



ENERGY DIVISION

Fact Sheet**Staff Proposal: Reliable and Clean Power Procurement Program****R.20-05-003**

On April 29, 2025, staff of the California Public Utilities Commission (CPUC) released draft options for a Reliable and Clean Power Procurement Program (RCPPP). The goal of RCPMP is to establish a long-term procurement framework in the CPUC's Integrated Resource Planning (IRP) process that, in combination with the Resource Adequacy (RA) and Renewable Portfolio Standard (RPS) programs, could improve the process for Load Serving Entities (LSEs) to procure their share of the resources needed to meet electric system reliability and greenhouse gas (GHG) emission reduction goals at least cost. Staff outlines a proposal for RCPMP and asks stakeholders if alternative approaches should be considered.

Background

What is RCPMP?

- RCPMP is a regulatory framework that would assign reliability and clean energy procurement obligations to CPUC-jurisdictional LSEs in an ongoing, rolling basis to meet system-wide electric reliability and GHG reduction goals at least cost.
- RCPMP is an evolution from the CPUC's current approach of issuing individual procurement orders when necessary, such as Decision 21-06-035, the 2021 procurement order requiring LSEs to procure 11,500 megawatts of new capacity.

What barriers could RCPMP potentially address?

- RCPMP could potentially address the following barriers in the current procurement process:
 - It could provide greater predictability to LSEs of their procurement requirements on an ongoing basis.
 - It could more equitably allocate procurement requirements due to load migration that occurs when customers transition from one LSE to another, such as when a community choice aggregator forms.
 - It could better facilitate LSE procurement of needed resource attributes.

What entities would be regulated under the RCPMP framework?

- RCPMP would apply to all LSEs in the CPUC's jurisdiction, including investor-owned utilities, community choice aggregators, and electric service providers. It would not apply to publicly-owned utilities.



Reliability

To address reliability, two options are proposed that would give LSEs ongoing advanced notice of their reliability procurement requirements. Option I is designed to facilitate procurement of new and existing resources, and it is linked to the CPUC's existing RA program. Option II, by contrast, is designed to facilitate sufficient procurement of new resources based on assumptions of the retention and retirement of existing resources, and it is linked to a proposed expansion of the RA program. Both Option I and Option II include metrics for measuring LSE compliance and for issuing financial penalties on non-compliant LSEs.

Greenhouse Gas Reduction

To address GHG emissions reductions, a Clean Energy Standard (CES) is proposed as an option. This would further align procurement with planning already done in IRP. The CES would send signals for LSEs to procure additional clean energy beyond RPS requirements in order to achieve California's GHG reduction goals. Like the RPS program, the CES includes metrics for measuring LSE compliance and issuing financial penalties on non-compliant LSEs. The main difference between the CES and the RPS program is that all GHG-free resources could be procured in the CES, not just RPS-eligible resources. In addition to proposing a CES option, the Staff Proposal also requests stakeholder comments on alternatives to this approach for GHG reduction.

How Could RCPPP Support Affordability?

RCPPP could support affordability for ratepayers in both the reliability and GHG reduction portions of the framework. By giving LSEs more advanced notice of their specific share of reliability and GHG-reduction procurement obligations on an ongoing basis, RCPPP provides LSEs additional lead time to enter into procurement contracts at reasonable cost. Further, contracting further out in time may provide greater market predictability and opportunities for increased supply, which in turn would reduce costs (*i.e.*, a supply curve shifting right leads to a reduction in market equilibrium costs).

Next Steps

Staff will host a workshop to present these proposals on May 16, 2025 from 9:00am to 1:00pm PDT. Stakeholder opening comments on the Staff Proposal are due no later than June 5, 2025, and reply comments are due no later than June 26, 2025. Comments will inform a subsequent Proposed Decision on RCPPP.