PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Agenda ID# 23980
ENERGY DIVISION **RESOLUTION E-5445**
February 5, 2026

REDACTED RESOLUTION

Resolution E-5445. Grants Southern California Edison Company's request for approval of Clean Energy Resource Contracts.

PROPOSED OUTCOME:

- Approves ten Southern California Edison Company Clean Energy Resource Contracts

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 5688-E, Filed on November 18, 2025.

SUMMARY

This Resolution approves ten contracts across four projects, two of which are co-located battery energy storage system (BESS) and solar photovoltaic (PV) projects, while the remaining two projects are solar PV. All ten of these contracts were entered into as a

result of Southern California Edison Company's (SCE) 2024 Clean Energy Request for Offers (Clean Energy RFO). SCE contracted these ten different resources to help meet its Integrated Resource Plan (IRP), capacity, and RPS requirements (full summary of contract terms found in Confidential Appendix A). The contracts for which SCE seeks approval in Advice Letter (AL) 5688-E are summarized in the table below:

Developer / Project	Resource Type	Contract Type	Nameplate Capacity	Expected Generation (MWh/ year)	Contract Term	Location	Initial Delivery Date
174 Power Global, Bonanza Peak I	Single-Axis Solar PV	RPS-Eligible	400 MW	1,154,000	20	Inyo County, California	09/01/2029
174 Power Global, Bonanza Peak II	Single-Axis Solar PV	RPS-Eligible	100 MW	289,000	20	Inyo County, California	09/01/2029
174 Power Global, Bonanza Peak III	Single-Axis Solar PV	RPS-Eligible	100 MW	289,000	20	Nye County, Nevada	09/01/2029
Avantus, Aratina II PV	Single-Axis Solar PV	RPS-Eligible	150 MW	447,000	15	Kern County, California	12/01/2027
Avantus, Aratina II BESS	4-Hour Lithium Ion BESS	Resource Adequacy with Energy Settlement	113 MW	n/a	15	Kern County, California	12/01/2027
Intersect Power, Darden I PV	Single-Axis Solar PV	RPS-Eligible	287.5 MW	808,000	15	Fresno County, California	08/01/2028
Intersect Power, Darden II PV	Single-Axis Solar PV	RPS-Eligible	287.5 MW	807,000	15	Fresno County, California	08/01/2028

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Intersect Power, Darden II BESS	4-Hour Lithium Ion BESS	Resource Adequacy with Energy Settlement	287.5 MW	n/a	15	Fresno County, California	08/01/2028
Terra-Gen Power, Lockhart IV	Single-Axis Solar PV	RPS-Eligible	80 MW	n/a	20	San Bernardino County, California	02/01/2027

BACKGROUND

A. Overview of Integrated Resource Planning (IRP) / Preferred System Plan Portfolio Requirements

Decision (D.) 24-02-047 (Decision) requires load serving entities (LSEs) to procure the resource needs identified in their 2022 individual Integrated Resource Plans (IRP) with the portfolios designed to meet a 25 million metric ton (MMT) greenhouse gas emissions (GHG) target for the electric sector in 2035. The Decision authorizes SCE to conduct flexible procurement activities as market conditions indicate, including solicitations and bilateral negotiations, to procure the resource needs identified in SCE's 2022 individual IRP portfolio designed to meet this target. SCE's 2022 IRP 25 MMT portfolio showed a need for an additional 4,900 MW of solar, 460 MW of wind, 501 MW of offshore wind, and 302 MW of long duration storage by 2030.[1]

[1] See SCE's 2022 IRP, R.20-05-003. For 2035, SCE's 2022 IRP 25 MMT portfolio showed a need for an additional 6,927 MW of solar, 460 MW of wind, 1,798 MW of offshore wind, and 664 MW of long-duration storage.

B. Overview of the Renewables 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.[2] The RPS program is codified in Public Utilities Code Sections 399.11 through 399.33.[3]

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.[4] 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 Clean Energy Contracts

From 2021 to 2023, SCE conducted Midterm Reliability RFOs (MTRRFO) to procure resources to meet D.21-06-035 and D.23-02-040 requirements. On October 7, 2024, SCE launched its 2024 Clean Energy RFO, which leveraged existing offers from its MTRRFO. These existing offers from SCE's MTRRFO were vetted for viability and reasonableness but did not result in contracts because SCE had procured enough resources to cover its MTR requirements.[5] SCE therefore transitioned the MTRRFO offers directly into the evaluation, selection, and negotiation process under its Clean Energy RFO. These leveraged offers were for RPS-eligible resources, as well as paired energy storage resources for both RA-only and RA with Financial Settlement contracts that could meet its RPS procurement and procurement needs ordered by D. 24-02-047.

NOTICE

Notice of AL 5688-E was made by publication in the Commission's Daily Calendar. Southern California Edison Company states that a copy of AL 5688-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.

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[2] SB 1078 (Sher, 2002); SB 107 (Simitian, 2006); SB 1036 (Perata, 2007); SB 2 (1X) (Simitian, 2011); SB 350 (de León, 2015); SB 100 (de Leon, 2018).

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

[4] 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.

[5] Phase 1 MTR contracts were approved in Resolutions E-5205, E-5225, E-5234, E-5251, E-5253, E-5271, E-5307, E-5316, and E-5334. Phase 2 and 3 MTR contracts were approved in Resolutions E-5309, E-5313, E-5333, E-5344, E-5365, E-5371, E-5404, and E-5428.

PROTESTS

Advice Letter 5688-E was not protested.

DISCUSSION

The Commission has reviewed AL 5688-E and finds SCE's request for approval of the contracts presented to be reasonable, as discussed below.

SCE requests in AL 5688-E that the Commission issue a resolution that:

1. Approves the Bonanza Peak, Aratina, Darden, and Lockhart contracts (The Clean Energy Contracts) in their entirety;
2. Finds that the Clean Energy Contracts are consistent with the relevant Commission Decision;
3. Finds that any procurement pursuant to the Bonanza Peak I, II, and III, the Aratina 2 PV, Darden I and II PV Contracts (solar PV Clean Energy 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;
4. Finds that the solar PV Clean Energy Contracts are consistent with SCE's 2024 RPS Procurement Plan;
5. Finds that the solar PV Clean Energy 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;
6. Finds that the deliveries from the solar PV Clean Energy 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;
7. Finds that the Clean Energy Contracts 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 Clean Energy Contracts are recoverable in full by SCE through the Portfolio Allocation Balancing Account (PABA), subject only to SCE's prudent administration of the Clean Energy Contracts;

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

9. Authorizes SCE to allocate the benefits and costs of the Clean Energy Contracts to all applicable SCE bundled service customers and departing load customers with cost responsibility for the 2025 subaccount of the PABA;

10. For the incremental administrative costs associated with the Clean Energy RFO including the Clean Energy Contracts, which include, but are not limited to, the Independent Evaluator costs, authorizes to allocate those costs to the applicable customers[6] as described herein using the PABA;

11. Authorizes SCE to count all or a part of any of the Clean Energy Contracts toward any Mid-Term Reliability (MTR) procurement requirement they are eligible to count toward if SCE falls below 100% of any of its MTR procurement requirements. For any portion of a Clean Energy Contract that is counted toward SCE's MTR procurement requirements, authorization for SCE to adjust the allocation of the benefits and costs of the Clean Energy Contract to all applicable customers[7] via the PABA under the applicable MTR cost recovery mechanism;

12. Authorizes SCE to count the Clean Energy Contracts toward any future procurement requirements or compliance requirements established in the IRP proceeding.[8] If the future IRP procurement requirement or compliance requirement has a different cost recovery mechanism than the one requested in SCE AL 5688-E, authorization for SCE to adjust allocation of the benefits and costs for the portion of the Clean Energy Contract that counts toward the future IRP procurement requirement or compliance requirement to that cost recovery mechanism;

13. Authorizes for SCE to allocate the benefits of IPE solicitation exclusivity agreements (i.e., any security amounts that SCE is able to keep under the

[6] Applicable customers include bundled service customers and departing load customers with vintage cost responsibility based on the calendar year the administrative costs were incurred.

[7] For MTR procurement requirements in D.21-06-035, applicable customers include SCE's bundled service customers and departing load customers with cost responsibility for the 2021 subaccount of the PABA. For MTR procurement requirements in D.23-02-040, applicable customers include SCE's bundled service customers and departing load customers with cost responsibility for the 2023 subaccount of the PABA.

[8] SCE notes in AL 5688-E that for any procurement order or compliance requirement that requires incrementality to the MTR procurement, SCE would not count any portion of the Clean Energy Contracts that SCE counts toward its MTR procurement requirements.

exclusivity agreements) to all applicable customers[6] as described herein via the PABA;

14. Authorizes for SCE to allocate the incremental administrative costs associated with IRP solicitations, which include, but are not limited to, the Independent Evaluator costs, to applicable customers[6] as described herein via the PABA;
15. Approves SCE's proposed modifications to Preliminary Statement Part WW of the PABA, in the revised tariff sheets included in Attachment A to SCE AL 5688-E.

Energy Division evaluated the Clean Energy Contracts and the Proposed Tariff Changes based on the following criteria:

- Consistency with D.24-02-047;
- Consistency with SCE's 2024 Renewable Portfolio Standard Procurement Plan;
- Procurement methodology, offer evaluation fairness and reasonableness, 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 Considerations; and
- Cost Recovery Authorizations.

Consistency with D.24-02-047

D.24-02-047 authorizes SCE to procure resources designed to meet the MMT GHG target set by the Decision by 2035. Furthermore, the Decision authorizes SCE to conduct flexible procurement activities as market conditions dictate to procure such resource needs, as identified in SCE's 2022 individual IRP portfolio. SCE's 2022 IRP 25 MMT portfolio showed a need for 6,927 MW of solar, 460 MW of wind, 1,798 of offshore wind, and 664 MW of long-duration storage by 2035.[9] Procurement authorized under the Decision may also count towards future procurement mandates or compliance requirements established by the Commission in the IRP proceeding.[10]

The Clean Energy Contracts appear to meet the general capacity requirements of

[9] See 2022 Integrated Resource Plan of Southern California Edison Company, R.20-05-003, November 1, 2022, at 54.
[10] See D.24-02-047, at 45.

D.24-02-047 and are consistent with SCE's resource needs as identified in its individual 2022 IRP 25 MMT portfolio approved by D.24-02-047.

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.[11] California's RPS statute also requires that the Commission review the results of a renewable energy resource solicitation submitted for approval by a utility.[12] The Commission reviews the results to verify that the utility conducted its solicitation according to its Commission-approved RPS procurement plan.

D.24-12-035 accepted, with modifications, SCE's Draft 2024 RPS Procurement Plan.[13] 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.[14]

Therefore, the roughly 4,008 GWh/year of additional RPS procurement added by the 15- and 20-year solar PV Clean Energy Contracts beginning in 2027 is consistent with SCE's renewable resource needs as identified in its 2024 Final RPS Plan.

Procurement Methodology, Evaluation Fairness and Reasonableness, and Cost Reasonableness

SCE launched its 2024 Clean Energy RFO on October 7, 2024 leveraging existing offers from its MTRRFO for the purposes of meeting both SCE's IRP and RPS procurement requirements. To leverage these offers in its Clean Energy RFO, SCE reached out to bidders who still had active RPS-eligible generation projects and co-located projects that were either new or carried over from its previous MTRRFO.

[11] *See* PUC § 399.13(a)(5).

[12] PUC § 399.13(d).

[13] *See* D.24-12-035 at OP 1.

[14] *See* SCE's 2024 RPS Procurement Plan at 8.

To evaluate its Clean Energy RFO 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.[15] The conformance screen required resources meet the requirements of the Clean Energy RFO. 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, SCE used a ranking system to identify the eligible and cost-competitive offers with the greatest viability. After the initial ranking system the identified the immediate shortlist, SCE continued to reevaluate its shortlist based on interconnection, development status, contracting feasibility, and pricing.

SCE asserts that based on its LCBF analysis, the Clean Energy Contracts represent the most immediate LCBF solution to meet a portion of its IRP procurement needs identified in SCE's 2022 IRP 25 MMT portfolio.[16] The solar PV Clean Energy Contracts are expected to provide 1,405 MW of capacity towards its 2022 IRP 25 MMT target of 4,900 MW of solar by 2030 and 6,927 MW by 2035. The BESS Clean Energy Contracts are co-located with these solar PV resources to support firming and shaping and are expected to provide 688 MW of capacity of 4-hour storage towards its need for 302 MW of long-duration storage by 2030, and 664 MW by 2035. [17]

SCE retained Sedway Consulting as the Independent Evaluator (IE) for its Clean Energy RFO, pursuant to D.04-12-048 and D.06-05-039. In the IE Report attached to Advice Letter 5688-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, as well as SCE's execution and results of the Clean Energy RFO concurred with SCE's conclusions. Sedway Consulting opined that SCE's Clean Energy RFO processes were fair and transparent and the evaluation of offers was rigorous and fair as well as consistent with Commission direction.

[15] In SCE AL 5688-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.

[16] SCE AL 5688-E at 19.

[17] For 4-hour storage, the capacity need translates to 604 MW of 4-hour storage by 2030 and 1,328 MW by 2035.

Staff have reviewed SCE's Clean Energy RFO methodology, its evaluation of bids, and the IE Report. SCE's procurement methodology and evaluation were reasonable in its fairness, LCBF criteria, prioritization of contracts with valuable terms, capacity amounts, potential for tax credit eligibility, and that SCE selected the offers with the best LCBF rankings that were available at the time of its Clean Energy RFO to meet its D.24-02-047 requirements. Furthermore, the CPUC finds that the Clean Energy Contracts are reasonably priced additions to SCE's portfolio based on their NPV ranking. See Appendix B for a confidential cost reasonableness 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 Clean Energy 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 Clean Energy 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 a 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 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 5688-E, SCE states that it expects that the energy and associated renewable energy credits (RECs) from the additional procurement contracted from the solar PV Clean Energy Contracts would qualify as PCC 1 RECs for RPS compliance. SCE asserts that the solar PV Clean Energy 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 Clean Energy 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 5688-E regarding the expected PCC classification of the renewable energy credits procured pursuant to the solar PV Clean Energy 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 Clean Energy 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 Clean Energy RFO, 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, provide an independent evaluation of SCE's procurement process and offers it received, and support the Commission and SCE's Procurement Review Group by providing participants with information and assessments to ensure that the solicitation was conducted fairly and that the best combination of offered products were acquired.

The IE determined that SCE's evaluation and selection process for its Clean Energy RFO 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.[18] 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 contracts.[19]

Further, the IE provided its opinion that the Clean Energy Contracts merit Commission approval as the contracts' economics and their general terms and conditions of the contracts represent LCBF projects for SCE's Clean Energy RFO.[20]

[18] SCE AL 5688-E, IE Report at 7, 9 and 10.
[19] SCE AL 5688-E, IE Report at 17.
[20] SCE AL 5688-E, IE Report at 28.

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 its Clean Energy RFO. SCE announced its intentions of launching the Clean Energy RFO on September 17, 2024, informed the PRG of the offer selection from its RFO on October 25, 2024. SCE also consulted with its PRG regarding the execution of certain Clean Energy Contracts on August 25, 2025, September 12, 2025, and November 4, 2025, respectively.

Pursuant to D.02-08-071, SCE's PRG participated in the review of the Clean Energy 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. [21] D.07-01-039 adopted an interim EPS that establishes an emission rate for obligated facilities at levels no greater than the GHG emissions of a combined-cycle gas turbine power plant. Generating facilities using certain renewable resources are deemed compliant with the EPS.[22]

In Advice Letter 5688-E, SCE asserts that the Clean Energy Contracts are exempt from SB 1368 and D.07-01-039 requirements based on their underlying resources. The BESS Clean Energy Contracts are for non-generation energy storage resources, meaning they are exempt from the EPS. The solar PV Clean Energy Contracts are for solar PV resources that have capacity factors under 60 percent and therefore are not covered by the EPS.[23] Thus, the Clean Energy Contracts 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.

[21] "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).

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

[23] D.07-01-039 at Conclusion of Law 35.

Safety Considerations

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 Clean Energy RFO and is consistent to previous RFOs in how it 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 Clean Energy contracts require its sellers to demonstrate operational and maintenance in accordance with GO 167.[24]

Cost Recovery of Clean Energy Contracts

SCE proposes in AL 5688-E that it would be consistent with cost recovery mechanisms for MTR and RPS procurement contracts to allocate the costs and benefits, including incremental administrative costs, associated with the Clean Energy Contracts to applicable customers[25] based on the calendar year the resource was originally executed, using the PABA. The incremental administrative costs associated with the Clean Energy RFO and the Clean Energy Contracts include, but are not limited to, the IE costs. The CPUC finds that the costs and benefits associated with the Clean Energy Contracts appear to be consistent with SCE's general treatment of resource vintaging under the PABA. Moreover, consistent with the cost recovery for MTR procurement contracts and RPS procurement contracts, the CPUC finds that any payments to be made by SCE pursuant to the Clean Energy Contracts should be recoverable by SCE through the PABA, subject to SCE's prudent administration of the Contracts.

[24] SCE AL 5688-E, Confidential Agreements.

[25] Includes bundled service customers and departing load customers with 2025 vintage cost responsibility.

Additionally, in Advice Letter 5688-E, SCE requests the Commission provide authority to count all or part of any of the Clean Energy Contracts toward any MTR procurement requirement they are eligible to count toward in the event one or more of SCE's existing MTR contracts are terminated or significantly delayed.[26] Should SCE need to count all or a portion of any Clean Energy Contract toward its MTR procurement requirements for which the contracts are eligible, SCE requests authority to adjust the cost recovery for the portion of the Clean Energy Contracts that count toward SCE's MTR procurement requirements to the applicable cost recovery mechanism. Pursuant to Advice Letter 4589-E, costs and benefits associated with MTR procurement complying with
D.21-06-035 shall be recovered from applicable customers through the 2021 vintage sub-account of the PABA. Pursuant to Advice Letter 5019-E, costs and benefits associated with MTR procurement complying with D.23-02-040 shall be recovered from applicable customers through the 2023 vintage sub-account of the PABA.

Should SCE fall below 100 percent of any of its MTR procurement requirements due to project delays or terminations, it is reasonable for SCE to adjust all or a portion of the Clean Energy Contracts to meet its MTR requirements for which they are eligible. Accordingly, it is reasonable in such a situation for SCE to adjust the cost recovery for the adjusted Clean Energy Contracts to the applicable recovery mechanism in compliance with D.21-06-035 and D.23-02-040.

In SCE 5688-E, SCE also requests authority to count the Clean Energy Contracts toward any future procurement or compliance requirements established in the IRP proceeding. Should a future IRP procurement or compliance requirement provide a different cost recovery mechanism than the one requested in Advice Letter 5688-E, SCE also requests authority to adjust the cost recovery for the portion of the Clean Energy Contracts that count toward the future IRP procurement or compliance requirement to that cost recovery mechanism.

The CPUC is unable to make such a determination via this Resolution regarding the eligibility of pending future procurement requirements that may be established in an open IRP proceeding (R. 25-06-019). Thus, the requested authority is not granted.

[26] Pursuant to D.25-09-007, LSEs may only use the alternative compliance mechanism to cover delays in their MTR procurement for no more than three years from the required online date of the applicable procurement requirement. See D.25-09-007 at OP 11.

Cost Recovery of SCE's Interconnection Process Enhancement Solicitation

In late 2024, SCE administered an Interconnection Process Enhancement (IPE) Request for Proposals (RFP). The California Independent System Operator (CAISO) led this IPE activity for SCE and other load-serving entities (LSEs) to remove barriers to efficient and timely resource interconnection and development by nominating points to projects seeking interconnection. As part of its 2024 IPE RFP, SCE negotiated and executed several exclusivity agreements with various projects that are required to provide SCE with a contracting offer in the future. If a project defaults on an exclusivity agreement with SCE, SCE may terminate the agreement and keep a security amount, which SCE intends to return as a benefit to ratepayers. To ensure that the solicitation occurred in a transparent manner, SCE retained an IE for the 2024 IPE RFP and incurred IE costs.

In 5688-E, SCE requests authorization to allocate the benefits of any security amounts that SCE retains under the exclusivity agreements to bundled service and departing load customers with vintage cost responsibility based on the calendar year the exclusivity agreements were originally executed, using the PABA. Additionally, for the IPE solicitation incremental administrative costs, SCE requests authorization to allocate those costs to applicable customers, which includes bundled service customers and departing load customers with vintage cost responsibility based on the calendar year the costs were incurred, using the PABA.

While it may be reasonable for SCE to recover the administrative costs of the IE for the 2024 IPE RFP, as well as the benefits of the exclusivity agreements that may arise from agreement terminations, SCE has not provided a basis for such costs to be authorized through a resolution approving a Tier 3 advice letter.[27] Thus, SCE's request to establish such a cost recovery mechanism and related requested modifications to its tariff are out of the scope of this Resolution and the requested authority is not granted.

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

[27] The Clean Energy Contracts considered herein are unrelated to SCE's 2024 IPE solicitation.

Commission approval, whichever comes first; except contracts between IOUs and their affiliates, which are public.

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 and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

SCE and the sellers of the Clean Energy contracts have stipulated to reduce the 30-day period required by PU Code section 311 (g)(1). Specifically, the parties[28] have stipulated to reduce the public comment period to five days to maximize cost savings for ratepayers. Accordingly, this matter will be placed on the Commission's agenda directly for prompt action.

FINDINGS AND CONCLUSIONS

1. By AL 5688-E, filed on November 18, 2025, SCE has submitted for approval ten Southern California Edison Company RPS-eligible resources and paired energy storage resources contracts that are intended to contribute to SCE's compliance with Integrated Resource Planning procurement authorizations established by D.24-02-047.
2. The Clean Energy Contracts total 2,093 MW of nameplate capacity.
3. The solar PV Clean Energy Contracts are consistent with the RPS needs identified in SCE's 2024 Final Renewables Portfolio Standard Procurement Plan.
4. SCE's methodology used to evaluate the bids in the competitive solicitation that resulted in the Clean Energy Contracts presented in SCE AL 5688-E was fair and reasonable.
5. The contract costs presented in SCE AL 5688-E are reasonable based on its competitive solicitation and bid evaluation methodology.

[28] As used herein, "parties" means persons specified in Commission Rules of Practice and Procedure, Rule 1.4(d).

6. The solar PV Clean Energy 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.

7. Procurement pursuant to the solar PV Clean Energy 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 Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.), D.11-12-020, D.11-12-052, or other applicable law.

8. 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.

9. Consistent with D.11-12-052, SCE provided information in AL 5688-E regarding the expected PCC classification of the RECs procured pursuant to the solar PV Clean Energy Contracts.

10. 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.

11. Pursuant to D.02-08-071, SCE's Procurement Review Group participated in the review of the Clean Energy Contracts.

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

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

14. SCE's request to allocate the benefits and costs of the Clean Energy Contracts to all applicable customers via the 2025 vintage sub-account of PABA, including incremental administrative costs, is reasonable.

15. Should SCE fall below 100 percent of its MTR procurement requirements in D.21-06-035 or D.23-02-040, it is reasonable for SCE to count all or a portion of the resources subject to the Clean Energy Contracts toward its MTR requirements in D.21-06-035 or D.23-02-040 instead of D.24-02-047, and accordingly adjust the cost recovery for the adjusted Clean Energy Contracts to the applicable recovery mechanism specified in D.21-06-035, D.23-02-040, Advice Letter 4589-E, and/or Advice Letter 5019-E, as long as the resource meets all of the requirements of the decision for which it is being counted.

16. SCE's request to count the Clean Energy Contracts toward any future procurement requirements or compliance requirements established in the IRP proceeding is rejected.

17. SCE's request to allocate the benefits of IPE solicitation exclusivity agreements (i.e., any security amounts that SCE is able to keep under the exclusivity agreements) to bundled service customers and departing load customers with vintage cost responsibility based on the calendar year the costs were incurred, via the PABA, is rejected.

18. SCE's request to allocate the incremental administrative costs associated with IPE solicitations to bundled service customers and departing load customers with vintage cost responsibility based on the calendar year the costs were incurred, via the PABA, is rejected.

19. The portions of Advice Letter 5688-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 5688-E for approval of the Clean Energy Contracts, is granted.

2. SCE's request to count the Clean Energy Contracts toward any future procurement requirements or compliance requirements established in the IRP proceeding is rejected.

3. SCE's request to allocate the benefits of IPE solicitation exclusivity agreements (i.e., any security amounts that SCE is able to keep under the exclusivity agreements) to bundled service customers and departing load customers with vintage cost responsibility based on the calendar year the costs were incurred, via the PABA, is rejected.

4. SCE's request to allocate the incremental administrative costs associated with IPE solicitations to bundled service customers and departing load customers with vintage cost responsibility based on the calendar year the costs were incurred, via the PABA, is rejected.

5. SCE's proposed cost recovery, to allocate the benefits and costs of the Clean Energy Contracts to all applicable customers via the 2025 vintage sub-account of PABA, including incremental administrative costs, is approved.

6. SCE's request to count all or a portion of the resources subject to the Clean Energy Contracts toward its MTR requirements in D.21-06-035 or D.23-02-040 instead of D.24-02-047 and accordingly adjust the cost recovery for the adjusted Clean Energy Contracts to the applicable recovery mechanism specified in D.21-06-035, D.32-02-040, Advice Letter 4589-E, and/or Advice Letter 5019-E, as long as the resource meets all of the requirements of the decision for which it is being counted, in the event that SCE falls below 100 percent of its MTR procurement requirements in D.21-06-035 or D.23-02-040, is approved.

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 February 5, 2026; the following Commissioners voting favorably thereon:

Dated _____, at Sacramento, California

Confidential Appendix A

Summary of Major Contract Terms

REDACTED

Confidential Appendix B

Summary of Evaluation and Cost Reasonableness

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