Renewable Portfolio Standard Procurement Plans. All other motions for confidentiality for the 2024 Renewables Portfolio Standard Procurement Plans are granted.
51. All rulings by the assigned Commissioner and the assigned Administrative Law Judge are affirmed.
52. All motions not otherwise ruled on are deemed denied.
53. Rulemaking 24-01-017 remains open.

This order is effective today.

Dated December 19, 2024 at San Francisco, California.

ALICE REYNOLDS

 President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

 Commissioners

Commissioner Matthew Baker recused himself from this agenda item and was not part of the quorum in its consideration.

1. All references are to the Pub. Util. Code, unless otherwise noted. [↑](#footnote-ref-2)
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. [↑](#footnote-ref-3)
3. Pub. Util. Code § 399.13(a). [↑](#footnote-ref-4)
4. D.19-06-023 at Ordering Paragraph (OP) 1. [↑](#footnote-ref-5)
5. PG&E Draft 2024 RPS Plan at Appendix C.1 and C.2. [↑](#footnote-ref-6)
6. SCE Draft 2024 RPS Plan at 20. [↑](#footnote-ref-7)
7. SDG&E Draft 2024 RPS Plan at Appendix 1a and 1b. [↑](#footnote-ref-8)
8. SCE Draft 2024 RPS Plan at 1. [↑](#footnote-ref-9)
9. SCE Draft 2024 RPS Plan at 1. [↑](#footnote-ref-10)
10. SCE Draft 2024 RPS Plan at 9. [↑](#footnote-ref-11)
11. PG&E Draft 2024 RPS Plan at 8. [↑](#footnote-ref-12)
12. PG&E Draft 2024 RPS Plan at 7. [↑](#footnote-ref-13)
13. SDG&E Draft 2024 RPS Plan at 4. [↑](#footnote-ref-14)
14. Cal Advocates Opening Comments at 1-3. [↑](#footnote-ref-15)
15. Cal Advocates Opening Comments at 4. [↑](#footnote-ref-16)
16. GPI Opening Comments at 7. [↑](#footnote-ref-17)
17. LSA Opening Comments at 2-3. [↑](#footnote-ref-18)
18. D.22-12-030 at OP 6; D.23-12-008 at OP 14, OP 19. [↑](#footnote-ref-19)
19. PG&E Draft 2024 RPS Plan at 9. [↑](#footnote-ref-20)
20. PG&E at 12-13, Appendix M6-2; SDG&E at 5 and Appendix 18; SCE at 2 and 11. [↑](#footnote-ref-21)
21. PG&E at Appendix M.6-2. [↑](#footnote-ref-22)
22. GPI Opening Comments at 3. [↑](#footnote-ref-23)
23. Joint Parties Reply Comments at 3-4. [↑](#footnote-ref-24)
24. *See* ACR at 17-18. [↑](#footnote-ref-25)
25. SBUA Opening Comments at 3-4. [↑](#footnote-ref-26)
26. SBUA Opening Comments at 3. [↑](#footnote-ref-27)
27. PG&E Reply Comments at 13. [↑](#footnote-ref-28)
28. PG&E Reply Comments at 13. [↑](#footnote-ref-29)
29. *See* PG&E Draft 2024 RPS Plan at Appendix N. [↑](#footnote-ref-30)
30. *See* Advice Letters PG&E AL 7105-E, SCE AL 5173-E, and SDG&E AL 4345. [↑](#footnote-ref-31)
31. SBUA Opening Comments at 10. [↑](#footnote-ref-32)
32. PG&E’s Advice Letter 71-05-E requesting approval of its proposal to not hold future VAMO processes was approved by a Non-Standard Disposition Letter on May 1, 2024. [↑](#footnote-ref-33)
33. D.21-12-036 at 55 authorized PG&E to use 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 176.15 MW. On November 13, 2023, PG&E received an extension to use the Borrowed GTSR Pool through December 31, 2028. PG&E is yet to file a
Tier 3 Advice Letter requesting permission to utilize this extension. [↑](#footnote-ref-34)
34. PG&E Draft 2024 RPS Plan at 3 and 4. [↑](#footnote-ref-35)
35. PG&E Draft 2024 RPS Plan at 4. [↑](#footnote-ref-36)
36. PG&E Draft 2024 RPS Plan at 27. [↑](#footnote-ref-37)
37. PG&E Draft 2024 RPS Plan at 6, 34, and 44. [↑](#footnote-ref-38)
38. PG&E Draft 2024 RPS Plan at 8 and 31. [↑](#footnote-ref-39)
39. PG&E Draft 2024 RPS Plan at Executive Summary. [↑](#footnote-ref-40)
40. PG&E Draft 2024 RPS Plan at 4, 32-33, 42-43. [↑](#footnote-ref-41)
41. PG&E Draft 2024 RPS Plan at 124. [↑](#footnote-ref-42)
42. PG&E Draft RPS Plan at Appendices H.1, H.2, and M.6. [↑](#footnote-ref-43)
43. PG&E Draft 2024 RPS Plan at 14. [↑](#footnote-ref-44)
44. D.24-09-006 OP 1. [↑](#footnote-ref-45)
45. PG&E Draft 2024 RPS Plan at 13, 34-36. [↑](#footnote-ref-46)
46. PG&E Draft 2024 RPS Plan at 13. [↑](#footnote-ref-47)
47. PG&E Draft 2024 RPS Plan at 14-15. [↑](#footnote-ref-48)
48. PG&E Draft 2024 RPS Plan at 15. [↑](#footnote-ref-49)
49. PG&E Draft 2024 RPS Plan at 15. [↑](#footnote-ref-50)
50. PG&E Draft 2024 RPS Plan at 9-11, 15, 17-18. [↑](#footnote-ref-51)
51. PG&E Draft 2024 RPS Plan at 16. [↑](#footnote-ref-52)
52. PG&E Draft 2024 RPS Plan at 17. [↑](#footnote-ref-53)
53. PG&E Draft 2024 RPS Plan at 18. [↑](#footnote-ref-54)
54. PG&E Draft 2024 RPS Plan at 18. [↑](#footnote-ref-55)
55. PG&E Draft 2024 RPS Plan at 18-19. [↑](#footnote-ref-56)
56. PG&E Draft 2024 RPS Plan at 19. [↑](#footnote-ref-57)
57. D.14-11-042 at OP 25. [↑](#footnote-ref-58)
58. D.23-12-008 at OP 9. [↑](#footnote-ref-59)
59. PG&E Draft 2024 RPS Plan at 19. [↑](#footnote-ref-60)
60. D.21-06-035, on MTR procurement, issued in the IRP proceeding, and D.23-02-040 ordering supplemental MTR procurement and extending the online date for long lead-time resources directed SCE to procure incremental zero-emitting or RPS-eligible capacity, including generation resources and/or generation resources paired with storage, to come online between 2023–2028, with the ability to request an extension and bridge LLT resources to 2031 under D.24-02-047. [↑](#footnote-ref-61)
61. SCE Draft 2024 Plan at 12-13. [↑](#footnote-ref-62)
62. SCE Draft 2024 RPS Plan at Appendix D. [↑](#footnote-ref-63)
63. SCE Draft 2024 RPS Plan at 11 and 34. [↑](#footnote-ref-64)
64. SCE Draft 2024 RPS Plan at 13. [↑](#footnote-ref-65)
65. SCE provided redlines from the 2024 Pro Forma Renewable PPA and its Attachment 1, as Appendices G.3 and G.4. [↑](#footnote-ref-66)
66. SCE Draft 2024 RPS Plan at 13. [↑](#footnote-ref-67)
67. SCE’s Updated Draft 2024 RPS Plan Update at 98. [↑](#footnote-ref-68)
68. D.18-12-003 at 12 and OP 3. [↑](#footnote-ref-69)
69. D.19-02-007 at 108-109. [↑](#footnote-ref-70)
70. SCE Updated Draft 2024 RPS Plan at 98. [↑](#footnote-ref-71)
71. SDG&E Draft 2024 RPS Plan at 15. [↑](#footnote-ref-72)
72. SDG&E Draft 2024 RPS Plan at 4. [↑](#footnote-ref-73)
73. SDG&E Draft 2024 RPS Plan at 4. [↑](#footnote-ref-74)
74. SDG&E Draft 2024 RPS Plan at 17. [↑](#footnote-ref-75)
75. SDG&E Draft 2024 RPS Plan at 4. [↑](#footnote-ref-76)
76. SDG&E Draft 2024 RPS Plan at 4. [↑](#footnote-ref-77)
77. SDG&E Draft 2024 RPS Plan at 4. [↑](#footnote-ref-78)
78. SDG&E Draft 2024 RPS Plan at 4-5. [↑](#footnote-ref-79)
79. On May 9, 2024, the Commission approved Advice Letter 4345-E, granting SDG&E’s Request not to hold future Voluntary Allocation and Market Offer Processes pursuant to D.21-05-030 Ordering Paragraph 4Advice Letter 4345-E. [↑](#footnote-ref-80)
80. SDG&E Draft 2024 RPS Plan at 5. [↑](#footnote-ref-81)
81. SDG&E Draft 2024 RPS Plan at 5. [↑](#footnote-ref-82)
82. D.23-12-008 at OP 18. [↑](#footnote-ref-83)
83. D.14-11-042 at OP 27. [↑](#footnote-ref-84)
84. SDG&E’s Draft 2024 RPS Plan at 22-23. [↑](#footnote-ref-85)
85. SDG&E Draft 2024 RPS Plan at 45. [↑](#footnote-ref-86)
86. SDG&E Draft 2024 RPS Plan at 30. [↑](#footnote-ref-87)
87. Pub. Util. Code § 399.17(b). The PBR limitations in Section 399.16 are explained in
D.11-12-052, §§ 3.5-3.7. [↑](#footnote-ref-88)
88. BVES Draft 2024 RPS Plan at 3. [↑](#footnote-ref-89)
89. BVES Draft 2024 RPS Plan at 3. [↑](#footnote-ref-90)
90. BVES Draft 2024 RPS Plan at 2 and 9. [↑](#footnote-ref-91)
91. BVES Draft 2024 RPS Plan at 2 and 9. [↑](#footnote-ref-92)
92. BVES Draft 2024 RPS Plan at 8. [↑](#footnote-ref-93)
93. Liberty Draft 2024 RPS Plan at 8-10. [↑](#footnote-ref-94)
94. Liberty Draft 2024 RPS Plan at 2-3 and 8-11. [↑](#footnote-ref-95)
95. Liberty Draft 2024 RPS Plan at 8-10. [↑](#footnote-ref-96)
96. PacifiCorp Draft 2024 RPS Plan at 5. [↑](#footnote-ref-97)
97. PacifiCorp Draft 2024 RPS at 4. [↑](#footnote-ref-98)
98. Based on an Energy Division staff analysis of aggregated retail seller 2024 RNS templates, as submitted in their draft 2024 RPS Plans. [↑](#footnote-ref-99)
99. 3CE Draft 2024 RPS Planat 31. [↑](#footnote-ref-100)
100. Commercial Energy of Montana Draft 2024 RPS Plan at 3. [↑](#footnote-ref-101)
101. Commercial Energy of Montana Draft 2024 RPS Plan at 3. [↑](#footnote-ref-102)
102. Direct Energy Draft 2024 RPS Plan at 10. [↑](#footnote-ref-103)
103. City of Palmdale Draft 2024 RPS Plan at 11. [↑](#footnote-ref-104)
104. 3PR Draft 2024 RPS Plan at 17. [↑](#footnote-ref-105)
105. 3PR Draft 2024 RPS Plan at 17*.* [↑](#footnote-ref-106)
106. CleanPowerSF Draft 2024 RPS Plan at 26. [↑](#footnote-ref-107)
107. Commercial Energy of Montana Draft 2024 RPS Plan at 17. [↑](#footnote-ref-108)
108. LCE Draft 2024 RPS Plan at 42. [↑](#footnote-ref-109)
109. LCE Draft 2024 RPS Plan at 48. [↑](#footnote-ref-110)
110. LCE Draft 2024 RPS Plan at 48*.* [↑](#footnote-ref-111)
111. AVCE Draft RPS 2024 RPS Plan at 56. [↑](#footnote-ref-112)
112. City of Palmdale Draft RPS 2024 RPS Plan at 52. [↑](#footnote-ref-113)
113. City of Pomona Draft RPS 2024 RPS Plan at 56. [↑](#footnote-ref-114)
114. City of Santa Barbara Draft RPS 2024 RPS Plan at 56. [↑](#footnote-ref-115)
115. LCE Draft RPS 2024 RPS Plan at 56. [↑](#footnote-ref-116)
116. Pico Rivera Draft RPS 2024 RPS Plan at 56. [↑](#footnote-ref-117)
117. Rancho Mirage Draft RPS 2024 RPS Plan at 56. [↑](#footnote-ref-118)
118. City of San Jacinto Draft RPS 2024 RPS Plan at 56. [↑](#footnote-ref-119)
119. Commercial Energy of Montana Draft 2024 RPS Plan at 8. [↑](#footnote-ref-120)
120. SJCE Draft 2024 RPS Plan at 49. [↑](#footnote-ref-121)
121. Rancho Mirage Draft 2024 RPS Plan at 11. [↑](#footnote-ref-122)
122. ALJ Ruling on Confidentiality at 4-5. [↑](#footnote-ref-123)
123. ALJ Ruling on Confidentiality at 4-5. [↑](#footnote-ref-124)
124. CleanPowerSF Opening Comments on ALJ Ruling on Confidentiality at 1-2. [↑](#footnote-ref-125)
125. Liberty and PacifiCorp Joint Comments on ALJ Ruling on Confidentiality at 3. [↑](#footnote-ref-126)
126. Comments of the Joint Parties on ALJ Ruling on Confidentiality at 5. [↑](#footnote-ref-127)
127. Joint Opening Comments of Joint IOUs on ALJ Ruling on Confidentiality at 2. [↑](#footnote-ref-128)
128. Comments of AReM on ALJ Ruling on Confidentiality at 2. [↑](#footnote-ref-129)
129. Cal Advocates Comments, December 5, 2024, at 1. [↑](#footnote-ref-130)
130. GPI Comments, December 5, 2024, at 1-4. [↑](#footnote-ref-131)
131. SCE Comments, December 5, 2024, at 6-7. [↑](#footnote-ref-132)
132. PG&E Comments, December 5, 2024, at 2-4. [↑](#footnote-ref-133)
133. SDG&E Reply Comments, December 10, 2024, at 2-3. [↑](#footnote-ref-134)