PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Item #8 (Rev. 1)
Agenda ID# 24440
ENERGY DIVISION **RESOLUTION E-5475**
September 17, 2026

RESOLUTION

Resolution E-5475. Ava Community Energy Clarification on D.21-06-035 Baseline Resource List and Baseline Waiver Requests.

PROPOSED OUTCOME:

- This Resolution confirms that the 200 MW solar and 184 MW/736 MWh storage Sonrisa project contracted by Ava Community Energy is a distinct project from the D.21-06-035 baseline resource of the same name, and thus incremental to the D.21-06-035 baseline.
- This Resolution expands the eligibility requirements for submitting a baseline waiver request as outlined in D.23-02-040 to include situations where a contracted project in the baseline failed to be developed so that the contracting load-serving entities can submit a baseline waiver request to have the project removed from the baseline, and clarifies the process for requesting a baseline waiver.

SAFETY CONSIDERATIONS:

- The owner(s) and seller(s) of the project are responsible for the safe construction and operation of their facilities in compliance with all applicable laws, including safety regulations.

ESTIMATED COST:

- There are no costs associated with this resolution.

By Advice Letter 70-E, Filed on June 1, 2026.

SUMMARY

This Resolution confirms that the Sonrisa project, a 200 MW solar and 184 MW/736 MWh storage facility, contracted by Ava Community Energy ("Ava", formerly East Bay Community Energy ("EBCE")) is a new resource and thus incremental to the baseline list of generators defined in D.21-06-035, following Commission review of the information presented by Ava.

Additionally, this Resolution expands the eligibility requirements for the submission of baseline waiver requests for projects that are included in the baseline but have not and are unlikely to ever come to fruition, and clarifies that Load-Serving Entities (LSEs) may request a Tier 2 waiver by submitting a Tier 2 Advice Letter to the Commission.

BACKGROUND

On February 23, 2023, the Commission issued Decision ("D.") 23-02-040 to address the mid-term reliability needs of the electricity system within the California Independent System Operator's ("CAISO") operating system by ordering supplemental procurement for 2026 and 2027. In D.23-02-040[1], the Commission addressed the topic of baseline resources, "projects that the Commission assumed would be online when determining the capacity needs required by D.19-11-016 and D.21-06-035." More specifically, the Commission adopts two processes to adjust the baseline resource list: a baseline "swap" and a baseline waiver. A baseline swap allows a Load-Serving Entity ("LSE") to nominate a project on the D.19-11-016 and/or D.21-06-035 baseline generator list ("baseline") to be considered for removal, with an equal amount of procurement obligation (in NQC) to be added to the LSE's 2025 procurement obligation under the provisions of D.21-06-035. A baseline waiver allows new LSEs to contract for and count a baseline resource towards its IRP procurement obligations, "when that LSE had previously not held a contract with the project and the original purchasing LSE has terminated the contract."[2] This request removes the resource from the baseline and counts the resource toward the new LSE's obligations.

On June 1, 2026, Ava filed Advice Letter ("AL") 70-E, requesting confirmation that the 200 MW solar and 184 MW/736 MWh storage Sonrisa Project is incremental to the D.21-06-035 baseline. The Sonrisa Project shares the same name as a resource in the baseline generator list, which was included from Ava's 2020 Integrated Resource Plan (IRP). However, the baseline resource included in Ava's 2020 IRP never came to fruition

[1] D.23-02-040, p. 10.
[2] D.23-02-040, pp.18-19.

and thus did not make any development progress due to an infeasible interconnection configuration.

Ava provided additional information in the Advice Letter to support their request for confirmation that the new project is an entirely different resource. Ava stated that the new Sonrisa project differs from the baseline project in size, commercial operation date, design, technology, land footprint, interconnection configuration, and permitting status. Due to these factors, the new Sonrisa project design is substantially different from the baseline resource of the same name.

NOTICE

Notice of AL 70-E was made by publication in the Commission's Daily Calendar, and a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

Advice Letter 70-E was not protested.

DISCUSSION

The Commission has reviewed and evaluated the information and details provided in Ava's AL 70-E and finds that the newly contracted Sonrisa project, a 200 MW solar and 184 MW/736 MWh storage facility, is a new resource and thus incremental to the D.21-06-035 baseline.

The Commission is aware that there are several projects in the baseline generator lists of D.19-11-016 and D.21-06-035 that have not yet come online and are unlikely to make further developmental progress, and therefore other LSEs may find themselves in a similar situation. Thus, this resolution expands the eligibility requirements for LSEs to submit a baseline waiver request to include situations where a project simply did not get developed, i.e., the project is not online and no longer actively moving forward. Also, we clarify that an LSE may request a baseline waiver by submitting Tier 2 Advice Letter to the Commission; this was implied but not explicitly stated by D.23-02-040.

COMMENTS

Public Utilities Code ("PUC") 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 on August 12, 2026. No party submitted comments on the draft resolution.

FINDINGS AND CONCLUSIONS

1. Commission Decision 23-02-040 directed load-serving entities ("LSEs") to file an Advice Letter to submit a baseline waiver request if a new LSE wants to contract for and count a baseline resource towards its IRP procurement obligation, when that LSE had previously not held a contract with the project and the original purchasing LSE has terminated the contract.

2. Ava Community Energy ("Ava") has requested confirmation that the newly contracted Sonrisa project, a 200 MW solar and 184 MW/736 MWh storage facility, is incremental to the D.21-06-035 baseline.

3. The aforementioned project shares the same name as a resource in the D.21-06-035 baseline generator list but otherwise is a new resource, due to the new project's design which differs from the baseline project's design in size, commercial operation date, technology, land footprint, interconnection configuration, and permitting status.

4. The current requirements that qualify a LSE to submit a baseline waiver request should be expanded to include scenarios in which a contracted project failed to come online and is abandoned.

THEREFORE IT IS ORDERED THAT:

1. The request of Ava Community Energy ("Ava") to confirm that the newly contracted Sonrisa project, a 200 MW solar and 184 MW/736 MWh storage facility, is

incremental to the D.21-06-035 baseline, as requested in Advice Letter 70-E, is approved.

2. The eligibility requirements outlined in D.23-02-040 for load-serving entities to submit a baseline waiver request are expanded to include the scenario in which a baseline project failed to be developed to deliver power to the grid and is no longer under contract.

3. A load-serving entity may request a baseline waiver request by submitting a Tier 2 Advice Letter to the Commission.

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 September 17, 2026; the following Commissioners voting favorably thereon:

Commissioner Signature blocks to be added upon adoption of the resolution

Dated September 17, 2026, at San Marcos, California.