

Procurement Compliance Staff Proposal Workshop Presentation

Hosted by
IRP Procurement Oversight Team

July 23, 2026



California Public
Utilities Commission

Logistics

- Please hold your questions until the designated discussion periods.
 - Each Staff Proposal topic will be followed by a discussion.
 - Parties will be called upon in the order that hands are raised in the chat and there will be a two-minute time limit per commenter to ensure that all parties get an opportunity to speak.
 - Each topic will have a time limit cap for discussion to ensure Parties have an opportunity to discuss each topic.
 - Topics that received greater engagement will receive more time.
- Questions may be asked virtually:
 - Use the “raise your hand” symbol, and you will be unmuted.
 - If there is remaining time after each topic is addressed, additional engagement on a topic is possible
- Before speaking, please introduce yourself.

Welcome & IRP Procurement Oversight Staff Introductions

Agenda

- Procurement Compliance Staff Proposal Objective
- Procurement Compliance Staff Proposal Topics Discussion

1. Net Cone (20 Min)	5. Resource Delays (10 Min)
2. Good Faith Effort (20 Min)	6. Citation Program (5 Min)
3. Definition of Online (10)	7. IRP/RA/RPS Compliance Alignment (5 Min)
4. Capacity Factor (5 Min)	

- Next Steps
- Closing Remarks

Background & Objectives

- The Procurement Compliance Staff Proposal Workshop is for discussion purposes only and will not be part of the official record.
- Several parties have contacted IRP Procurement Oversight Staff requesting policy compliance clarifications; to share thoughts on potential compliance approaches; and to obtain information regarding Net CONE penalties.
- The Procurement Compliance Staff Proposal Workshop is to provide Parties an opportunity to share thoughts on the identified procurement compliance topics ahead of issuance of the Staff Proposal.

Procurement Compliance Staff Proposal Topics



Net Cone

- Establish a transparent & objective standard
- Several inquiries have been received asking for clarification regarding the Net CONE penalty amount.
- Staff initial approach is to establish a specific amount that represents Net CONE.
- Many of the informal responses received are in favor of maintaining Net CONE for Procurement penalties.

Discussion 20 Minutes

Procurement Compliance Staff Proposal Topics



Good Faith Effort

- Sunset or revise this policy
- Lean into RA three-year alternative compliance mechanism

- Staff are considering sunsetting or revising the Good Faith Effort Policy to provide more clarity.
- The Alternative Compliance Pathway* was established in Decision (D.) 25-09-007 for procurement delays.
- The majority of informal responses received are in favor of maintaining the Good Faith Effort Policy to assist with “short” project delays.

Discussion 20 Minutes

Procurement Compliance Staff Proposal Topics

Online

- Establish definition of online (Commercial Operations Date)
- The current approach is to define online using Commercial Operations Date (COD).
- It is best practice for compliance policies to be clear, defined, and measurable.
- The majority of informal responses received are in favor of using COD to define online.

Discussion 10 Minutes

Procurement Compliance Staff Proposal Scope (Cont'd)

Capacity Factor

- Clarify if 80% capacity factor is annual or across term of contract
- Potential varied definition for LLT

- Several inquiries have been received asking for clarification regarding the 80% Capacity Factor requirement.
- Current policy is that the 80% Capacity Factor is an annual requirement that is verified with an engineering assessment.
- Many informal responses received support the current compliance approach, while others made alternate suggestions.

Discussion

5 Minutes

Procurement Compliance Staff Proposal Scope (Cont'd)

Resource Delays

- Establish definition of delay
 - Clarify compliance approach
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- Staff consistently receive inquiries asking for clarification for delay scenarios.
 - It is best practice for compliance policies to be clear, defined, and measurable.
 - Many informal responses received are in favor of defining delay.

Discussion 10 Minutes

Procurement Compliance Staff Proposal Scope (Cont'd)



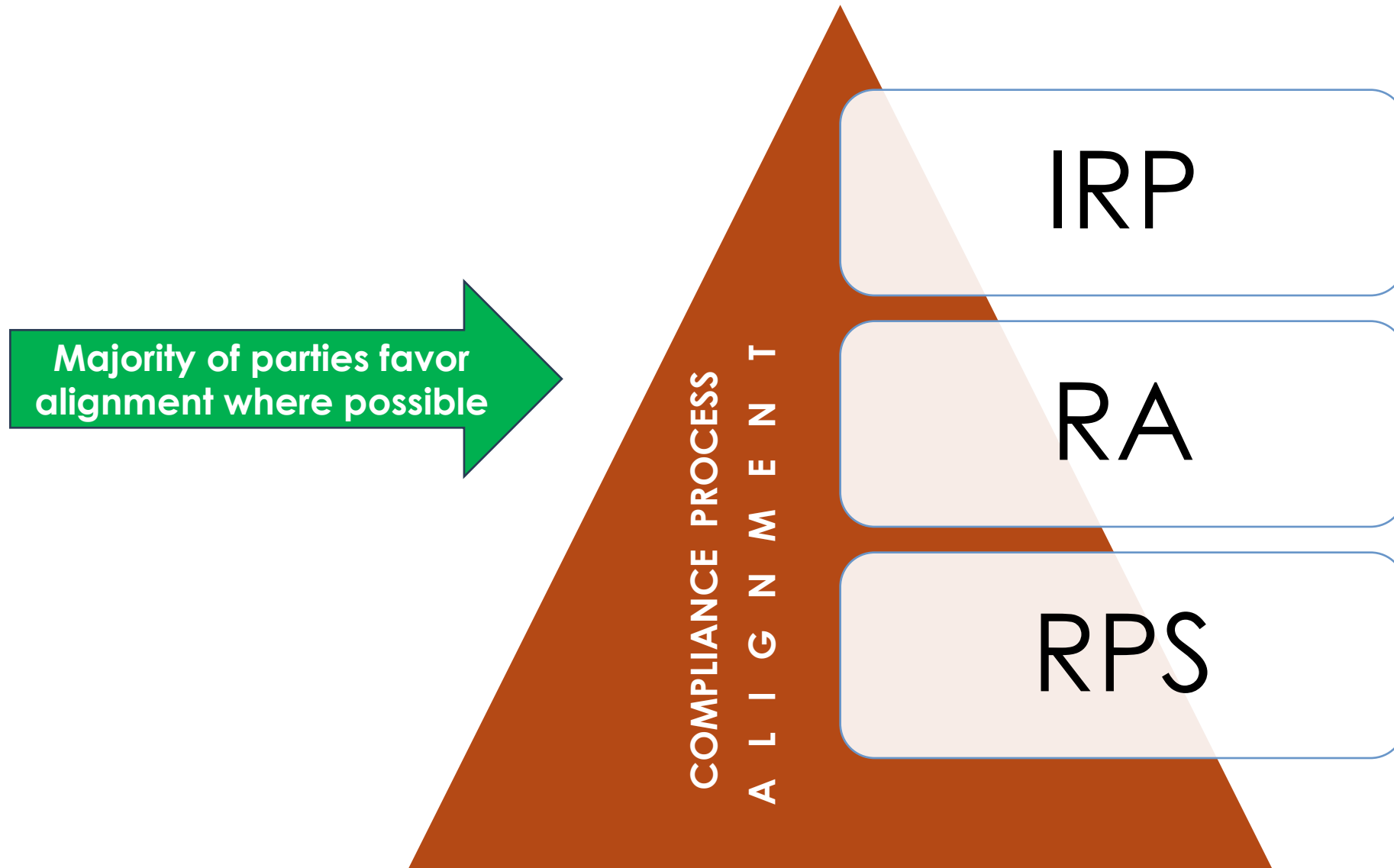
Citation Program

- Issue public citations
 - Establish timeframe for issuance of citations, i.e. one year; bi-annual, etc.
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- Intent is to provide a simple and timely method for issuing penalties.
 - Citations are expected to be public.
 - The majority of informal responses received are in favor of issuing public citations.

Discussion

5 Minutes

Procurement Compliance Staff Proposal Scope (Cont'd)



Discussion

5 Minutes

Procurement Compliance Staff Proposal Next Steps

- ALJ Ruling issuing Procurement Compliance Staff Proposal – November 2026
 - Parties' comments for Procurement Compliance Staff Proposal – December 2026 to January 2027
 - Proposed Decision – May 2027
 - Decision – July 2027
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- *All dates are preliminary and subject to change*

