PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Agenda ID# 23817
ENERGY DIVISION **RESOLUTION E-5404**
November 20, 2025

REDACTED
R E S O L U T I O N

Resolution E-5428. Grants Southern California Edison request for approval of Mid-Term Reliability Resource Contracts and one Amendment.

PROPOSED OUTCOME:

- Approves eight Southern California Edison Company mid-term reliability resource contracts and one amendment to an existing mid-term reliability resource contract without modification.

SAFETY CONSIDERATIONS:

- The owners and sellers of the projects are responsible for the safe construction and operation of their facilities in compliance with all applicable laws, including safety regulations.
- The contracts include a requirement that the seller follow Prudent Electrical Practices, which are defined as those practices, methods and acts engaged in or approved by a significant portion of the electric power industry during the relevant time period, or any of the practices, methods and acts which, in exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result consistent with good business practices, reliability, and safety.

ESTIMATED COST:

- Contract costs are confidential at this time.

By Advice Letter 5603-E, Filed on August 11, 2025.

SUMMARY

This Resolution approves eight contracts across three projects, two of which are mid-term reliability (MTR) co-located battery energy storage and solar photovoltaic (PV) projects, while one of the projects is a solar PV project. All eight of these contracts were entered into as a result of Phases 2 and 3 of Southern California Edison's (SCE) Mid-Term Reliability Request for Offers (MTRRFO). Additionally, this Resolution approves an amendment to one previously Commission-approved battery energy storage system (BESS) contract with Gateway Energy Storage, LLC for portions of the Gateway project that was executed as part of Phase 1 of SCE's MTRRFO and approved by CPUC Resolution E-5205 in May 2022. SCE contracted these nine different resources to help meet its MTR requirements (full summary of contract terms found in Confidential Appendix A). The contracts and amendment for which SCE seeks approval in Advice Letter (AL) 5603-E are summarized in the table below:

Seller/ Parent Company	**Resource Type**	**Contract Type**	**Nameplate Capacity/ Contract Value for MTR Compliance (NQC MTR ELCC)**	**Expected Generation (MWh/ year)**	**Contract Term**	**Location**	**Initial Delivery Date**
BigBeau Solar 1, LLC/ EDF Renewables Inc.	Single-Axis Solar PV	RPS-Eligible	70 MW; 4.9 MW Capacity Value for MTR Compliance	207,442	15	Rosamond, Kern County, California	02/01/2026
BigBeau BESS 1, LLC/ EDF Renewables Inc.	Lithium Iron Phosphate 4-Hour BESS	Resource Adequacy Only	22 MW; 16.4 MW Capacity Value for MTR Compliance	n/a	15	Rosamond, Kern County, California	02/01/2026
BigBeau Solar 2, LLC / EDF Renewables Inc.	Single-Axis Solar PV	RPS-Eligible	58 MW; 4.1 MW Capacity Value for MTR Compliance	171,889	15	Rosamond, Kern County, California	02/01/2026

BigBeau BESS 2, LLC / EDF Renewabl-es Inc.	Lithium Iron Phospha-te 4-Hour BESS	Resource Adequa-cy Only	18 MW; 13.4 MW Capacity Value for MTR Complian-ce	n/a	15	Rosamond, Kern County, California	02/01/2026
IP Easley, LLC / Intersect Power	Single-Axis Solar PV	RPS-Eligible	20 MW; 0 n/a	59,422	10	Desert Center, Riverside County California	02/01/2027
IP Easley II, LLC / Intersect Power	Single-Axis Solar PV	RPS-Eligible	20 MW; 0 n/a	59,053	10	Desert Center, Riverside County California	02/01/2027
IP Easley II BESS, LLC / Intersect Power	4-Hour Lithium Ion BESS	Resource Adequa-cy Only	53 MW; 39.2 MW	n/a	10	Desert Center, Riverside County California	02/01/2027
Elisabeth Solar, LLC / Leeward Renewable Energy, LLC	Single-Axis Solar PV	RPS-Eligible and Full Capacity Deliver-ability Status	237.5 MW; 17.81 MW Capacity Value for MTR Complian-ce	711,911	15	Yuma County, Arizona	06/01/2027
(As amended) Gateway Energy Storage, LLC / REV Renewabl-es	4-Hour Lithium Ion BESS	Resource Adequa-cy Only	75 MW/ 55.5 MW Capacity Value for MTR Complian-ce	n/a	15	San Diego, California	06/01/2027

In 2020, Resolution E-5101 authorized SCE to contract 100 MW of nameplate capacity from Gateway Energy Storage, LLC, for the Gateway BESS resource. In 2022, Resolution E-5205 authorized SCE to contract with the Gateway project for additional offtake from parts of the project site through the expansion of two additional BESS resources with 75 MW of nameplate capacity. Both of these approved contracts are for a portion of Gateway's existing output and not specifically tied to any of the facility's resources. In May 2024, the Gateway project was in the process of commissioning portions of that

additional capacity with the California Independent System Operator (CAISO) when a thermal event occurred in one of the buildings that hosted the facility originally contracted in 2020. As of the publishing of this Resolution E-5428, the CPUC and the U.S. Environmental Protection Agency (EPA) are each leading an ongoing investigation into the root cause of the thermal event.

On July 7, 2025, the U.S. Environmental Protection Agency (EPA) reached a non-monetary settlement with Gateway Energy Storage, LLC requiring the Seller to take comprehensive safety measures and monitoring to protect nearby residents and workers during the cleanup and battery handling operations. Gateway Energy Storage, LLC was also required to submit progress reports to the EPA during these operations. Following these operations, the facility has since been partially brought back online while the portion of the facility from the building that was affected by the fire has remained offline.

The Gateway project leveraged the capacity installed in the newly-contracted portions of the facility to make up the loss of Resource Adequacy from the offline portion of the project that dated from SCE's original 2020 contract. In order to bring the entire BESS resource up to the level required to satisfy contracts with SCE and other offtakers, the Gateway Project plans to install new battery modules funder different configurations at the site. Therefore, the herein SCE-Gateway amendment amends the existing 2022 contract, extending the expected initial delivery date of June 1, 2027 with a deadline of August 1, 2027. The requested extension to the initial delivery date is intended to allow additional time to bring the resource back up to its contracted amount, but the capacity and price remain as approved by the Commission in Resolution E-5205.

BACKGROUND

A. Overview of Integrated Resource Planning (IRP) / Mid-Term Reliability Requirements

Decision (D.) 21-06-035 requires load serving entities (LSEs) to procure at least their share of 11,500 MW of MTR ELCC net qualifying capacity (NQC), with at least 2,000 MW online by August 1, 2023; an additional 6,000 MW online by June 1, 2024; an additional 1,500 MW online by June 1, 2025; and an additional 2,000 MW of long lead time (LLT) resources online by June 1, 2026, for MTR purposes. Of the 11,500 MW NQC required, 2,000 MW must be from LLT resources. At least 1,000 MW of this LLT procurement requirement must be obtained from clean firm, zero-emitting resources, such as geothermal, and 1,000 MW of Long Duration Energy Storage (LDES). D.21-06-035 also requires at least 2,500 MW from firm zero-emitting generation paired

with storage, or demand response resources by 2025 to replace Diablo Canyon Nuclear Power Plant (sometimes referred to as Diablo Canyon Replacement or DCR procurement).

D.23-02-040, adopted on February 28, 2023 orders supplemental MTR procurement of 2,000 MW NQC for 2026 and 2,000 MW NQC for 2027, and revised the online date for LLT resources from June 1, 2026 to June 1, 2028. With the mutually agreed-upon reallocations and the additional MTR procurement ordered in D.23-02-040, SCE's annual share of the MTR procurement requirements are as follows:[1]

Table 1: SCE Annual MTR Procurement Requirements (MW)							
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
MTR Capacity	705	2,114	529	684	684		3,836
DCR capacity and Energy	880 total						880
Long-Duration Storage (8+ hours)						353	353
Firm Zero-Emitting Generation Paired with Storage, or Demand Response Resources						352	352
Total Need	**705**	**2,114**	**529**	**684**	**684**	**705**	**5,420**

On February 15, 2024, the Commission adopted D.24-02-047, modifying the procurement deadlines outlined in the two MTR Decisions. Specifically, D.24-02-047 allows for an extension of the D.23-02-040 2028 deadline to procure LLT resources, when certain conditions are met by an LSE.[2] Under this decision, load-serving entities (LSEs) that require an extension to bring online the required LLT resources beyond the June 2028 deadline must procure generic capacity to cover the shortfall, and still bring online LLT resources by no later than June 1, 2031.

On September 12, 2024, the Commission adopted D.24-09-006, which allowed certain bridge resources for alternative compliance with the DCR requirement in D.21-06-035. However, on September 18, 2025, the Commission adopted D.25-09-007, which eliminated the option for LSEs to use bridge contracts as an alternative compliance mechanism for the procurement requirements of D.21-06-035 and D.23-02-040, as modified by D.24-02-047, for all months of the year.

[1] SCE AL 5603-E, IE Report at 2.
[2] See D.24-02-047, at OP 16.

B. Overview of the Renewable Portfolio Standard (RPS) Program Requirements

The California RPS program was established by Senate Bill (SB) 1078, and has been subsequently modified by SB 107, SB 1036, SB 2 (1X), SB 350 and SB 100.[3] The RPS program is codified in Public Utilities Code Sections 399.11 through 399.33.[4]

The RPS program administered by the CPUC requires each retail seller to procure eligible renewable energy resources so that the amount of electricity generated from eligible renewable resources equals 60 percent of retail sales by December 31, 2030.[5] Additional background information about the CPUC's RPS Program is available at http://www.cpuc.ca.gov/PUC/energy/Renewables/overview.htm.

C. Solicitations of the MTR Contracts

On July 30, 2021, SCE launched Phase 1 of its Mid-Term Reliability Request for Offers (MTRRFO) for incremental resources that could come online in the 2023 through 2024 timeframe.

On October 20, 2022, SCE launched Phase 2 of its MTRRFO for incremental resources that can come online in the 2025 through 2026 timeframe. Consistent with D.21-06-035, SCE's MTRRFO sought incremental zero-emitting resources or resources that otherwise meet RPS eligibility requirements that provide Resource Adequacy (RA) benefits or otherwise contribute to SCE's MTR procurement requirements.

On February 23, 2023, SCE launched Phase 3 of its MTRRFO for supplemental incremental and LLT resources to come online in 2026 and 2027, in accordance with D.21-06-035 and D.23-02-040. Much like Phase 2 of SCE's MTRRFO, Phase 3 solicited resources eligible to meet its DCR requirement, including RA-only and RA with Financial Settlement contracts for energy storage projects, and RPS-eligible contracts, including RPS contracts for firm zero-emitting resources.

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[3] SB 1078 (Sher, Chapter 516, Statutes of 2002); SB 107 (Simitian, Chapter 464, Statutes of 2006); SB 1036 (Perata, Chapter 685, Statutes of 2007); SB 2 (1X) (Simitian, Chapter 1, Statutes of 2011, First Extraordinary Session); SB 350 (de León, Chapter 547, Statutes of 2015); SB 100 (de Leon, Chapter 312, Statutes of 2018).

[4] All further statutory references are to the Public Utilities Code unless otherwise specified.

[5] D.11-12-020 established a methodology to calculate procurement requirement quantities for the three different compliance periods covered in SB 2 (1X) (2011-2013, 2014-2016, and 2017-2020). D.16-12-040 established additional procurement requirement quantities for the three compliance periods established by SB 350: 2021-2024, 2025-2027, 2028-2030.

NOTICE

Notice of AL 5603-E was made by publication in the Commission's Daily Calendar. Southern California Edison Company states that a copy of AL 5603-E was mailed and distributed to the R.20-05-003, R.24-01-017, and GO 96-B service lists in accordance with Section 4 of General Order 96-B.

PROTESTS

Advice Letter 5603-E was not protested.

DISCUSSION

The Commission has reviewed AL 5603-E and finds SCE's request for approval of the contract and amendments presented to be reasonable, as discussed below.

SCE requests in AL 5603-E that the Commission issue a resolution that:

1. Approves the BigBeau, Easley, and Elisabeth Contracts (The MTR Contracts) and Gateway Amendment in their entirety;

2. Finds that the MTR Contracts and the Gateway Amendment are consistent with the relevant Commission Decisions;

3. Finds that the MTR Contracts, including the Gateway Amendment, are for a total of 151.31 MW Effective Load Carrying Capability (ELCC) of expected incremental September net qualifying capacity for purpose of Mid-Term Reliability compliance;

4. Finds that the BigBeau solar PV, Easley solar PV, and Elisabeth Solar Contracts (solar PV MTR Contracts) will contribute renewable energy toward SCE's Diablo Canyon Replacement procurement requirement;

5. Finds that any procurement pursuant to the solar PV MTR Contracts is procurement from eligible renewable energy resources for purposes of determining SCE's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewable Portfolio Standard (Public Utilities Code Section 399.11 et seq.) or other applicable law;

6. Finds that the solar PV MTR Contracts are consistent with SCE's 2024 RPS Procurement Plan;

7. Finds that the solar PV MTR Contracts are not a form of covered procurement subject to the Emissions Performance Standard (EPS) because the generating facilities have expected capacity factors of less than 60 percent;

8. Finds that the deliveries from the solar PV MTR Contracts shall be categorized as procurement under the portfolio content category in Public Utilities Code Section 399.16(b)(1)(A) or Section 399.16(b)(1)(B), subject to the Commission's after-the-fact verification that all applicable criteria have been met;

9. Finds that the MTR Contracts, including the Gateway Amendment, and SCE's entry into them are reasonable and prudent for all purposes, and that any payments to be made by SCE pursuant to the MTR Contracts and the Gateway Amendment are recoverable in full by SCE through the Portfolio Allocation Balancing Account (PABA), subject only to SCE's prudent administration of the MTR Contracts and Gateway Amendment;

10. Finds that all procurement and administrative costs, as provided by Public Utilities Code Section 399.13(g), associated with the MTR Contracts shall be recoverable in rates;

11. Authorizes SCE to allocate the benefits and costs of the MTR Contracts and Gateway Amendment to all applicable customers responsible for the 2021 subaccount of the PABA in the case of the solar PV MTR Contracts, and all customers responsible for the 2023 sub-account of the PABA in the case of the BigBeau BESS and Easley BESS Contracts and the Gateway Contract (BESS MTR Contracts) as amended by the Gateway Amendment;

12. Authorizes for SCE to shift the allocation of the benefits and costs of the MTR Contracts between the 2021 and 2023 PABA sub-accounts based on whether SCE is counting the contract toward the MTR procurement requirements in D.21-06-035 or D.23-02-040;

13. Finds that the 70 MW capacity from BIGBEAUSOLAR, 22 MW from BIGBEAUSTORAGE, and 128 MW from BigBeau_Solar are removed from the D.21-06-035 MTR Baseline List and counted toward SCE's MTR procurement obligations as part of the MTR Contracts. No additional capacity is added to SCE's MTR procurement obligations.

Energy Division evaluated the MTR Contracts and the Gateway Amendment[6] based on the following criteria:

- Consistency with D.21-06-035 and D.23-02-040;
- Consistency with SCE's 2024 Renewable Portfolio Standard Procurement Plan;
- Procurement methodology, evaluation, and cost reasonableness;
- Consistency with RPS standard terms and conditions (STC);
- RPS Eligibility and CPUC Approval;
- Consistency with portfolio content categories Requirements;
- Use of Independent Evaluator Review;
- Procurement Review Group Participation;
- Compliance with the Interim Greenhouse Gas Emissions Performance Standard;
- Safety; and
- Cost Recovery.

Consistency with D.21-06-035 and D.23-02-040

D.21-06-035 and D.23-02-040 require SCE to procure at least 5,420 MWs of incremental September marginal ELCC NQC. The MTR Contracts are expected to collectively provide approximately 95.81 MW ELCC of incremental September NQC toward SCE's MTR procurement requirements, and the Gateway Amendment allows an additional 55.5 MW of incremental September NQC to remain viable and count toward SCE's MTR procurement requirements.

D.21-06-035 requires that of SCE's total MTR procurement requirement, 880 MW must come from Diablo Canyon Replacement (DCR) resources that come online by June 1, 2025. The solar PV MTR Contracts are for new RPS-eligible resources that are expected to help SCE meet its DCR requirement by June 1, 2028, pursuant to D.25-09-007. Furthermore, while the BigBeau and Easley projects are already paired with energy storage resources, SCE expects that the Elisabeth Solar project will qualify as a DCR resource if SCE is able to pair the project with an energy storage resource in its MTR portfolio. SCE plans to have the solar PV MTR projects that are energy-only undergo an engineering assessment to ascertain that the energy delivered will be sufficient to charge the batteries so that they may discharge to meet the DCR requirements of D.21-06-035.

[6] The Gateway Amendment request approval to delay the expected initial delivery date to June 1, 2027 in addition to delaying the initial delivery deadline to August 1, 2027, but the capacity and price remain as approved by the CPUC in Resolution E-520. Accordingly, this Resolution is focused on the reasonableness of SCE's request to delay the initial delivery date of the existing contract, rather than the reasonableness of the unchanged components of the original contract.

The MTR Contracts also appear to meet the general capacity requirements of D.21-06-035 and D.23-02-040, which dictate that all imports used for compliance with the decisions must be associated with a new resource, or an expansion of an existing resource, and that they are under a long-term contract of at least ten years. Additionally, the MTR Contracts are incremental to the baseline generator list referenced by the MTR Decisions,[7] except for the BigBeau Contracts, for which SCE requests a baseline waiver in Advice Letter 5603-E. Pursuant to D.21-06-035 and D.23-02-040, in order for SCE to be able to count the BigBeau contracts toward its MTR goals, the Commission must approve a waiver that removes the BigBeau resources from its Baseline list.

BigBeau Solar, LLC was originally a solar-only resource (BigBeau_Solar) with 128 MW of nameplate capacity on the MTR Baseline list. However, the project was converted into a solar and storage resource in 2018 with 167.6 MW of total nameplate capacity, with 127.6 MW from solar (BIGBEAUSOLAR), and 40 MW from storage (BIGBEAUSTORAGE). However, the 128 MW that belonged to BigBeau_Solar was never removed from the baseline, while the 167.6 MW from BIGBEAUSOLAR and BIGBEAUSTORAGE was added to the baseline, resulting in duplicated entries.[8]

The BigBeau solar and storage resource was contracted by two load-serving entities (LSEs) but those contracts were ultimately terminated in 2022 and these resources were never used for MTR procurement compliance. In June of 2025, one of the LSEs submitted AL 49-E to remove 75.6 MW (57.6 MW from BIGBEAUSOLAR, and 18 MW from BIGBEAUSTORAGE) from the baseline to ensure procurement obligations reflected actual deliverable capacity. AL 49-E was approved via disposition letter on July 24, 2025. On January 31, 2025, SCE filed AL 5470-E requesting to remove 92 MW (70 MW from BIGBEAUSOLAR, and 22 MW from BIGBEAUSTORAGE) from the baseline so that SCE may use the procurement for a short-term transaction. Advice Letter 5470-E was adopted via disposition letter on May 13, 2025.

As a result, SCE's request in AL 5603-E is to remove any remaining capacity belonging to BIGBEAUSOLAR and BIGBEAUSTORAGE, and to also remove the duplicate 128 MW from BigBeau_Solar from the MTR list of baseline resources. Staff find that SCE's request is reasonable because the contracts for the BigBeau projects that were on the MTR Baseline list of resources as of November 2024 had been terminated or were duplicated, and should therefore be removed from the list. Final verification of specific

[7] SCE determined incrementality using the baseline list of resources that was available on the Commission's website on November 12, 2024.
[8] SCE referenced the baseline list of resources that was available on the Commission's website on November 12, 2024.

resource eligibility for specific procurement categories is done via the IRP compliance process. The Advice Letter process cannot make a determination on consistency with IRP requirements on resource amounts, technology duration, and contract terms. Eligibility and counting rules associated with IRP compliance will not be addressed as part of the disposition of this Advice Letter request, and that final verification of specific resource eligibility for specific procurement categories is done via the IRP compliance process.

Consistency with SCE's 2024 Renewable Portfolio Standard Procurement Plan

Pursuant to statute, SCE's RPS Procurement Plan (RPS Plan) includes an assessment of RPS supply and demand to determine the optimal mix of renewable generation resources; description of existing RPS portfolio; description of potential RPS compliance delays; status update of projects within its RPS portfolio; an assessment of the project failure and delay risk within its RPS portfolio; and bid solicitation protocol setting forth the need for renewable generation of various operational characteristics.[9] California's RPS statute also requires that the Commission review the results of a renewable energy resource solicitation submitted for approval by a utility.[10] The Commission reviews the results to verify that the utility conducted its solicitation according to its Commission-approved procurement plan.

D.24-12-035 accepted, with modifications, SCE's Draft 2024 RPS Procurement Plan.[11] In accordance with the decision, SCE submitted a final version of its 2024 RPS Procurement Plan on January 23, 2025. SCE's approved 2024 RPS Procurement Plan showed a need for additional RPS-eligible energy in RPS Compliance Period 2028 through 2030 and beyond and recognized that MTR procurement would contribute to meeting that RPS procurement need.[12]

Therefore, the roughly 1,242 GWh/year of additional RPS procurement added by the 15-year solar PV MTR Contracts beginning in 2026 is consistent with SCE's renewable resource needs as identified in its 2024 Final RPS Plan.

Procurement Methodology, Evaluation, and Cost Reasonableness

SCE launched Phase 2 of its MTRRFO on October 20, 2022, to solicit offers for incremental resources that can meet its MTR procurement requirements for the 2025

[9] See Pub. Utils. Code § 399.13(a)(5).
[10] Pub. Util. Code § 399.13(d).
[11] *See* D.24-12-035 at OP 1.
[12] *See* SCE's 2024 RPS Procurement Plan at 8.

through 2026 timeframe. On February 23, 2023, SCE launched Phase 3 of its MTRRFO for supplemental incremental and LLT resources that can meet its MTR procurement requirements for the 2026 and 2027 timeframe. The MTR Contracts are the result of SCE's Phase 2 and 3 RFOs, respectively.

In Advice Letter 5603-E, SCE asserts that its MTRRFO processes were consistent with its past RFOs and met all requirements of the MTR Decisions. To evaluate its Phase 2 and Phase 3 MTR offers, SCE used its least-cost best-fit (LCBF) methodology, which incorporated a conformance screen, a Net Present Value (NPV) calculation, and a selection of offers with consideration of qualitative factors into its evaluation.[13] The conformance screen required resources to meet D.21-06-035 requirements and other project variability criteria. The NPV calculations were based on a cost/benefit analysis, where net present value benefits were measured in value streams from resource adequacy, energy, ancillary services, renewable energy credits attributes, and a financial energy settlement. The NPV costs were measured in cost streams from contract payments, debt equivalence, energy, variable operations & maintenance expenses, and transmission upgrade attributes. After the NPV analysis was completed and projects were ranked, viable projects were further selected on their ability to meet the procurement required by D.21-06-035, as modified by D.23-02-040, which was implemented nearly one week after SCE's launch of its Phase 3 MTRRFO.

SCE asserts that based on its least-cost, best-fit analysis, the MTR Contracts and the amended Gateway Contract represent the best value portfolio to meet its MTR procurement requirements in the most efficient manner.[14] The BigBeau Contracts were regarded for their expected delivery date, full capacity deliverability status, and their ability to contribute to satisfying SCE's DCR procurement requirements. The Easley Contracts were selected for their price and ability to contribute to SCE's DCR procurement requirement. The Elisabeth Solar Contract was selected for its significant capacity and full capacity deliverability status.

In the Independent Evaluator (IE) Report attached to Advice Letter 5603-E, Sedway Consulting provides an evaluation of SCE's outreach efforts, LCBF methodology design, bid evaluation, shortlist, and project negotiations. Sedway Consulting's opinion about these components, SCE's execution, and the results of Phase 2 and Phase 3 of the MTRRFO concurred with SCE's conclusions.

[13] In SCE AL 5603-E, SCE described the qualitative factors that were considered during their assessment of offers. The qualitative benefits include project viability, projects located in an area designated as a DAC, and project size.
[14] SCE AL 5603-E at 27.

Staff have reviewed SCE's MTRRFO evaluation methodology and the IE Report. We find that SCE's evaluation methodology was reasonable in its prioritization of contracts with valuable terms, capacity amounts, and competitive prices, and that SCE selected the most appropriate offers available at the time of Phases 2 and 3 of its MTRRFO in accordance with the MTR Decisions. Furthermore, we find that the MTR Contracts and the Gateway Contract, as amended by the Gateway Amendment, are reasonably priced additions to SCE's portfolio based on their NPV ranking. See Appendix B for a confidential cost analysis summary.

Compliance with RPS Standard Terms and Conditions

The CPUC adopted a set of standard terms and conditions (STCs) required in RPS contracts, five of which are considered "non-modifiable." The STCs were compiled in D.08-04-009 and subsequently amended in D.08-08-028, D.10-03-021, as modified by D.11-01-025, and D.13-11-024.

The solar PV MTR Contracts include all CPUC-adopted RPS "non-modifiable" standard terms and conditions, as set forth in D.08-04-009, D.08-08-028, and D.10-03-021, as modified by D.11-01-025 and D.13-11-024.

RPS Eligibility and CPUC Approval

Pursuant to Section 399.13, the California Energy Commission (CEC) certifies eligible renewable energy resources. Generation from a resource that is not CEC-certified cannot be used to meet RPS requirements. To ensure that only CEC-certified energy is procured under a Commission-approved RPS contract, the Commission has required standard and non-modifiable "eligibility" language in all RPS contracts. That language requires a seller to warrant that the project qualifies and is certified by the CEC as an "eligible renewable energy resource," that the project's output delivered to the buyer qualifies under the requirements of the RPS, and that the seller uses commercially reasonable efforts to maintain eligibility should there be a change in law affecting eligibility.

The Commission requires a standard and non-modifiable clause in all RPS-eligible contracts that requires CPUC approval to include an explicit finding that "any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Sections 399.11 et seq.), D.11-12-020 and D.11-12-052, or other applicable law."

Notwithstanding this language, given that the Commission has no jurisdiction to determine whether a project is an "eligible renewable energy resource" for RPS purposes, this finding and the effectiveness of the non-modifiable "eligibility" language is contingent on the CEC's certification of the solar PV MTR projects as "eligible renewable energy resources." The contract language that each project is procurement from an "eligible renewable energy resource" must be a true statement at the time of the first delivery of energy, not at the signing of the PPA or at the issuance of this Resolution.

While we include the required findings here, this finding has never been intended, and shall not be read now, to allow the generation from a non-RPS-eligible resource to count towards an RPS compliance obligation absent CEC certification. Nor shall such finding absolve the seller of its obligation to obtain CEC certification, or the utility of its obligation to pursue remedies for breach of contract. Such contract enforcement activities shall be reviewed pursuant to the Commission's authority to review the utilities' administration of such contracts.

Consistency with Portfolio Content Categories Requirements

In D.11-12-052, the Commission defined and implemented portfolio content categories (PCC) for the RPS program and required the investor-owned utilities to provide information to the Director of Energy Division regarding the proposed contract's PCC classification in each advice letter seeking Commission-approval of an RPS-eligible contract. The purpose of the information is to ensure the MTR contracts' RPS eligibility and allow the Commission to evaluate the claimed portfolio content category of the proposed contracts and the risks and value to ratepayers if the proposed contracts ultimately result in renewable energy credits in another, less-preferred, portfolio content category.

In SCE AL 5603-E, SCE states that it expects that the energy and associated renewable energy credits (RECs) from the additional procurement contracted from the solar PV MTR Contracts would qualify as PCC 1 RECs for RPS compliance. SCE asserts that the solar PV MTR projects will have a first point of interconnection to the transmission or distribution system with a California balancing authority. Furthermore, SCE states that the renewable energy credits associated with the electricity from the solar PV MTR Contracts will not be unbundled or transferred to another owner and will be transferred to SCE pursuant to the terms of the contracts.

Consistent with D.11-12-052, SCE provided information in AL 5603-E regarding the expected PCC classification of the renewable energy credits procured pursuant to the solar PV MTR Contracts.

In this Resolution, the Commission makes no determination regarding the contracts' PCC classification. The RPS contract evaluation process is separate from the RPS compliance and portfolio content category classification process, which requires consideration of several factors based on various showings in a compliance filing. Thus, making a PCC classification determination in this Resolution regarding the procurement considered herein is not appropriate. SCE should incorporate the procurement resulting from the approved solar PV MTR Contracts and all applicable supporting documentation to demonstrate PCC classification in the appropriate compliance showings consistent with all applicable RPS program rules.

Independent Evaluator Review

SCE retained Sedway Consulting as the IE for its MTRRFO Phases 2 and 3, pursuant to D.04-12-048 and D.06-05-039. In compliance with these decisions, SCE had Sedway Consulting review and evaluate the planning of the solicitation, participate in SCE's bidders conferences, review evaluation methodologies and subsequent offers, assist in shortlist development, included in all written/verbal communication with offerors, and attend contract negotiations.

The IE determined that SCE's evaluation and selection process for Phase 2 and Phase 3 was rigorous, and that all technologies and types of bidders were treated fairly, employing a consistent methodology that recognized justifiable offer-specific differences (e.g., project development status) while simultaneously not favoring or disadvantaging any offer product, technology, or bidder.[15] Additionally, the IE noted that it performed an entirely independent and parallel evaluation of all solicited resource types, using its own models to determine each offer's expected costs and benefits without any further input from SCE. This independent, parallel evaluation ensured that both evaluation teams were following consistent methodologies and thereby underscored the appropriateness of the mutual selection of the final executed contract and amendments.[16]

Further, the IE provided its opinion that the MTR Contracts and the Gateway Amended Contract merit Commission approval as the general terms and conditions of the

[15] SCE AL 5603-E, IE Report at 14.
[16] SCE AL 5603-E, IE Report at 26.

contracts represent the most viable and immediate least-cost/best-fit solution to meeting SCE's MTR procurement requirements.[17]

Procurement Review Group (PRG) Participation

Established by the Commission in D.02-08-071, the PRG reviews and assesses the details of the utilities' overall procurement strategy, solicitations, specific proposed procurement contracts and other procurement processes prior to submitting compliance materials to the Commission as a mechanism for procurement review by non-market participants.

SCE consulted with its PRG during each milestone of Phase 2 and Phase 3 of its MTR RFO, informing the participants of the initial bid results and the short list of bids. SCE informed the PRG of the initial results of its Phases 2 and 3 MTR RFOs on March 3, 2023, and June 8, 2023, respectively. At each PRG, SCE explained the evaluation process and updated the PRG concerning the status of contract formation from its Phase 2 and Phase 3 MTR RFOs. SCE also consulted with its PRG regarding the Easley and BigBeau Contracts on July 10, 2025, and regarding the Elisabeth Solar Contract on May 15, 2025.

Pursuant to D.02-08-071, SCE's PRG participated in the review of the MTR Contracts.

Compliance with the Interim Greenhouse Gas (GHG) Emissions Performance Standard

SB 1368 requires that the Commission consider emissions costs associated with new long-term (five years or greater) baseload power contracts procured on behalf of California ratepayers. [18] D.07-01-039 adopted an interim EPS that establishes an emission rate for obligated facilities at levels no greater than the greenhouse gas emissions of a combined-cycle gas turbine power plant. Generating facilities using certain renewable resources are deemed compliant with the EPS.[19]

In Advice Letter 5603-E, SCE asserts that the MTR Contracts and the Gateway Amended Contract are exempted from SB 1368 and D.07-01-039 requirements based on their underlying resources. The BigBeau and Easley BESS Contracts, and as-amended Gateway Contract are for non-generation energy storage resources, meaning they are exempt from the EPS. The solar PV MTR Contracts are for solar PV resources that have

[17] SCE AL 5603-E, IE Report at 45.

[18] "Baseload generation" is electricity generation at a power plant "designed and intended to provide electricity at an annualized plant capacity factor of at least 60%." PUC §8340(a).

[19] Attachment 7 of D.07-01-039, at 4.

capacity factors under 60 percent and therefore are not covered by the EPS.[20] Thus, the MTR Contracts and the Gateway Amended Contract are found to be exempt from or compliant with the Emissions Performance Standard because their resources have capacity factors of less than 60 percent or are otherwise not subject to the EPS.

Safety

SCE used safety provisions within the proposed agreements, requiring sellers to practice safe construction and operation of their facilities and compliance with all applicable safety regulations. SCE's Technology Neutral Pro Forma Contract was used for its MTRRFO and outlines standards for Prudent Electrical Practices. Under these provisions, the sellers must be certified by an independent engineer as having a project safety plan that demonstrates responsible safety management during all phases of the project lifecycle, including project design, construction, operation, and maintenance.

In addition to the safety considerations included above, Resolution ESRB-13 was approved on March 13, 2025. Resolution ESRB-13 modifies GO 167-C to implement the Senate Bill (SB) 1383 (Hueso, 2022) mandate to establish standards for the maintenance and operation of Energy Storage Systems (ESSs); apply SB 38 (Laird, 2023) requirements for Emergency Response and Emergency Action Plans to Energy Storage System Owners; establish Logbook Standards for ESSs and other actions. These standards aim to improve the safety and reliability of electric generation and energy storage facilities located in California. SCE's BESS MTR contracts require its sellers to demonstrate operational and maintenance in accordance with GO 167.[21]

Please see Summary above for more information on May 2024 Gateway thermal Incident.

Cost Recovery

In accordance with D.21-06-035, SCE proposes to allocate the costs associated with the BigBeau solar PV Contracts, Easley solar PV Contracts, and the Elisabeth Solar Contract to applicable customers, which includes bundled service customers and departing load customers with 2021 vintage cost responsibility, using the PABA in accordance with SCE's Advice Letter 4589-E. Pursuant to Advice Letter 4589-E, costs and benefits associated with procurement complying with D.21-06-035 will be

[20] D.07-01-039 at Conclusion of Law 35.
21 SCE AL 5603-E, Confidential Agreements.

recovered from applicable customers through the 2021 vintage sub-account of the PABA and include incremental administrative costs, which include, but are not limited to, the IE costs.

In accordance with D.23-02-040, SCE proposes to allocate the costs associated with the BigBeau BESS Contracts, the Easley BESS Contract, and the Gateway Amended Contract to applicable customers, which includes bundled service customers and departing load customers with 2023 vintage cost responsibility, using the PABA in accordance with SCE's Advice Letter 5019-E. Pursuant to Advice Letter 5019-E, costs and benefits associated with procurement complying with D.23-02-040 will be recovered from applicable customers through the 2023 vintage sub-account of the PABA and include incremental administrative costs, which include, but are not limited to, the IE costs.[22]

Additionally, in Advice Letter 5603-E, SCE requests the Commission provide authority to shift cost recovery for the MTR Contracts and the Gateway Amended Contract between 2021 and 2023 vintage sub-account of the PABA, depending on the tranche for which a project is providing compliance.

Staff find that the cost associated with the MTR Contracts and the Gateway Amended Contract are PCIA-eligible pursuant to D.21-06-035, D.23-02-040 and Energy Division's approval of Advice Letters 4589-E and 5019-E. Thus, any payments to be made by SCE pursuant to the MTR Contracts and the Gateway Amended Contracts are recoverable by SCE through the PABA, subject to SCE's prudent administration of the Contracts.

Confidential Information

The Commission, through the implementation of Pub. Util. Code § 454.5(g), has determined in D.06-06-066, as modified by D.07-05-032 and D.21-11-029, that certain material submitted to the Commission as confidential should be kept confidential to ensure that market sensitive data does not influence the behavior of bidders in future RPS solicitations to the detriment of energy customers. D.06-06-066, as modified, adopted a time limit on the confidentiality of specific terms in RPS contracts. Such information, such as price, may be kept confidential until 30 days after the commercial operation date/energy delivery start date or eighteen months from the date of Commission approval, whichever comes first or one year after contract termination; except contracts between IOUs and their affiliates, which are public.

[22] SCE AL 5517-E at 28.

The confidential appendices marked "[REDACTED]" in the public copy of this resolution, as well as the confidential portions of the advice letter, should remain confidential at this time.

COMMENTS

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

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

FINDINGS AND CONCLUSIONS

1. By AL 5603-E, filed on August 11, 2025, SCE has submitted for approval eight Southern California Edison Company mid-term reliability resource contracts and one amendment to an existing battery energy storage system contract that are intended to contribute to SCE's compliance with Integrated Resource Planning procurement orders established by D.21-06-035 and D.23-02-040.

2. The MTR Contracts total 498.5 MW of nameplate capacity.

3. The Gateway Contract, as amended by the Gateway Amendment, totals 75 MW of nameplate capacity.

4. The solar PV MTR Contracts are consistent with the RPS needs identified in SCE's 2024 Final Renewables Portfolio Standard Procurement Plan.

5. SCE's methodology used to evaluate the bids in the competitive solicitation that resulted in the MTR Contracts and Gateway Amended Contract presented in SCE AL 5603-E is reasonable.

6. The contract costs presented in SCE AL 5603-E are reasonable based on its competitive solicitation and bid evaluation methodology.

7. The solar PV MTR Contracts include all CPUC-adopted RPS "non-modifiable" standard terms and conditions, as set forth in D.08-04-009, D.08-08-028, and D.10-03-021, as modified by D.11-01-025 and D.13-11-024.

8. Procurement pursuant to the solar PV MTR Contracts must be from eligible renewable energy resources certified by the California Energy Commission for purposes of determining SCE's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Sections 399.11, et seq.), D. 11-12-020 and D.11-12-052.

9. The above finding has never been intended, and shall not be read now, to allow the generation from a non-Renewables Portfolio Standard-eligible resource to count towards a Renewables Portfolio Standard compliance obligation absent California Energy Commission certification. Nor shall such finding absolve the seller of its obligation to obtain California Energy Commission certification, or the utility of its obligation to pursue remedies for breach of contract.

10. Consistent with D.11-12-052, SCE provided information in AL 5603-E regarding the expected PCC classification of the RECs procured pursuant to the solar PV MTR Contracts.

11. The CPUC makes no determination regarding the proposed Contracts' PCC classification because the RPS contract evaluation process is a separate process from the PCC classification review and determination.

12. Pursuant to D.02-08-071, SCE's Procurement Review Group participated in the review of the MTR Contracts and the Gateway Amendment.

13. The solar PV MTR Contracts are deemed compliant with the Emissions Performance Standard because the generating facilities have expected capacity factors of less than 60 percent.

14. The BESS MTR Contracts are exempt from the Emissions Performance Standard because storage facilities are not a form of covered procurement.

15. SCE's request to allocate the benefits and the costs of the solar PV MTR Contracts to all applicable customers using the 2021 vintage Portfolio Allocation Balancing Account sub-account, including incremental administrative costs, is reasonable.

16. SCE's request to allocate the benefits and costs of the BESS MTR Contracts to all applicable customers using the 2023 vintage Portfolio Allocation Balancing Account subaccount, including incremental administrative costs, is reasonable.

17. SCE's proposed cost recovery of the MTR Contracts and the Amended Gateway Contract is reasonable and consistent with D.21-06-035 and D.32-02-040.

18. SCE's request that any remaining capacity from BIGBEAUSOLAR, BIGBEAUSTORAGE, and BigBeau_Solar are removed from the D.21-06-035 MTR Baseline List and that no additional capacity is added to SCE's MTR procurement obligations, is reasonable.

19. The portions of Advice Letter 5603-E that SCE claims are confidential, should remain confidential at this time.

THEREFORE IT IS ORDERED THAT:

1. Southern California Edison's request in SCE AL 5603-E for approval of the BigBeau Contracts, Easley Contracts, Elisabeth Solar Contract, and Amended Gateway Contract and related costs, is granted.

2. Southern California Edison's request in SCE AL 5603-E to allocate the benefits and costs of the BigBeau solar PV Contracts, the Easley solar PV Contracts, and the Elisabeth Solar Contract to all applicable customers using the 2021 vintage sub-account of SCE's Portfolio Allocation Balancing Account, including incremental administrative costs, is granted.

3. Southern California Edison's request in SCE AL 5603-E to allocate the benefits and costs of the BigBeau BESS Contract, Easley BESS Contract, and the Gateway BESS Contract, as amended by the Gateway Amendment, to all applicable customers using the 2023 vintage sub-account of SCE's Portfolio Allocation Balancing Account, including incremental administrative costs, is granted.

This Resolution is effective today.

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on November 20, 2025; the following Commissioners voting favorably thereon:

Dated November 20, 2025, at San Francisco, California

Confidential Appendix A

Summary of Major Contract Terms

REDACTED

Confidential Appendix B

Summary of Evaluation and Cost Reasonableness

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