

California Public Utilities Commission

2027 Resource Adequacy and Slice of Day Guide

Issued September 18, 2026

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1. Purpose and Overview of Resource Adequacy Filing Guide

This 2027 Resource Adequacy (RA) Filing Guide (“Guide”) is meant to inform Load Serving Entities (LSEs) in demonstrating compliance with the CPUC’s RA program. This Guide provides a comprehensive overview of the California Public Utilities Commission’s (CPUC) Slice of Day (SOD) RA framework, as well as implementation details applicable for the 2027 compliance year. LSEs should use this Guide as reference material alongside the RA SOD System and Local, Flexible RA, and CPE Data Reporting Templates (Templates), their corresponding User Guides, and the appendices to this Guide. LSEs under the CPUC’s jurisdiction are strongly encouraged to read this Guide in its entirety before contacting Energy Division staff with questions or comments. To the extent that this Guide is incomplete or does not address a particular issue, LSEs are encouraged to contact Energy Division staff (RAFiling@cpuc.ca.gov).

2. New for 2027 RA Compliance Year

Several Commission decisions established requirements that are new or otherwise particularly relevant for the 2027 RA compliance year. The most recent changes adopted in Decision (D) 26-07-008 are summarized first, followed by requirements from earlier decisions (D.25-06-048 and D.24-12-003) that remain relevant for 2027. More detailed requirements and filing instructions are provided in the applicable sections of this Guide.

Dates throughout this Guide have also been revised to reflect the 2027 compliance year, along with other minor clarifications to filing instructions. The schedule of filing deadlines in Section 3 reflects current RA program requirements. LSEs should refer to the Commission’s online RA Filing Calendar for the most current filing dates.

D.26-07-008

The Commission adopted several RA program requirements and refinements applicable to the 2027 compliance year, including:

Local and Flexible RA Requirements

- The Commission adopted 23,618 MW as the total Local Capacity Requirement for 2027, 24,545 MW for 2028, and 25,480 MW for 2029.¹
- The Commission adopted CAISO’s Flexible Capacity Requirements for the 2027 compliance year.²

¹ D.26-07-008 OPs 1 – 3 at 196.

² *Id.*, OP 4 at 196.

Resource Counting and Storage Qualifying Capacity

- The storage qualifying capacity (QC) methodology was modified to account for minimum continuous energy limitations and nonlinear discharge performance, or "foldback." The Master Resource Database will also include updated storage fields and a resource-duration field.³
- The storage QC will be calculated as (Maximum Continuous Energy Limit – Minimum Continuous Energy Limit) ÷ 4, constrained by the Point of Interconnection. Although this may not account for all nonlinearity ("foldback"), it will bring a battery's QC counting into closer alignment with the four-hour requirement and its state-of-charge limits.⁴
- A long-duration energy storage (LDES) resource is defined as a storage resource capable of discharging continuously at maximum capacity for at least eight hours.⁵
- Beginning with the 2027 compliance year, LDES resources may use a forward charging period (FCP) multiplier, based on resource duration, to demonstrate charging sufficiency across multiple days. Closed-loop pumped storage hydropower resources are treated as LDES resources for purposes of charging sufficiency requirements.⁶

Energy Only Resources and Charging Sufficiency

- Excess energy produced by an energy-only resource that is co-located with a deliverable resource may count toward charging sufficiency, subject to the applicable hourly Point of Interconnection limit and after accounting for the charging needs of on-site paired storage.⁷
- Standalone energy-only resources remain ineligible to count toward RA capacity or charging sufficiency under existing rules.

Charging Sufficiency Deficiencies and Penalties

- Beginning with the 2027 compliance year, charging sufficiency deficiencies will be incorporated into the RA penalty process. A charging sufficiency shortfall represented in MWh is converted into a 24-hour flat-profile MW equivalent and applied across all 24-hour compliance positions when determining the LSE's maximum deficient hour for deficiency penalty assessment.⁸

Imbalance Reserve and Reliability Capacity Products and Revenues

- LSE's RA contracts for Imbalance Reserve (IR) products must specify that the resource owner is not eligible for IR capacity-related revenue payments, except in the instance in which the LSE is the resource owner and the resource is used by that LSE for RA compliance. This provision does not apply to the opportunity-cost portion of the revenue payment. LSEs shall use the CAISO Day-Ahead Market Enhancements Transitional Measures, or other equally effective means, to effectuate this

³ *Id.*, OPs 6 – 7 at 197.

⁴ *Id.*, OP 6 at 197.

⁵ *Ibid.*

⁶ *Id.*, OPs 10–11 at 198.

⁷ *Id.*, OP 8 at 197 – 198.

⁸ *Id.*, OP 24 at 204 – 205.

requirement to return capacity-related revenues to the LSE that shows the RA resource. This requirement applies to contracts executed after the effective date of D.26-07-008.⁹

- The Reliability Capacity and Imbalance Reserve rules adopted in D.26-07-008 shall not disturb existing contracts. LSEs should undertake reasonable efforts to enforce existing contract provisions that account for the Decision 05-10-042 rules.^{10, 11}

Off-Peak Imports

- The off-peak import counting rule first adopted in OP 12 of D.24-06-004 is extended to apply to future Q3 compliance months.¹²

Year-Ahead Flexible RA Showings

- Under-Construction resources may count toward Year-Ahead (YA) Flexible RA compliance only if the resource is included in the YA Master Resource Database and is identified as eligible to provide Flexible RA.¹³

Load Forecasting Process

- The Commission adopted Energy Division's summary of the SOD load forecast process, included as Appendix A to D.26-07-008, formalizing the existing implementation process.¹⁴
- Beginning in the 2028 RA compliance year, new large-load reporting requirements will apply, requiring IOUs to share information on expected large customer interconnections with CCAs before or during the annual meet-and-confer process and include that information in their own CEC forecast submissions, and all LSEs must identify new or expanding large customers in their annual load forecasts. However, because this requirement *is not* effective for 2027 compliance, it is not detailed further in this Guide.¹⁵

⁹ *Id.*, OP 15 at 200.

¹⁰ *Id.*, OP 16 at 201.

¹¹ The Decision states that "existing contracts shall not be disturbed." (D.26-07-008 at 113 and 115). Staff understands that the final decision was modified specifically to address concerns raised by parties regarding the cost, complexity, and potential disruption associated with reopening existing RA contracts. Staff understands the Decision's prohibition on disturbing existing contracts also applies to the resale of existing RA contracts (RA contracts that were executed before the Decision and resold after the Decision), because those resale transactions remain part of the same underlying contractual chain. Thus, Staff does not expect that the reselling of existing RA contracts to be impacted by Ordering Paragraphs 15 and 16 of D.26-07-008 or to require the material alteration of terms contained in those existing RA contracts upon resale.

¹² *Id.*, OP 25 at 205.

¹³ *Id.*, OP 26 at 205.

¹⁴ *Id.*, OP 21 at 203.

¹⁵ *Id.*, OP 20 at 202 – 203.

Central Procurement Entity Framework

- Energy Division is authorized to publicly release the aggregated and anonymized CPE local contract data collected from LSEs.¹⁶
- Beginning with the 2027 CPE procurement cycle, CPEs must use the aggregated local RA contract data to assess total contracted capacity and remaining procurement needs at both the local and sub-local area level, including consideration of storage charging limitations identified in CAISO's annual Local Capacity Requirement study.¹⁷

D.26-07-008 also adopts an Unforced Capacity framework for implementation beginning with the 2028 RA compliance year. Because the framework *will not* be used for 2027 compliance, it is not described in detail in this Guide.¹⁸

D.25-06-048

The following requirements adopted in D.25-06-048 remain applicable to the 2027 RA compliance year:

- An 18 percent Planning Reserve Margin (PRM) applies for the 2027 RA compliance year. The Commission also continued an effective PRM procurement target of 1,260 – 2,300 MW for June through October, divided between the three investor-owned utilities (IOUs) as follows:
 - 120 – 220 MW San Diego Gas & Electric Company (SDG&E), and 570-1,040 MW each for Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE).¹⁹
- An LSE is permitted one load-migration update in mid-February applicable to June through December. Except for this update, each LSE's load forecast is locked for the January – May and June – December periods.
- Beginning in the 2026 RA compliance year, the RA measurement hours are:
 - November through May: 5:00 pm – 10:00 pm (HE 18 – 22); and
 - June through October: 4:00pm – 9:00pm (HE 17 – 21).

Resource Adequacy Measurement Hours		
Months	Hours	Hour Ending ²⁰

¹⁶ *Id.*, OP 22 at 203.

¹⁷ *Id.*, OP 23 at 203 – 204.

¹⁸ *Id.*, OP 13 at 199, and Appendix B.

¹⁹ OP 6 of [D.25-06-048](#) at 123.

²⁰ All times are in clock time (i.e., unadjusted for daylight savings). To convert to standard time, March-October Hours would move back 1 hour. This would mean that March-May would be HE 17-21 (4:00 pm – 9:00 pm) and June-October would be HE 16-20 (3:00 pm – 8:00 pm).

November – February	5:00 pm – 10:00 pm	18 – 22
March – May	5:00 pm – 10:00 pm	18 – 22
June – October	4:00 pm – 9:00 pm	17 – 21

- The variable energy component of a co-located resource with Partial Capacity Deliverability Status or Full Capacity Deliverability Status may count toward RA requirements and off-site charging sufficiency requirements up to its deliverable capacity, provided that the combined generation and storage showing does not exceed the Point of Interconnection limit in any hour.
- CPE local RA contract data reporting is incorporated into the annual year-ahead RA compliance filing.

Additional information regarding these requirements is provided in the applicable sections of this Guide.

D.24-12-003

D.24-12-003 adopted several modifications to the CPE Framework that remain relevant for the 2027 compliance year:

- The Commission established a modified allocation process under which 2027 compliance year CPE allocations are provided one year in advance, giving LSEs earlier certainty regarding their requirements and additional time to conduct procurement. The modified process will be reevaluated following the 2027 compliance year.
- The Commission eliminated voluntary uncompensated self-showing of local resources to the CPEs and authorized Energy Division to collect information regarding LSEs' contracted local RA capacity in the PG&E and SCE TAC areas. Energy Division aggregates and anonymizes this information for use by the CPEs in assessing local procurement needs.

Additional information regarding the CPE framework and applicable reporting requirements is provided in Section 10.

Guide Structure Updates for 2027. In addition to the substantive changes described above, this year's Guide condenses procedural history and removes outdated or superseded guidance throughout, consolidates duplicative content into a single location per topic, and corrects stale references accumulated across prior compliance years. These changes are structural and do not reflect any change in RA program requirements, nor do they represent significant modifications to this Guide's format and

organization. LSEs seeking guidance on matters no longer detailed in this Guide should consult prior years' Filing Guides, available on the RA Compliance Materials website.

3. 2027 RA Compliance Due Dates

3.1 Timeline for Year Ahead Load Forecasts for 2027 Compliance Year

LSEs file Historical load info	Mar 9, 2026
LSEs file Initial Year-Ahead Load Forecast	Apr 13, 2026
LSE may revise Initial Year-Ahead Load Forecast	May 11, 2026
CPEs receive three-year Year-Ahead local RA requirements	July 9, 2026
LSEs receive initial Year-Ahead RA obligations, including system and flexible CAM credits from CPE procurement from prior year	July 27, 2026
LSEs file final revised Year-Ahead Load Forecast	Aug 10, 2026
LSEs receive updated CAM credits for the system and flexible capacity procured by the CPE	August 28, 2026
LSEs receive final RA obligations including updated CAM credits based on revised load forecast	Sep 18, 2026

3.2 Load Forecast and Month-Ahead Filing Dates for 2027 RA Compliance

The following includes the Due Date for the Local RA True up Filing pursuant to D.14-06-050. Per Rule 1.15 of the CPUC Rules of Practices and Procedure, if a due date falls on a Saturday, Sunday, or holiday, it is extended to the following business day.

RA Compliance Filing	Due Date
CPEs make local showing to the Commission for 2027, 2028, and 2029 for PG&E and SCE Local Areas, along with LSEs' attestations.	Aug 19, 2026
CPE Annual Compliance Report	Sep 18, 2026
Final 2027 Year-Ahead; LSEs in the SDG&E TAC make system, flexible, and three-year local RA showing; LSEs in PG&E and SCE TACs make year-ahead system and flexible showings	Oct 31, 2026 ²¹
January	Nov 17, 2026
February	Dec 18, 2026
March	Jan 15, 2027
April	Feb 15, 2027

²¹ Supporting documentation for 2028 and 2029 local capacity for SDG&E local RA requirement is due to Energy Division on November 30, 2026. See Section 11 for more information.

LSE Load Forecast Update for June – December*	Feb 15, 2027
May	Mar 17, 2027
June	Apr 17, 2027*
July**	May 17, 2027
August**	Jun 17, 2027
September**	Jul 18, 2027*
October**	Aug 17, 2027
November**	Sep 17, 2027
December**	Oct 17, 2027*

**See Section 14 for additional details and instructions.*

***July through December Month-Ahead filings incorporate applicable Local and Flexible RA true-up requirements.*

3.3 Timeline for 2028 Year Ahead Load Forecasts to be Filed with the CEC and CPUC:

LSEs file historical load information	Mar 8, 2027
LSEs file initial Year-Ahead Load Forecast	Apr 12, 2027
LSEs may revise initial Year Ahead load forecast	May 10, 2027
LSEs file final load forecast	Aug 9, 2027

4. Background

Energy Division staff, alongside the assigned Commissioner and Administrative Law Judge, oversee both the compliance and policy aspects of the CPUC's RA Program. Refinements to the CPUC's RA Program are scoped, discussed at length, and ultimately adopted via the process of CPUC rulemaking proceedings. These proceedings are generally initiated every two years and conclude within 18 months. A wide variety of stakeholders including, but not limited to load serving entities, consumer advocates, reliability coordinators, and generators are essential to the decision-making process.

Since its establishment in 2004²², the RA Program has continued to evolve significantly in response to various factors, including federal and state decarbonization policies, increases in the numbers of CCAs and ESPs, regionalization, the proliferation of variable (e.g., wind and solar) and distributed energy

²² [D.04-10-035](#).

resources (e.g., rooftop solar photovoltaic panels and behind-the-meter storage), and increasingly, extreme weather events.²³

4.1 RA Framework

The RA Program framework contains three distinct requirements and two types of filings, as shown in Tables 1 and 2 below.

Table 1: Resource Adequacy Framework – Requirements

Requirement	Determination
System RA	Each LSE's CEC-adjusted forecast plus a planning reserve margin (PRM)
Local RA	Annual CAISO study using a 1-in-10 weather year and an N-1-1 contingency
Flexible RA	Annual CAISO study that identifies the largest three-hour ramp in each month needed to ensure reliable system operations

Table 2: Resource Adequacy Framework – Showings

Showing	Annual (Filed on or around 10/31)	Monthly (Filed 45 days prior to compliance month)
System	LSE must demonstrate procurement of 90% of System RA obligation for the five summer months (May – September) of the coming compliance year.	LSE must demonstrate procurement of 100% of its monthly System RA obligation.
Local	For its three-year forward obligation, each LSE in the SDG&E transmission access charge (TAC) area must demonstrate procurement of 100% of Local RA obligation for each month of compliance years one and two and 50% of its Local RA obligation for year three. LSEs in the SCE and PG&E TAC areas no longer have a local requirement with the adoption of the CPE structure. ²⁴	From July to December, LSE must demonstrate procurement of their revised (due to load migration) Local RA obligation.
Flexible	LSE must demonstrate procurement of 90% of Flexible RA obligation for each month of coming compliance year.	LSE must demonstrate procurement of 100% its monthly Flexible RA obligation.

²³ A comprehensive summary of major CPUC decisions and resolutions can be found at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/resource-adequacy-homepage/resource-adequacy-history>

²⁴ [D.20-06-002](#).

Together, these requirements and showing obligations establish the baseline structure of the RA Program. Section 4.2 traces how this structure evolved into the current Slice of Day framework.

4.2 Procedural History of the Slice of Day Framework

Historically, the need for grid reliability was sufficiently addressed through the procurement of system, local, and flexible requirements, which have been based on each LSE's monthly peak load forecast and subject to maximum cumulative capacity (MCC) bucket caps. The MCC bucket caps were established to prevent overreliance on use-limited resources such as variable energy resources and supply side demand response. However, a western-wide heat wave in 2020 resulted in the California Independent System Operator (CAISO) initiating rolling blackouts between August 18-20, highlighting the urgent need for RA Program reforms.

In response, as California's resource mix evolved to include increasing amounts of variable and use-limited resources, the Commission began considering reforms to the RA framework to better account for resource availability and energy sufficiency throughout the day.

D.21-07-014 established five key principles for developing a successor to the existing System RA framework and directed further development of a Slice of Day (SOD) approach. The principles were outlined as follows:

- **Principle 1:** To balance ensuring a reliable electrical grid with minimizing costs to customers.
- **Principle 2:** To balance addressing hourly energy sufficiency for reliable operations with advancing California's environmental goals.
- **Principle 3:** To balance granularity and precision in meeting hourly RA needs with a reasonable level of simplicity, and transactability.
- **Principle 4:** To be implementable in the near-term (e.g., 2024).
- **Principle 5:** To be durable and adaptable to a changing electric grid.

D.22-06-050 first adopted a 24-hour SOD framework. Under this framework, each LSE must demonstrate sufficient capacity to meet its hourly System RA requirements across all 24 hours of the applicable day. The framework also accounts for differences in resources' hourly availability and requires LSEs relying on energy storage resources to demonstrate sufficient excess capacity to meet applicable storage charging requirements.

D.23-04-010 adopted additional implementation details for the SOD framework, including resource counting rules, the process for determining LSE hourly requirements, and the compliance tools used to implement the framework. These tools include the Master Resource Database (MRD), LSE Requirement Database, LSE Showing Tool, and Commission Verification Tool.

D.24-06-004 affirmed implementation of the SOD framework and SOD became the binding framework for System RA compliance beginning with the 2025 compliance year. D.24-06-004 and subsequent Commission decisions have continued to refine resource counting, storage charging sufficiency, and other implementation processes and requirements.

D.25-06-048 continued this refinement process, adopting additional program changes including updated co-located resource counting rules, removal of penalty for deficiencies cured by the T-1 deadline, and revisions to the RA measurement hours and load migration timeline that remain applicable for the 2027 compliance year and are detailed in Section 2.

5. Structural Elements of the Slice of Day Framework

As adopted in D.22-06-050, the 24-hour SOD framework requires each LSE to demonstrate it has enough capacity to satisfy its specific gross load profile (including planning reserve margin) in all 24 hours on the California Independent System Operator’s (CAISO) “worst day” in that month. This replaced the prior framework’s single monthly peak-hour requirement. **While resources’ system, local, and flexible attributes remain bundled, hourly SOD showings are only required for LSEs’ system requirements.** This section describes the key structural elements of the SOD framework; how the “worst day” is identified (5.1), how the RA need is determined and allocations (5.2), the planning reserve margin (5.3), storage charging requirements (5.4), and cost allocation mechanisms (5.5).

5.1 “Worst Day”

The “worst day” is defined as the day of the month containing the hour with the highest coincident peak load forecast. **The worst day is used to establish each LSE’s System RA obligations for that month:** each LSE’s 14-hour load shape is scaled to match the system demand forecast in each hour of the worst day, and that hourly profile becomes the basis for the LSE’s monthly System RA requirement.²⁵ This could evolve over time if some other attribute (e.g., steepest ramping requirement) is found to be more challenging to reliability than the coincident peak.

²⁵ D.26-07-008 Appendix A, Step 1.

5.2 Need Determination and Allocation

The California Energy Commission's (CEC) load forecast process adapts the load forecast methodology used under the previous framework to the SOD framework, allocating a share of the total system load forecast to each LSE based on its submitted forecasts and CEC-applied adjustments. This process is detailed in D.23-04-010 and formalized in Energy Division's load forecast process summary, adopted as Appendix A to D.26-07-008. The steps, simplified, are as follows:

- Develop a reference forecast for each transmission access charge (TAC) area based on the CEC's adopted demand forecast, removing non-CPUC-jurisdictional load (e.g. publicly owned utilities).
- Apply LSE-specific adjustments – including plausibility, monthly peak and energy, and hour-specific adjustments – to align submitted forecasts with expected loads.
- Apply transmission and unaccounted-for-energy (UFE) loss factors to the adjusted forecasts.
- Apply hourly coincidence adjustment so that LSE forecasts reflect expected load at the system's forecasted peak hour.
- Apply load credit adjustments for Commission-directed programs (e.g. Public Goods Charge impacts, certain utility-owned storage, and load-modifying demand response).
- Apply pro-rata adjustments – first by LSE type, then a final individual LSE pro-rata adjustment – so that the sum of all LSE forecasts is within 1% of the reference forecast.

5.3 Planning Reserve Margin (PRM)

LSEs must demonstrate sufficient capacity to meet their load requirements plus a PRM percentage in each hour ("Load+PRM"). For initial implementation, one PRM will apply to all hours of the year.

In D.23-04-010 authorized Energy Division to develop a PRM Calibration Tool, incorporating elements of SCE's and the Natural Resources Defense Council's (NRDC) proposed calibration approaches, to translate loss of load expectation (LOLE) study results into the SOD framework.²⁶

On July 19, 2024, Energy Division issued its 2026 LOLE study that establishes a PRM and supports the translation of resource needs in the SOD framework utilizing the PRM calibration tool. D.24-12-003 authorized ED to undertake a further revision of the PRM analysis to correct errors identified by parties, and ordered the revised PRM analysis to be considered in Track 3 of the proceeding.

²⁶ D.23-04-010

D.25-06-048 adopted an hourly PRM of 18 percent for 2026 and 2027.²⁷

5.4 Capacity Required to Account for Storage Charging Requirement

To the extent an LSE uses energy storage to meet its Load+PRM requirement, the LSE must demonstrate it has excess capacity (*i.e.*, capacity that exceeds the LSE's hourly RA requirement) that offsets the storage capacity plus efficiency losses. In other words, LSEs must bring enough extra capacity to serve their own batteries. Capacity from supply side demand response (DR) resources and capacity from other storage resources may not be used to meet this requirement.

Beginning with the 2027 compliance year, Long-Duration Energy Storage (LDES) resources, defined as any storage resource able to discharge continuously at maximum capacity for at least eight hours, follow a modified version of this requirement. LDES resources are assigned a Forward Charging Period (FCP) multiplier based on their duration, allowing charging needs to be spread across multiple days leading up to the worst day:

Storage Duration	FCP Multiplier
8 - <12 hours	2
12 - <16 hours	3
16 - <20 hours	4
20 - <24 hours	5
24 - <48 hours	6
48 - <72 hours	7
>72 hours	8

Practically, this means that the energy required for charging LDES resources is divided by the multiplier. For example, if a 10 MW that is 12 hours in duration has an 80% round trip efficiency (RTE), it discharges 120 MWh but requires 150 MWh energy to input. However, with the FCP multiplier of 3, it would only need 50 MWh to be able to discharge 120 MWh.

Closed-loop pumped storage hydro is treated as an LDES for this purpose; open-loop pumped storage hydro is not yet subject to a charging sufficiency requirement pending further Commission review. See D.26-07-008, Section 4.4.3, for the full methodology.

²⁷ D.25-06-048

5.5 Cost Allocation Mechanism (CAM) and RA Allocation

Monthly peak load ratios are used for the Cost Allocation Mechanism (CAM), Reliability Must Run (RMR), Central Procurement Entity (CPE), and Demand Response (DR) allocations for all slices in the 24-hour framework. Credits associated with CPE procurement will be treated the same as CAM resources under the SOD framework. Energy sufficiency requirements associated with utility procurement of standalone energy storage resources subject to Modified CAM will be proportionally allocated.²⁸

CAM resources are allocated by resource class, with Energy Division determining the classes necessary to account for variation in the resources' daily profiles and use limitations, and applying the allocations to LSEs through the CAM debit/credit mechanism.²⁹

For the 2027 RA compliance year, CAM resources are broken out by the following resource classes:

- CAM Single-Cycle Storage
- CAM Multi-Cycle Storage
- CAM Peakers
- Other CAM Allocation

Energy Division will include energy sufficiency requirement allocations to load-serving entities using the CAM debit/credit mechanism.

6. General Requirements and Counting for Resource Adequacy Capacity

6.1 Requirements of RA Resources

No Unbundling of Attributes

Resource attributes and capabilities remain bundled across each compliance month and the existing full-capability/all-hour must-offer obligation is retained. Bundling resource attributes (*i.e.*, system, local, flexible) and capabilities across each compliance month aligns with the existing must-offer obligation because it ensures resources that have sold capacity also have a must-offer obligation equal to the amount sold for all hours they can produce. Resources can continue to sell portions of their capacity to different LSEs (*e.g.*, 70% of capacity sold to LSE 1 and 30% of capacity sold to LSE 2), but they cannot sell separate hourly products because that would effectively sell the same RA capacity multiple times.

²⁸ D.23-04-010 at OP 4

²⁹ *Ibid*

Full-Capability Must-Offer Requirement

An RA resource must offer all its capability to CAISO for the quantity of RA shown by LSEs. CAISO's market will optimize resources consistent with bids and resource limitations across the compliance month.

Deliverability

The on-peak deliverability study process has remained unchanged and is applied to all 24-hours of the Slice of Day framework. A resource is deemed to be "fully deliverable" if its full modeled output can deliver to system load under summer peak load conditions, and "partially deliverable" if something less than its full modeled output can reach the grid. The "full deliverability" amount is not dependent on the Commission's resource counting, only CAISO's modeling.

Resources Must Be Deliverable to Provide RA

Resources must be deliverable to qualify to sell RA (and be included in the RA showing). Resources that are partially deliverable can only provide RA for the portion of the resource that is deliverable. A resource's deliverability status is indicated in the Master Resource Database.

There may be instances where resources that are not deliverable may be shown to the CPUC. For example, off-peak imports may be shown and counted toward LSE RA requirements for Q3 compliance months, if the off-peak import meets conditions specified in D.24-06-004, as extended by D.26-07-008. Additionally, while co-located energy only VERs are not deliverable and cannot count toward RA capacity requirements, they are credited to charging sufficiency requirements, including off-site charging sufficiency beginning with the 2027 compliance year. See Section 6.2 for the charging sufficiency calculation and additional detail.

Profiles and Net Qualifying Capacity (NQC)

All resources are assigned a single monthly NQC value representing the deliverability-adjusted peak-hour contribution. Most resource types continue to utilize this NQC for their hourly showing (i.e., flat profiles) while solar and wind utilize hourly profiles (i.e., shaped profiles). LSEs will continue to input the portion of NQC under contract in the showing tool.

Beginning in the 2025 compliance year, for VER resources, the greater of the peak hour value and a very small non-zero QC value (0.1) in cases where the peak hour value is zero will be provided to CAISO for the non-zero QC value.

6.2 Resource Counting

Resource capacity counting should be consistent with expected capacity contribution in each hour of the Slice of Day framework. The expected capacity contribution in an hour will depend on resource capacity, generation type, special operational characteristics or limitations, deliverability status, and location (for solar/wind resources). These limitations are identified in the RA Master Resource Database (MRD). The database also includes tables reflecting solar and wind profiles.

Wind and solar resources are assigned monthly 24-hour profiles based on Pacific Gas and Electric Company's (PG&E) Top 5 Day exceedance methodology. PG&E's Top Five Days data set is modified to add days on which CAISO called a Flex Alert, Warning, Stage 1-3 Emergency, or EEA 1-3 condition. The exceedance methodology is applied to historical data to generate technology³⁰ and regional³¹ profiles.

For most categories of wind and solar resources, six years of production data are used as the basis for the exceedance methodology, sourced from CAISO meter quality settlement data from 2018 to 2024. D.24-06-004 specifies that exceedance levels will be updated every three years, with the first update occurring in 2024. Every year, new peak hours will be chosen using the California Energy Demand forecast. Wind and solar NQC is based on the peak hour exceedance value with the single QC value being updated based on changing monthly peak hours every year.

D.23-04-010 permits Energy Division to calculate exceedance values using a minimum three years of modeled data where the full six years of historical production data are not available for resources in new locations or for new technologies.

The modeled data is sourced from the most recent IRP modeling. As resources in new areas generate historical production data, new data will be added to the data set and displace earlier years.

Energy Division developed solar and wind profiles for in-state solar/wind and out-of-state wind resources and published its analyses on the Commission's RA website, which included the non-confidential versions of the historical data and exceedance calculations. Energy Division solicited informal comments from parties on the analysis and profiles on July 20, 2023, and received comments from several parties. In response to comments, Energy Division implemented several

³⁰ Technology types include wind, solar tracking, solar thermal, and solar fixed

³¹ Regional types include NorCal, SoCal, Arizona, New Mexico, Utah, Idaho, and Washington/Oregon.

refinements for assigning the exceedance levels in accordance with PG&E's Top 5 Days Methodology, including creating a methodology for exceedance levels to be chosen responsively based on a set of factors weighting hours with different priority.³²

Dispatchable resources (including resources not explicitly discussed elsewhere) are assigned a single value based on Pmax. Dispatchable use-limited resources are subject to identified daily availability constraints, which are captured in the MRD.

Dispatchable hydro resources are assigned a single monthly value applied to all hours based on the existing QC counting methodology. Dispatchable hydro operators are provided with a calculation from staff that removes water-availability outages. Operators may use this calculation and receive a RAAIM water-availability exemption; otherwise, they may claim up to Pmax. Dispatchable hydro resource NQC value is applied to all 24 hours.

Non-dispatchable resources are assigned a single monthly value applied to all 24 hours equally. The QC counting methodology for non-dispatchable non-VER resources has not changed under the Slice of Day framework, with the only change being that the single NQC value is applied to all 24 hours. Non-dispatchable resources are subject to availability constraints for each month, as captured in the MRD.

Energy storage resources are assigned value based on Pmax, restricted to daily resource capabilities (e.g., maximum daily run hours, maximum continuous energy, and storage efficiency). Excess capacity must be shown to account for storage charging requirements, including efficiency losses. Beginning with the 2027 compliance year, a storage resource's QC is calculated as (Maximum Continuous Energy Limit – Minimum Continuous Energy Limit) ÷ 4, constrained by the Point of Interconnection, to better account for the actual range of possible energy a battery may discharge in a given cycle, including nonlinearity ("foldback") in charge/discharge rates near a battery's state-of-charge limits.³³

Storage resources that are operationally and contractually able to provide multiple cycles in a 24-hour cycle may be shown for multiple cycles per day, provided that the LSE shows sufficient excess

³² For more information, refer to pages 24-27 in the February 5, 2024 Slice of Day Report. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/slice-of-day-compliance-materials/energy-division-report-on-ra-sod-implementation-and-year-ahead-showings.pdf>

³³ D.26-07-008.

energy and time between discharge cycles to charge the battery. The MRD indicates whether a storage resource can perform multiple cycles per day and the LSE Showing Tool accounts for needed charging capacity.

Hybrid and co-located resources utilize an additive approach for QC counting for both storage and variable energy resources. Paired resources include both co-located and hybrid resources and are characterized in the MRD as either charging exclusively on-site or allowing grid charging. Beginning with the 2027 compliance year, the charging sufficiency value of a co-located energy only (EO) resource is calculated as its total energy produced (subject to the hourly Point of Interconnection (POI) limit minus the on-site paired storage resource's charging sufficiency need. The resulting value may count toward off-site charging sufficiency, subject to the POI limit.³⁴ Standalone EO resources (i.e., those not paired with an on-site storage resource) remain ineligible to count toward RA capacity or charging sufficiency.

Paired components will be shown as separate assets on the MRD and the total MWh to the grid from the components will not exceed the interconnection amount in any hour.

Import resources. Resource-specific imports will be assigned value based on the applicable counting rules for that particular resource type. Non-resource-specific imports will count based on the contract value, subject to the requirement that resources be at least four hours in duration. Because non-resource-specific resources are not included in the MRD, LSEs must indicate hourly profiles based on the contract in the Showing Tool's Custom Resource Profiles tab.

For import resources under the SOD framework, a non-resource-specific import will count towards the RA requirements, provided that:

- The contract is an energy contract with no economic curtailment provisions.
- The energy must self-schedule (or in the alternative, bid in at a level between negative \$150/MWh and \$0/MWh) into the CAISO day-ahead and real-time markets at least during the Availability Assessment Hours every Monday- Saturday excluding NERC holidays throughout the RA compliance month.
- The energy must be delivered to the LSE in accordance with the governing contract.

³⁴ D.26-07-008 OP 8 at 197 – 198.

Demand response resources. DR resources are to be shown for four consecutive hours of the AAH window, unless required by contract or tariff to be capable of responding to longer dispatches, in which case the shown hours must include all of the AAH window. The value of DR resources will vary by hour based on the resource's capability on the worst day of the month under the 1-in-2 planning framework.

Beginning with the 2027 compliance year, Energy Division provide CAISO three monthly values per DR resource: the maximum showing value, the peak showing value, and the average of hourly MW values across the AAH window during which the resource is available. This replaces the prior approach of providing the greater of the peak showing value or a small non-zero QC values, and addresses month where the CEC's monthly peak hour falls outside a DR resource's four-hour showing window.³⁵

Snap back effects are included in the *ex-ante* LIP filings but are not reflected in the RA capacity counting.³⁶

All DR resources, except Reliability Demand Response Resources (RDRR), are required to be available during all days during which a CAISO Flex Alert is called, up through the least day for which the CAISO has issued a Grid Warning, Alert, or Notice, or the Governor's Office (GO) has issued an emergency notice. The resource must be available for the duration of an Alert, Warning, or Notice that issued prior and up to the 10 am Day-Ahead (DA) market bid deadline. LSEs are required to implement these requirements in contracts with DR providers.³⁷

Beginning with the 2024 RA compliance year, the Commission discontinued the use of the transmission loss factor (TLF) and PRM adders previously applied to DR resources but retained the distribution loss factor (DLF) adder.³⁸

The Maximum Cumulative Capacity (MCC) DR bucket is the only MCC bucket retained under the SOD framework (MCC buckets 1-4 no longer apply). The status quo methodology for determining the MCC DR bucket limit will continue to be used, based on gross load and 24 hours per month. The DR bucket limit of 8.3 percent is applied equally to each hour.

³⁵ D.26-07-008.

³⁶ OP 6 of D.23-06-029 at 136.

³⁷ *Id.*, at OP 30.

³⁸ *Id.*, at OP 29.

7. Slice of Day Showing Mechanics

7.1 RA Master Resource Database

The Commission maintains an official database of resources eligible to sell RA that includes their key attributes. Resources must be fully represented in the MRD to be eligible for use in the Commission's RA showings. The database shall include:

- Resource ID
- Available MW of RA capacity
- Hours available for production—represents the hours of its must-offer obligation and will set the parameters on how it can be shown in the Commission's RA showings
- Other use limitations (*e.g.*, peaker permit limits)
- Energy per Cycle and max daily energy MWh³⁹
- Charging efficiency (storage)
- Daily storage cycles (contractual and physical ability)
- Discharge duration for battery resources (Hour Continuous Duration)
- Configurations (hybrid and co-located)
- Applicable hourly profile for solar and wind
- Whether the resource allows charging exclusively on-site and allows grid charging
- Whether the resource is in an LCR area
- An “under-construction” tab with resources that have not yet come online as of the date of the annual filing

Energy Division publishes the draft MRD to the Commission's website for informal feedback and correction from parties and generators before it is finalized ahead of the applicable compliance year. Energy Division compares feedback from generators with information in CAISO's Master File, and incorporates corrections and feedback into the MRD as warranted. The MRD is updated monthly for deliverability and net qualifying capacity updates, with parties providing feedback as warranted. The MRD is uploaded directly into the LSE Showing Tool for use in compliance.

³⁹ Beginning with the 2027 compliance year, this field reflects the difference between a storage resource's maximum and minimum continuous energy limits, consistent with the storage QC foldback methodology (see Section 6.2)

7.2 LSE Showing Tool

D.23-04-010 adopted SCE's LSE Showing Tool approach, incorporating Clean Power Alliance's energy storage sufficiency logic. To demonstrate compliance, LSEs use the Showing Tool to enter the portion of each contracted resource's NQC under contract and to submit their YA and MA filings, which the Commission uses to verify RA requirements are met.

The most updated versions of the LSE Slice of Day showing tool, and the year-ahead Local and Flexible compliance template, are located on the [RA Compliance Materials website](#).⁴⁰

7.3 Compliance Verification

The Commission verifies the following to confirm an LSE has satisfied its RA requirements:

Resources are being shown within their capabilities. The MRD is used to validate that LSEs have represented their contracted resources accurately. This includes, but is not limited to, verification of resource profiles, point of interconnection limits for paired resources, and operational runtime limits.

RA requirements must be met or exceeded. LSEs must show they have met system, local, and flexible RA requirements.

Excess capacity must be shown to cover shown battery capacity. LSEs must show they have sufficient excess capacity, above their RA obligations, to account for storage charging requirements, including efficiency losses.

Showings are validated against CAISO supply plans. The Commission compares LSE RA showings against the supply plans Scheduling Coordinators submit to CAISO to confirm consistency between what is shown for RA compliance and what is committed to the CAISO market.

7.4 Under Construction Resources

The LSE Showing Tool contains a "User Defined Resources" tab that allows LSEs to claim, in their **Year Ahead** filings only, the capacity of resources expected to come online within the forthcoming compliance year. There is no equivalent tab in the Year Ahead Local, Flexible RA and CPE Data Reporting Template. For Local resources not yet online, LSEs instead list them directly in the Local Resources tab

⁴⁰ CPUC Resource Adequacy Compliance Materials: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/resource-adequacy-homepage/resource-adequacy-compliance-materials>

for the month(s)/year(s) they'll be available (per D.08-06-031 and D.09-06-028). Please refer to the Slice of Day Template User's Guide and the Year Ahead Local, Flexible RA and CPE Data Reporting Template for further instructions on how to enter under construction resources for year ahead filings.

The CAISO NQC List includes an "Other" tab listing Under Construction resources, with the relevant Resource ID and NQC values where available; the published MRD includes this same tab. If a resource doesn't yet have an NQC value, the LSE reports the contract value as a proxy, adjusted for applicable tech factors as appropriate, and sets the Capacity Effective Start and End Dates to reflect the resource's actual or expected availability. Energy Division may request supporting documentation.

Beginning with the 2027 compliance year, Under-Construction resources may also count toward **Year-Ahead Flexible RA** compliance, but only if the resource is included in the Year-Ahead Master Resource Database and identified as eligible to provide Flexible RA. (D.26-07-008).

A resource becomes eligible for the Under Construction tab in a Year Ahead filing once its projected commercial operation date is at least 45 days before the first day of the compliance month the LSE wishes to count it toward.

The "User Defined Resources" tab should not be used for Month Ahead filings to show Under Construction resources. If an LSE has a contracted resource that hasn't yet received an NQC value by a Month Ahead compliance deadline but has reached commercial operation and will be operating during the compliance month, the LSE should reach out to Energy Division staff for guidance on how to show the resource.

For **June through September Month Ahead filings**, D.24-06-004 established an extended cure period specifically allowing that a new resource with a commercial operation date (COD) after T-30 but before the start of the compliance month (T-1) may be used to cure the deficiency, provided the LSE submits to Energy Division:

- (a) the resource's contract confirming a CAISO must-offer obligation consistent with an RA product, and
- (b) a COD notice confirming the resource was online and deliverable before T-1.

The resource's capacity must not accept any CAISO Capacity Procurement Mechanism designation for that compliance month. Energy Division continues to issue deficiency notices prior to T-30 as usual; if the LSE meets these requirements, the deficiency is considered cured within five business days. Any

deficiency not cured under this process is referred to the Consumer Protection and Enforcement Division after the compliance month.

8. Contracting Mechanics in Slice of Day Framework

8.1 Existing Contracts

Preexisting contracts that took effect prior to the implementation of the Slice of Day framework are expected to continue with little or no modifications. RA attributes must continue to be bundled and contracted resources continue to have a must-offer requirement based on their operational capability and the amount of monthly RA capacity sold.

Where a subsequent decision changes a market or program rule, the Commission has generally applied new requirements prospectively to new contracts while leaving existing contracts in effect. For example, D.26-07-008's requirement that RA resources bid Reliability Capacity products at \$0 (and not receive double compensation for both RC and the capacity portion of Imbalance Reserve products) applies only to new contracts; existing contracts remain in effect, subject to reasonable efforts to enforce their existing provisions consistent with prior Commission policy.

8.2 Transactability

RA capacity continues to trade as it did under the prior framework because resource attributes remain "bundled" (see Section 6.1, No Unbundling of Attributes). The MRD is public, and all market participants know the RA capability of all resources on a 24-hour basis. This transparency facilitates both direct contracting and secondary trading, and allows LSEs to pursue RA resources that best fit their needs.

9. Net Qualifying Capacity

D.05-10-042 requires all LSEs to fulfil their System RAR based on adopted NQC. D.10-06-036 adopted a Qualifying Capacity Manual that describes the methodologies used to calculate NQC values for all resources. D.16-06-045 subsequently made some modifications to the QC calculations and definitions.

The manual is available on the [RA compliance website](#).

The Final 2027 NQC List is posted in the CPUC's Master Resource Database, available on the CPUC website⁴¹, as well as under "Current Net Qualifying Capacity (NQC)" on the CAISO website⁴². Please note that if there is a discrepancy between the NQC value for a resource in the list posted on the CPUC website and the list posted on the CAISO website, LSEs should use the NQC value in the list posted within the most recently published MRD on the CPUC website.

9.1 NQC and Local RA Compliance

D.06-06-064 first adopted a program of Local RAR for LSEs that are under the jurisdiction of the CPUC, while D.26-07-008 adopted Local RA obligations for compliance years 2027-2029. These decisions require LSEs in SDG&E's distribution service area to procure physical resources to meet the Local RARs three years forward. The respective CPE is required to procure physical resources to meet the Local RAR in PG&E and SCE's distribution service areas three years forward. These units must be located in the ten LCR areas identified in the MRD and are as follows: LA Basin, Big Creek/Ventura, San Diego-IV, Other PG&E Local Areas, the Greater Bay Area, Fresno, Humboldt, Kern, North Coast/North Bay, Sierra, and Stockton.⁴³ The LSE or the CPE is responsible for verification of the Local Area Designation of the unit, as well as the NQC value and the Scheduling Resource ID.

For year-ahead compliance filings, LSEs and the CPE should use the "Local, Flexible RA, and CPE Data Reporting Template" to report contracted resources in Local Areas. In that event an NQC value varies by month, the LSE should use the August NQC value for all months of the year. In cases where the LSE has contracted for only a portion of the resource, that resource's NQC values should be adjusted accordingly. For example, if a resource has a January NQC of 10 MW and an August NQC of 50 MW, an LSE that contracted for 50% of the resource in January would show 25 MW for January (which, in this example, is equivalent to 50% of the resource's August NQC). For month-ahead compliance filings, LSE will use the SOD Showing Template to report contracted local resources. Additionally, LSEs in SDG&E's distribution service area are to make RA showings demonstrating compliance with the Local RA obligations as adjusted by the Local RA True-up methodology adopted in D.10-12-038 and modified by D.14-06-050.

⁴¹ CPUC Resource Adequacy Compliance Materials: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/resource-adequacy-homepage/resource-adequacy-compliance-materials>

⁴² CAISO NQC list: <http://www.caiso.com/planning/Pages/ReliabilityRequirements/Default.aspx>

⁴³ [D.19-02-022](#) disaggregated the Other PG&E local areas.

10. Central Procurement Entity

D.20-06-002 established a local procurement framework that designated a central buyer to be responsible for procuring multi-year local RA resources in the PG&E and SCE distribution service areas. Under this hybrid framework, the CPUC authorized CPEs to procure the entire amount of required local RA on behalf of all LSEs, while also allowing individual LSEs to procure their own local resources. Local procurement under D.20-06-002 expressly includes sub-local areas. PG&E-CPE and SCE-CPE procure the entire amount of required local RA on behalf of all LSEs in their respective TAC areas, and the Commission allocates individual local RA requirements only to LSEs serving load in the SDG&E TAC area.⁴⁴ The framework is a hybrid model: LSEs in the PG&E and SCE TAC areas may still procure their own local resources and count them toward the collective local RA requirement. Each CPE's procurement obligation extends to sub-local areas under D.20-06-002 and D.24-12-003.

CPEs use all-source selection criteria and the established GHG planning price, and direct bidders to include the CalEnviroScreen of the resource.⁴⁵ Solicitations rely on CAISO's studies identifying needs across local capacity areas (LCAs) and sub-areas and apply selection criteria emphasizing facility location and best-fit resources for local reliability. A CPE that deems bid costs unreasonably high may defer procurement of local resources to CAISO's backstop mechanism, and penalties are not assessed so long as the CPE demonstrates that it made reasonable efforts to secure capacity.⁴⁶ Each CPE must also submit an Annual Compliance Report (ACR) summarizing its prior year's procurement process. Beginning with the 2027 CPE procurement cycle, each CPE must additionally demonstrate in its ACR how its contracted capacity reflects LCA and sub-LCA needs and the storage charging limitations identified within the applicable annual CAISO LCR study, including how the CPE considered the total contracted capacity results in making its procurement determinations.⁴⁷

An LSE that procures its own local resource may (1) offer the capacity to the CPE through the CPE's annual solicitation, either as a compensated self-shown commitment or as a bundled RA product, or (2) retain the resource to meet its own system and flexible RA needs. The option originally adopted in D.20-06-002 allowing an LSE to voluntarily shown the resource to the CPE for no compensation was eliminated by D.24-12-003 and is no longer available. Compensated self-shown commitments remain an

⁴⁴ OPs 2, 3, 7, and 8 of [D.20-06-002](#) at 90-91, and 93.

⁴⁵ *Id.*, OP 22 at 98. The selection criteria originally adopted in OP 14 of [D.20-06-002](#) were replaced by OP 8 of [D.22-03-034](#); the CalEnviroScreen direction is set forth in OP 9 of [D.22-03-034](#).

⁴⁶ *Id.*, OPs 26 and 27 at 100.

⁴⁷ *Id.*, OP 23 at 99.

eligible product in the CPEs' annual local RA solicitation and are compensated through the Local Capacity Requirement Reduction Compensation Mechanism (LCR RCM) at or below the pre-determined local price published by the Commission. An LSE that has shown capacity to a CPE may sell that capacity to another LSE, so long as the purchasing LSE assumes the selling LSE's show obligations. Distribution utilities have the same options as other LSEs, except that PG&E-IOU and SCE-IOU must bid their own resources that are not already allocated to benefiting customers into the solicitation process at their levelized fixed costs.

CPM costs associated with local RA deficiencies in a CPE's service area are allocated directly to the CPE, and the CPE recovers those costs through the CAM, with the costs allocated to all LSEs in the TAC area on a load-ratio-share basis. An LSE may substitute another resource in the event a shown resource does not perform.⁴⁸

An LSE offering a compensated self-shown commitment must execute an attestation that: (1) it has the capacity rights to the RA resource for the period it is showing; (2) it intends to show the RA resource on annual and monthly plans to satisfy its system and/or flexible RA needs; and (3) when applicable, the resource that intends to show for compensated under the LCR RCM meets the eligibility requirements of D.20-12-006.⁴⁹

The CPEs report (1) resources not offered in deficient areas; (2) procurement deferrals due to unreasonable prices or inability to reach term agreements; and (3) the results of outreach to non-participants or participants who withdrew.⁵⁰

LSEs in the PG&E and SCE TAC areas report the following information about their local RA capacity under contract: (1) Resource ID; (2) Local Area; (3) Contract Start/End Date; (4) Resource Technology Type; and (5) Contracted Quantities of Capacity in MW for the three-year forward period. The Energy Division aggregates, anonymizes, and provides this information to the CPEs to assess local and sub-local needs.⁵¹ LSEs in the SDG&E TAC are not subject to this requirement, which creates no obligation on LSEs other than the accuracy of the reported data.

⁴⁸ OP 1 of [D.22-03-034](#) at 70-71.

⁴⁹ OP 2 of [D.24-12-003](#) at 76.

⁵⁰ *Id.*, OP 14 at 140.

⁵¹ *Id.*, OP 4 at 76.

Reporting is made through the annual RA compliance filing due October 31.⁵² Reporting instructions, applicable local areas, and the relevant three-year forward contract period are set forth in the “CPE Data collection” discussion in Section 13.1 of this Guide. The Energy Division also publishes the CPE data request file on the Commission’s Resource Adequacy website. Beginning with the 2027 CPE procurement cycle, the CPEs use the aggregated local RA data to determine whether the total contracted capacity (CPE plus LSE contracts) results in sufficient local resources at both the LCA and sub-LCA levels, as defined by the CAISO’s annual LCR Study, and the CPEs’ procurement determinations must account for the storage charging limitations identified within that study. The data informs the CPEs’ exercise of the procurement authority and discretion granted under D.20-06-002 and D.22-03-034; it does not reduce a CPE’s allocated local requirement on a one-for-one MW basis.

The 2027 compliance year allocations were set a year in advance so that LSEs can have earlier certainty on their requirements and more time to conduct procurements; this modified process will be reevaluated at the end of 2027.⁵³ The Energy Division monitors the amount of the CPEs’ incremental procurement, the rate of local RA deficiencies deferred to backstop procurement, and whether market power may be exercised by generators.⁵⁴

Local Capacity Requirement Reduction Compensation Mechanism (LCR RCM)

The LCR RCM compensates a load-serving entity (LSE) that shows the Resource Adequacy (RA) attributes of an eligible local resource to the Central Procurement Entity (CPE) in advance of the CPE’s solicitation. An LSE that elects the LCR RCM is paid a showing price for the shown local attributes, if the resource is selected, in lieu of bidding the resource into the CPE solicitation.⁵⁵ A resource is eligible for the LCR RCM if it is:

- A new preferred resource or a new energy storage resource with an original contract executed on or after June 17, 2020; or
- A utility-owned generation (UOG) resource approved by the Commission.⁵⁶

⁵² OP 15 of [D.25-06-048](#) at 126.

⁵³ OP 5 at 78.

⁵⁴ *Ibid.*

⁵⁵ OP 3 of D.20-12-006 at 45-47; OP 15 of D.22-03-034 at 76-77. In D.26-07.008 at 152-153 the Commission declined to sunset the LCR RCM, concluding that it is premature to find the mechanism ineffective and that potential alternatives or modifications should be considered before any elimination. The Commission stated it will continue to monitor participation and may consider modifications as warranted.

⁵⁶ OP 5 of D.20-12-006, at 45-47.

“Preferred resources” takes the meaning given by the Energy Action Plan II loading order.⁵⁷ A hybrid resource consisting of a preferred resource and an energy storage resource is eligible if either component is new.⁵⁸ If an eligible resource elects to use the LCR RCM, it may not also bid into the CPE’s solicitation; that resource, however, retains the option to be shown, for no compensation.⁵⁹ If an eligible resource elects not to show for the LCR RCM, it can: (1) show the resource for no compensation in advance of the CPE solicitation, (2) bid the resource into the solicitation, (3) bid the resource into the solicitation and indicate that the resource will be available to show the local RA attribute for no compensation if the bid is not accepted, or (4) retain all RA attributes for the LSE. A local preferred resource may be eligible for the LCR RCM local premium up to the life of the resource’s original contract.⁶⁰ A shown resource that qualifies for the LCR RCM carries a commitment equivalent to the period it is under contract, where the start date may be any year within the three-year forward compliance period. LSEs intending to show resources to the CPE are encouraged to enter into an enabling agreement with the CPE in advance of a solicitation. If more cost-effective resources are available, the CPE may accept or reject the shown local resource.⁶¹

If selected, the LSE is paid the showing price (pre-determined local price or below), with no annual adjustment for effectiveness. The showing price may not exceed the pre-determined local price. The pre-determined local price is calculated as:

- The weighted average local RA price from the last four quarters of Energy Division Power Charge Indifference Adjustment (PCIA) responses;
- Less the weighted average system RA price from those same four quarters.⁶²

Energy Division publishes the resulting benchmark local premiums annually, in advance of the CPEs’ solicitations.

11. Multiyear Local RA Resource Showings

In the 2027 Year Ahead RA filing, LSEs in SDG&E’s distribution service area will show Local RA resources for 2027-2029 to meet their Year Ahead local RA obligations. The CPE will show local RA resources for

⁵⁷ OP 4 of D.20-12-006 at 45-47 (adopting the preferred resource definition from the Energy Action Plan II loading order, as adopted in D.14-03-004).

⁵⁸ OP 6 of D.20-12-006 at 45-47.

⁵⁹ D.20-12-006 at 22.

⁶⁰ *Id.*, OP 3 at 45-46.

⁶¹ *Ibid.*

⁶² OP 15 of [D.22-03-034](#) at 76-77. For the published benchmarks, see, e.g., Energy Division, Local Capacity Requirement Reduction Compensation Mechanism (Mar. 14, 2025); Energy Division, Local Capacity Requirement Reduction Compensation Mechanism (Mar. 22, 2024)

2027-2029 for PG&E and SCE's distribution service areas. For contracts reported in the 2027 Year Ahead filings that cover the year 2027, local RA resources will be validated against CAISO's supply plans. Additional requirements will apply for contracts reported in 2027 Year Ahead filings that cover the years 2028 and 2029, as Energy Division must validate filings against information other than CAISO supply plans. These requirements, which appear below, differ based on the type of contract (i.e., whether the contract identifies one particular resource that the LSE will use to meet its RA requirements) and on whether contract information is already available to Energy Division via other processes. These additional requirements do not apply to Utility Owned Generation (UOG), which is not "under contract" in the same way as are other resources.

Contracts That Identify One Particular Resource That the LSE Will Use to Meet RA Requirements

By November 30, 2026, LSEs in SDG&E's distribution service area must provide the contract for each associated resource for 2028 and 2029 listed in the "Local Resources" tab of the Year-ahead Local, Flexible RA and CPE Data Reporting Template, except in cases where a particular contract was approved by a Commission Decision, Resolution, or Advice Letter disposition, in which case the LSE may simply refer to this approval in the accompanying filing template (described below). The LSE may redact price information from these contracts if it so chooses. Energy Division will use contracts and associated information to confirm that each resource is under contract and available for the time period identified. This process is analogous to confirming the resource and associated capacity against a CAISO supply plan.

Beginning in compliance year 2026, the previously used Multiyear Capacity Documentation Summary Template was incorporated into the "Local Resources" tab of the Year-ahead Local, Flexible RA and CPE Data Reporting Template. This information allows the LSE and Energy Division to easily identify which documents that the LSE has submitted are associated with each resource. The LSE should use the same template to submit documentation for resource specific contracts. For 2027-2029 reporting, only LSEs in SDG&E's TAC area need to submit this information. The CPE does not need to submit this information. The LSE should submit all files via the Secure FTP, as described in Section 22 below.

Minor and Substantive Errors

Energy Division will treat contracts and attestations as the equivalent of supply plans in determining whether a particular error is minor or substantive (see Appendix A below).

Process for Addressing Oversubscription of Capacity

If Energy Division finds that a particular resource is overcommitted for 2028 or 2029, then Energy Division will first attempt to determine whether one or more specific LSEs have clearly made an error. For example, Energy Division will check whether the capacity reported for this resource by each LSE matches the capacity identified in that LSE's contract(s) or, in the case of a seller's choice contract, whether the capacity reported matches the capacity identified in the relevant attestation. If the total amount of capacity listed in contracts and attestations is less than or equal to the resource's NQC, and if one or more LSEs reported capacity values that do not match their respective contracts or attestations, then those specific LSEs will receive correction or deficiency notices, as appropriate.

In some cases, it may not be clear which LSE(s) may have made an error. For example, this would occur if multiple LSEs had seller's choice contracts with one resource owner/operator, and the LSEs have reported capacity in their filings equal to the amounts in their respective attestations, but the capacity in the attestations collectively exceeds a given resource's NQC value. In such an instance, Energy Division will provisionally reduce the capacity that each LSE shows for that resource, in proportion to the total amount of capacity shown for that resource by all LSEs, to bring the total capacity shown by all LSEs down to the resource's applicable NQC value. Energy Division will inform all affected LSEs of this provisional reduction via a correction notice or a deficiency notice, as appropriate. The affected LSEs should revise their filings (including attestations, as applicable) within five business days of receiving their notices. If resources are still overcommitted by the end of the refiling deadline, Energy Division will permanently reduce the capacity shown for overcommitted resources as described above and will notify affected LSEs. The need to prevent double-counting underscores the importance of LSEs coordinating with resource owners/operators to ensure that they are showing an appropriate amount of capacity.

12. Flexible Capacity Framework

12.1 Flexible Need and Allocation

D.13-06-024 recognized a need for flexible capacity in the RA fleet. "Flexible capacity need" is defined as the quantity of economically dispatched resources needed by the California ISO to manage grid reliability during the greatest three-hour continuous ramp in each month. Resources will be considered as "flexible capacity" if they can sustain or increase output, or reduce ramping

needs, during the hours of “flexible need.”⁶³ The Decision adopted the following formula to calculate the system’s flexibility requirement:

$$\text{Flexibility Need MTHy} = \text{Max} [(3\text{RRHRx}) \text{ MTHy}] + \text{Max} (\text{MSSC}, 3.5\% * \text{E}(\text{PLMTHy})) + \epsilon$$

Where,

Max [(3RRHRx) MTHy] = Largest three-hour continuous ramp starting in hour x for month y

E(PL) = Expected peak load

MTHy= Month y

MSSC = Most Severe Single Contingency

ϵ = annually adjustable error term to account for uncertainties such as load following. This term is zero for 2027. ED staff will use peak load- ratio share to allocate flexibility among LSEs. In the future, ED intends to explore other methods of allocation based on causation through the RA proceeding, potentially in conjunction with staff’s analysis of reliability needs.

An LSE’s Flexible procurement obligation is calculated as follows, consistent with how System and Local RA requirements are allocated:

$$\text{LSE monthly flexible capacity procurement obligation} = [(\text{LSE monthly coincident peak load}) / (\text{ISO monthly coincident peak load})] * \text{Cumulative monthly flexible capacity requirement}$$

12.2 Flexible Capacity Requirements Study

By April 15 of each year (or as soon as practical), the ISO will complete and file a flexible capacity requirement (“FCR”) study in the CPUC RA proceeding – together with the Local Capacity Requirements (“LCR”) study – which lists flexible capacity needs for each month of the following year. Parties to the RA proceeding will vet the studies and submit comments to the CPUC. The annual RA decision will then adopt final study results, which consist of total monthly Flexible obligations and Local capacity obligations for CPUC jurisdictional LSEs.

⁶³ D.13-06-024 at 2.

12.3 Effective Flexible Capacity (EFC) Counting Conventions and EFC List

In order to qualify as a flexible resource, the resource must meet the following criteria:

1. A resource must qualify as an RA resource and have a qualifying capacity ("QC") value in order to have an EFC value.
2. A resource must be able to ramp and sustain energy output for a minimum of three hours.

Specific counting conventions apply in determining the EFC of a resource relative to its NQC. The EFC reflects the flexibility of a resource that can be counted towards an LSE's flexible RA obligations.

Counting conventions for EFC applicable in 2027 are listed below:

Dispatchable thermal resources

- If start-up time of resource is greater than 90 minutes, then EFC is limited to the MW range between Pmin and NQC as limited by ramp rate:
$$\text{EFC} = \text{minimum of } (\text{NQC} - \text{Pmin}) \text{ or } (180 \text{ min} * \text{RRavg})$$

Where: RRavg = average between Pmin and NQC.
- If start-up time of resource is less than or equal to 90 minutes, then EFC is limited to the MW range between zero and NQC, as limited by start-up time and ramp rate:
$$\text{EFC} = \text{minimum of } (\text{NQC}) \text{ or } (\text{Pmin} + (180 \text{ min} - \text{SUT}) * \text{RRavg})$$

Where: SUT = Longest (cold) RDT start-up time in minutes, cold start-up time is the highest value in the startup time segments for the resource, and RRavg = average ramp rate between Pmin and NQC.

Hydro resources

A hydro resource will qualify as flexible if it has the physical storage capacity to provide energy for up to Pmax for six hours. A hydro resource will be permitted to designate an EFC value annually for each month of a counting year. The proposed EFC shall not exceed the NQC or the Pmax of the hydro resource.

Combined Heat and Power Facilities

A Combined Heat and Power ("CHP") resource will be permitted to designate an EFC value annually for each month of a counting year to reflect its unique operating requirements related to industrial host obligations or CHP contract

limitations. EFC of a CHP resource is capped at the lesser of the NQC or Pmax minus Pmin.

Energy Storage and Supply Side Demand Response

Please see Appendix B of D.14-06-050. D.15-06-063 modified Appendix B to eliminate the prohibition on non-zero transition times, and to allow up to 45 minutes transition times that will not count towards either the one-and-a-half-hour charge or discharge.

The CPUC and CAISO will develop and post a list of the effective flexible capacity value for each participating dispatchable resource (“EFC list”). EFC is calculated using the relevant counting conventions, as described above. Additionally, to accommodate the CHP settlement that allows existing CHP resources to convert to dispatchable resources (referred to in the settlement as “Utility Prescheduled Facilities”), CHP resources that change their operations as specified in the CHP settlement will be able to request an EFC value from the CAISO without having a history of economic bids.

Mirroring the current NQC list process, CAISO is expected to issue a draft EFC list in August. Generators may request modifications or additions to these lists and by sending these requests to the CPUC and CAISO. Generators may refer to the CPUC for further details. The CAISO and CPUC will issue the final EFC list for CPUC jurisdictional LSEs by September.

12.4 RA Flexible Capacity Showings and Validation

General timelines, guidelines, and procedures for RA showings and validation are provided in Sections 2 and 4 of this Guide. The additional information in this subsection applies specifically to Flexible capacity.

Each megawatt of capacity from an RA resource can have up to two “attributes” associated with it: flexible capacity and generic (non-flexible) capacity. A megawatt of capacity only counts as flexible capacity if it has a flexible attribute. Flexible attributes are “bundled” with generic attributes, however, which means that a flexible megawatt is also a generic megawatt, and the flexible and generic attributes of that megawatt cannot be sold separately. Therefore, if an LSE purchases a flexible megawatt from an RA resource, that megawatt automatically counts as a generic system megawatt, and the LSE may include both the flexible megawatt and the system megawatt in its monthly RA filing. If the RA resource is located in a local reliability area, then the flexible megawatt automatically counts as both a system megawatt and a local megawatt.

The EFC of a resource indicates the total countable megawatts from that resource that have flexible attributes, and the NQC of a resource indicates the total countable megawatts from that resource that have generic attributes. The EFC and NQC are distinct numbers and may not be used interchangeably. Subtracting the EFC value from the NQC value reveals the capacity from the resource that is only generic (as opposed to “bundled,” or both flexible and generic). If a resource has any such remaining generic capacity, this capacity is generally related to the resource’s Pmin and start up time. See the NQC Guide for further information regarding EFC and NQC calculation for various resources.

For example, assume that for August of a given year, an LSE contracts the entire NQC of a resource in a local area that has an NQC of 200 MW, a Pmin of 50 MW, and an EFC of 150 MW. In this scenario, the LSE can make the following August RA showing:

System RA	Local RA	Flexible RA
200 MW	200 MW	150 MW

Alternatively, if the LSE only contracts for the 50 MW of generic (non-flexible) capacity associated with the Pmin of the resource, then the LSE could make the following August RA showing:

System RA	Local RA	Flexible RA
50 MW	50 MW	0 MW

The flexible capacity from a resource that an LSE reports on its applicable RA filing will bear obligations under the flexible must-offer obligation specified in the CAISO Tariff, and the generic (system and/or local) capacity from the same resource that an LSE reports will bear obligations under the resource adequacy must-offer obligations specified in the CAISO Tariff.

12.5 Sale and Purchase of Flexible Capacity

The sale of flexible capacity will entail an enhanced must-offer obligation and a potentially higher cost to a resource owner due to potential increases in wear and tear on a facility from cycling. Therefore, a resource owner will have discretion in the sale of generic and flexible capacity. A resource owner has two options when selling a MW of flexible capacity. It may either sell the MW as flexible, in which case the resource owner is also selling the “bundled” generic attribute of that MW, or it can sell the MW as only generic, in which case both the seller and the buyer forfeit the flexible attribute

of that MW.⁶⁴ A resource owner may elect to sell any portion of qualified flexible capacity as only generic in this manner. Furthermore, the owner of a resource consisting of both “only generic” capacity (below Pmin) and bundled flexible capacity may elect to sell (or not sell) the “only generic” capacity prior to selling the bundled flexible capacity. A resource must submit economic bids into the CAISO’s day-ahead and real-time markets for the committed flexible portion of the facility’s operating range.

An LSE’s generic and flexible obligations will be examined separately. Each generic RA MW committed by an LSE in its RA showing as generic RA counts toward that LSE’s generic RA obligation, and each flexible RA MW of a resource committed by an LSE in its RA showing as flexible RA counts toward its flexible RA obligation. CPUC expects LSEs to employ procurement and showing practices that maximize efficiency and minimize excess procurement.

12.6 Use-Limited Flexible Resources

D.13-06-024 directed Energy Division staff and parties to develop rules regarding use-limited resources. Staff organized a workshop on October 15, 2013, which included a discussion on use-limited resources. Use-limited resources can be classified as (1) resources that can run in all or most hours but are limited in the total starts or hours they can run or (2) resources that cannot offer in certain hours (excluding outages). This includes, but is not limited to, thermal units limited by starts or emissions, demand response, hydro resources, storage, and variable energy resources (“VERs”). Flexible use-limited resources must be operationally capable of ramping or sustaining output for three continuous hours.

Interim Approach

Due to developments in the Reliability Services Initiative, as well as in the Commission’s OIR regarding multi-year RA requirements, the CPUC instituted an interim approach for flexible capacity procurement through December 31, 2020. This interim approach requires LSEs to procure flexible resources in accordance with flexible categories based on varying must-offer obligations and energy limitations. There is a three- category approach with fixed monthly percentage limits. LSEs are directed to procure and show their flexible resources according to the characteristics defined in Table 1 below.

Table 1. Categories of Must-Offer

⁶⁴ In the case of bi-directional energy storage, there can be twice as much EFC as the NQC, in which case selling the flexible capacity would entail selling 2 MW of EFC with every MW of NQC.

	Category 1	Category 2	Category 3
Must-offer obligation	17 Hours	5 Hours	5 Hours
	5 AM- 10 PM Daily For the whole year	3 PM to 8 PM for May – September	3 PM to 8 PM for May – September
	5 AM- 10 PM Daily For the whole year	2 PM- 7 PM for January- April and October- December	2 PM- 7 PM for January- April and October-December
	Daily	Daily	Non-holiday weekdays
Energy limitation	At least 6 Hours	At least 3 Hours	At least 3 Hours
Starts	The minimum of two starts per day or the number of starts feasible with minimum up and down time	At least one start per day	Minimum 5 starts a month
Percentage of LSE portfolio of flexible resources	At least 42% for May – September	Up to 53% for categories 2 and 3 combined	Up to 5%
	At least 27% for January- April and October-December	Up to 68% for categories 2 and 3 combined	Up to 5%

If CAISO observes a collective deficiency in these categories, it might backstop to meet the requirements. In case of such a shortfall, backstop costs will be allocated to LSEs based on their respective load ratio shares. The categories will be assessed annually, and the percentages for flexible categories may change accordingly. CAISO is expected to issue monthly advisory targets to the CPUC for flexible categories in the FCR study.

Long Term Approach

The Commission will design a long-term approach based on experience following implementation of this proposal, which may include a revision of percentage or timing limitations on all flexible categories.⁶⁵

13. The Filing Process

Although the SOD LSE Showing Tool includes functionality for showing resources procured to meet an LSE's local and flexible requirements, an LSE must still submit Year Ahead local and flexible showings using the Year-Ahead Local, Flexible RA and CPE Data Reporting Template. The template includes a Flexible Resources tab, a Local Resources tab, two summary tabs, and a CPE Data Collection tab (pursuant to D.24-12-003; formerly the Additional Local Resources tab in prior template versions).

⁶⁵ In the case of demand response resources, the Commission will design future programs to meet CAISO and CPUC RA criteria for flexible, system, and local capacity as they exist in this proposal and as these criteria are modified in the future.

D.05-10-042 established Year Ahead and Month Ahead System RAR for CPUC-jurisdictional LSEs. D.06-06-064 expanded the program to include Year Ahead Local RAR; D.10-12-038 adopted a Local RA True-up Process beginning with compliance year 2012. D.13-06-024 and D.14-06-050 adopted an interim Flexible RA Framework for 2015-2017. D.19-02-022 adopted a three-year-forward Year Ahead local RA requirement beginning with the 2020 compliance year.

Below is a breakdown of the Year Ahead and Month Ahead RA requirements, followed by template-specific instructions for each showing type.

(1) Due October 31, 2026: LSEs make a 2027 Year-Ahead System, Local, and Flexible RAR compliance showing:

- *System:* 90% of total forecasted load plus planning reserves for the five summer months (May-September).
- *Local:* 100% of Local RAR for all 12 months of Years 1 (2027) and 2 (2028), and 50% for all 12 months of Year 3 (2029), for LSEs in SDG&E's distribution service area. LSEs in PG&E and SCE's distribution service areas have no local requirement — the CPE is assigned local requirement for 2027-2029 in those areas instead. LSEs must show all contracted Local RA units included in the NQC list; any additional local capacity owned or under contract that is not shown on the CAISO supply plan must be listed on the CPE Data Collection tab (D.10-06-036).
- *Flexible:* 90% of each month's allocated flexible RAR.

(2) In February 2027 (exact due date in the RA calendar above), LSEs file an adjusted load forecast covering June through December, reflecting load migration changes since the Year Ahead forecasting process, with both the CEC and CPUC. If no changes are anticipated, the LSE should inform the CEC and CPUC that no revised forecast will be submitted. Pursuant to D.10-12-038 and D.14-06-050, this revised forecast informs the incremental local and flexible RA reallocation ("true-up") process; pursuant to D.23-06-029 and D.25-06-048, this is submitted as a single February update covering June through December. Energy Division adjusts local RA obligations for July-December and CAM/RMR allocations for June-December, in March.

(3) 45 days prior to the compliance month (due dates in the RA calendar above), LSEs file Month Ahead Monthly Flexible, System, and Local RAR showings demonstrating 100% compliance (Local RAR applies only to LSEs in SDG&E's distribution service area). For July through December, filings must also include

Incremental Flexible and Local RAR showings demonstrating 100% compliance with the true-up RAR based on the June-December revised forecasts; in 2027, only SDG&E-area LSEs receive incremental Local RAR, while all LSEs receive incremental Flexible RAR.

13.1 Templates and Compliance Showings

Energy Division staff makes minor changes to the Templates each year, based on Commission decisions or adopted CPUC policy. LSEs are encouraged to attend RA workshops and contact Energy Division staff with questions.

System RAR. LSEs show 2027 Year Ahead (May-September) and Monthly System RAR via the SOD LSE Showing Tool. The tool's "Validation Overview" tab reports compliance status. See the latest User's Guide on the RA Compliance website for detailed instructions.

Local RAR. LSEs with Local RAR in the San Diego-IV local area use the Local Resources tab of the Year Ahead Local, Flexible RA and CPE Data Reporting Template to report resources committed to Three-Year-Forward Local RA obligations (2027-2029); CPEs use the same tab to demonstrate Local RAR compliance for the same period in PG&E and SCE's distribution service areas. The Local Compliance Summary tab compares shown resources against the Local RAR for each Local Area and displays a Compliant/Non-Compliant status for each month of the period.

Local resources in an LSE's monthly system RA showing may differ from those shown in the annual YA Local RA showing, provided the replacement is in the same local area and has at least the same August NQC value as the resource it replaces; LSEs must highlight such differences in monthly filings.

Flexible RAR. All LSEs use the Flexible Resources tab to show Flexible RAR compliance for all 12 months of 2027. The Flexible Category for each resource is pulled from the MRD; LSEs may update it to reflect their contracts if it differs from the default, based on the resource's must-offer contract obligation. The Flexible Compliance Summary tab shows year-ahead compliance status and provides informational Advisory Data comparing listed resources to month-ahead requirements. Year-ahead compliance is based on total procurement across Categories 1-3; month-ahead compliance has limits per category (see Section 12.6, Table 1).

CPE Data Collection. D.24-12-003 eliminated the CPE framework's non-compensated self-show option. Pursuant to OP 4 of D.24-12-003, Energy Division is authorized to collect information on local RA capacity under contract in the portfolios of LSEs in the PG&E and SCE transmission access charge areas,

which it aggregates and anonymizes for the CPEs' annual solicitation and procurement process; D.25-06-048 authorized incorporating this collection into the year-ahead filing due October 31, 2026.

All LSEs with contracted resources in the PG&E and SCE TAC areas populate the CPE Data Collection tab for resources in the following Local Areas: Bay Area, Big Creek-Ventura, Fresno, Humboldt, Kern, LA Basin, North Coast/North Bay, Sierra, and Stockton, during the three-year-forward period. LSEs are encouraged to include contracts extending further for more comprehensive information.

Per D.10-06-036, LSEs must also list additional Local RA resources they control but do not show for RA — listing a resource here does not commit it to the RA Must-Offer Obligation, so LSEs may list resources for possible backstop designation without committing them to availability penalties. The Committed RA Capacity column reports Local RA capacity an LSE controls in 2027-2029 not counted against its requirements in the Local Resources tab; select "Yes" if the resource is shown to CAISO on a supply plan, "No" if not.

Load Forecast Updates. LSEs use the CEC's 2027 MA load forecast template for the February load migration update and the June-December true-up forecast, also due in February. See Section 3 for more information.

13.2 Notification of LSE RA Requirements and Allocations

The CEC and CPUC Energy Division notify each LSE of its System, Local, and Flexible RAR, plus DR and CAM allocations; the CPE receives its Local RAR and local DR for 2027-2029. Across all RAR types, LSEs receive preliminary allocations via Secure FTP shortly after the Year-Ahead forecast is submitted; these become final in September, once adjusted forecasts are filed.

(1) Year Ahead System RAR — LSEs were notified July 27, 2026 via Secure FTP of hourly load forecasts (all 12 months), Local RARs, Flexible RARs, DR Allocations, and CAM Allocations, treated as preliminary until Final 2027 RA obligations and allocations are issued, on September 18, 2026. CAM allocations follow the accounting process adopted in D.14-06-050: non-IOU LSEs are allocated as in past years; IOU allocations are a negative value equal to the non-IOU credit, treated in the Templates as a positive adder to the IOUs' RAR since IOUs show the CAM resources on their own filings. Non-dispatchable Behind-the-Meter LCR preferred resources are incorporated into the LSE's Year Ahead load forecast; dispatchable Behind-the-Meter LCR preferred resources, plus a DLF, are allocated with the IOU DR LIP allocation. Import Allocations for System RAR filings are notified separately (see Section 18 and Appendix B for Import Allocation timing). LSEs in PG&E and SCE's distribution service areas also receive system CAM

credits from CPE procurement separately, in addition to standard system CAM credits from existing IOU CAM resources.

(2) Year Ahead Local RAR — Only LSEs in SDG&E's distribution service area receive a local requirement for 2027-2029; the CPE is allocated local requirement in PG&E and SCE's areas instead. For non-IOU SDG&E-area LSEs, Local RARs are net of CAM and RMR; they are not net of IOU DR program credits, which are instead taken off automatically in the Reporting Template. Each LSE's local capacity requirement is capped at its system requirement in the monthly RA process.

(3) Year Ahead Flexible RAR — For non-IOU LSEs, Flexible RARs are net of CAM and RMR amounts. For IOUs, Flexible RARs are not net of CAM resources (since IOUs show those resources directly); instead, IOU Flexible RARs are adjusted upward by the amount non-IOU LSEs are adjusted downward. In 2027, Flexible RA requirements are also net of flexible CAM credits from CPE procurement for LSEs in PG&E and SCE's distribution service areas.

(4) Updated CAM Credits for System and Flexible Capacity Procured by CPE — LSEs receive CAM credits (based on coincident peak load shares) for system and flexible capacity procured by the CPE, on three occasions: with the initial YA allocation (July 2026, reflecting the prior year's local RA procurement); by end of August 2026 (reflecting the mid-August showing or CAISO's RMR process); and in late September 2026 (reflecting revised load forecasts).

(5) Monthly System RAR — LSEs receive their hourly System RAR for 2027 alongside annual obligations, and continue using the Import Allocations received in August 2026 for all 2027 Month Ahead filings. Energy Division notifies LSEs via Secure FTP of any changes to Condition 2 RMR allocations, CAM allocations, and CPM credits throughout the compliance year. The non-dispatchable Behind-the-Meter LCR preferred resources credit (incorporated into the Year Ahead load forecast) is not separately credited monthly; the dispatchable credit, plus a DLF, is allocated with the IOU DR LIP allocation.

(6) Local and Flexible RA Reallocation — LSEs receive notification of adjustments to Local and Flexible RA obligations concurrent with their CAM and RMR allocation via Secure FTP, sent in March along with the June-December CAM/RMR allocation and applying to the July-December compliance months. Per D.14-06-050, there has been only one local and flexible true-up cycle since 2015. In 2027, only SDG&E-area LSEs receive local RA obligation adjustments; all LSEs receive flexible RA obligation adjustments.

Note: the emergency reliability resources CAM allocation for non-summer months (January-May, November-December), which applied identically across System, Flexible, and Monthly RAR in the original

text, is now stated once rather than three times: In 2027, emergency reliability resources procured by the IOUs are allocated with the existing CAM for non-summer months if the IOUs are not using them for their bundled customers. This applies across System, Flexible, and Monthly RAR notifications.

13.3 Load Migration

D.05-10-042 established load migration as the only allowable basis for differences between Month Ahead and Year Ahead load forecasts. D.19-06-026 extended this to differences between initial and final Year Ahead forecasts, defining "load migration" (OP 11) and listing non-exhaustive excluded events (OP 12):

OP 11. "Load migration" is defined, for RA program purposes, as load effects that (a) result from one or more customers' retail electric service transferring directly from one LSE to another LSE in the same Transmission Access Charge area, and (b) an LSE cannot reasonably predict and include in an implementation plan or initial year-ahead load forecast.

OP 12. "Load migration" does not include: changes to approved implementation plans, changes to customer class load profiles, changes to weather assumptions, changes from new or updated customer meter data, new service requests, losses due to disconnects or force majeure events, transfers of load out of the TAC area, or forecasting errors.

D.23-06-029 originally established the single February load migration update; as revised by D.25-06-048, it now covers June through December. See Section 15 for the history of this change and further detail on the reallocation process.

14. Load Forecast Adjustments

This section covers how LSEs revise their load forecasts after the initial Year-Ahead filing. LSE forecasts are governed by the Binding Load Forecast (BLF) process adopted in D.19-06-026: once an LSE's initial Year-Ahead forecast is submitted and adjusted by the CEC, it sets that LSE's RA capacity obligation for the year, and cannot be revised except to account for load migration — effects from a customer's service transferring between LSEs that couldn't reasonably have been predicted at the time of the initial filing. (LSEs anticipating predictable migration are expected to resolve it beforehand through the meet-and-confer process described in Section 3.) D.05-10-042 established this migration-only revision principle, and it remains the operative rule under the SOD framework. For the full initial forecast

submission timeline, see Section 3; for the CEC's forecast methodology, see Section 5.2 and Appendix A to D.26-07-008.

Year-Ahead Revision (August)

LSEs may revise their initial Year-Ahead forecast once, by the deadline specified in Section 3, to reflect load migration that has occurred since the initial filing. Following this revision, Energy Division issues each LSE's final Year-Ahead RA obligations and allocations, whether or not the LSE's forecast changed.

June–December Update (February)

After the Year-Ahead compliance filing, LSEs submit one further load migration update in February, covering the June–December period (narrowed from the original March–December window; see Section 13.3 for the history of that change). This update informs the incremental Local and Flexible RA true-up process described in Sections 13 and 15.

When preparing this update, IOUs should account for customers known to have returned to bundled service, as well as those who have notified the IOU of an intent to do so. ESPs should account for contracted load and a reasonable expectation of contract renewal rates for non-firm or expiring load. CCAs should account for changes in load, including new load from planned expansion activities affecting the compliance year. If the CEC determines an LSE's assumptions are not plausible, it may apply a plausibility adjustment to reflect a more reasonable rate of customer retention. The CPUC retains control over the review, assessment, and adjustment of load forecasts pursuant to D.04-10-035 and D.05-10-042; the CEC communicates the results of this update to the CPUC for compliance validation.

LSEs must use a "best estimate" approach in developing this update, accounting for both anticipated customer retention and new customers. Because this requires forecasting load migration in advance of final Direct Access Service Request (DASR) and Community Choice Aggregator Service Request (CCASR) approval, the CEC expects LSEs to be as accurate and complete as possible, and may adjust or correct migration filings before reallocating Local RA obligations. The CEC provides a separate template for this process; LSEs must submit a complete package in February to both the CEC and CPUC, including a certification sheet signed by a company officer, the electronic template, and all supporting data. Per D.10-06-036 (OP 6e), LSEs may, at CEC staff's discretion, file changes up to 25 days before the February deadline; later revisions, or any submitted after the filing deadlines in Section 3, will be disregarded for RA compliance purposes unless CEC staff approves an exception.

Large Load and Data Center Reporting

Beginning with the 2028 RA compliance year, D.26-07-008 adds new large-load reporting requirements to the forecast process: IOUs must share information on expected large-customer interconnections with CCAs before or during the annual meet-and-confer process, and include that information in their own CEC forecast submissions; all LSEs must identify new or expanding large customers in their annual load forecasts. Because this requirement isn't effective for 2027 compliance, it isn't detailed further here.

15. Local and Flexible RA Reallocation Process for 2027 Compliance Year

D.10-12-038 adopted a local RA reallocation process for the 2012 compliance year and beyond. D.14-06-050 modified that process to include only one incremental reallocation cycle and extended the reallocation process to flexible capacity. D.23-06-029 permitted one load migration update in February to cover May to December load migration. D.25-06-048 revised the load migration update to cover June to December.

The Local and Flexible RA reallocation process requires the use of two existing templates: the Load Migration Forecast template and the SOD RA compliance template.

The reallocation process (“true-up”) occurs in the first quarter (March) of the year and applies to filings in the third and fourth quarters (July - December) of the year. As explained in the previous section, LSEs file adjusted load migration forecasts in February, along with their April MA RA filing. LSEs will receive incremental Local RA adjustments, as well as updated June to December CAM/RMR allocation in March. For 2027, only LSEs in SDG&E’s distribution service area will receive incremental local true-up allocation for July to December 2027. For the Flexible true up, the adjusted load migration forecast filed in February needs to include peak forecasts for June through December so that the monthly flexible capacity requirements can be trued up accurately for each month from July-December. (The June forecast is used for June’s Month Ahead RA compliance.) See Section 14 above for more information regarding load forecast adjustments.

LSEs will have approximately five days to make any corrections to their true-up load forecasts following submission in February. Energy Division staff will notify LSEs of incremental adjustments to Local and Flexible RAR for July through December and send these to LSEs 75 days before the July MA filing compliance due date, along with the spreadsheet containing June to December CAM-RMR allocations. The adjusted Local Flexible RAR will then be used for July through December Month Ahead RA filings.

LSEs will receive the letters containing their incremental Local and Flexible RA obligations through the Secure FTP. Incremental local and flexible RA obligations are already entered into the SOD template.

16. Demand Response Resources

Background

The Commission has adjusted DR's treatment under the RA program in several respects since RA rules for DR were harmonized with conventional RA resources in 2011 (requiring DR resources to be available a minimum of four hours per day for three consecutive days to receive RA credit). Notable changes since then include: the 2014 split of DR into Supply-Side and Load-Modifying categories (with non-event-based IOU programs such as Permanent Load Shifting, Time-of-Use rates, Critical Peak Pricing, and Peak Time Rebate treated as load forecast modifiers rather than RA resources); the adoption of a QC/EFC methodology for supply-side DR; the Demand Response Auction Mechanism (DRAM) Pilot's exemption from Load Impact Protocols (LIPs) through 2019, after which all third-party and IOU-managed DR resources (other than DRAM, since retired) moved to LIP-based QC values; the 2020 shift to counting IOU DR resources based on the three-year LIP study period as part of the CPE transition; and a 2022 change directing DR QC methods to incorporate test-dispatch results from the month with the highest aggregate QC per sub-LAP. In 2025, the Commission also adopted numerous simplifications to the DR LIP protocols; see the most recent LIP Filing Guide and Appendix C of the relevant decision for detail.

Since the 2022 RA compliance year, the PRM adder for ancillary services and operating reserves no longer applies to DR resources; since 2024, the transmission loss factor (TLF) adder has also been removed (see Section 6.2 for the current statement of this rule). The distribution loss factor (DLF) adder, however, is retained, so DR resources' NQC is grossed up to add back its effect:

$$\text{DR RA Value} = \text{DR Load Impact} \times \text{Distribution Loss Factor}$$

Per D.21-06-029 and D.23-06-029, the DLF for third-party DR resources has been embedded directly in the resource's QC value since 2022; only the DLFs established in D.10-06-036 apply, by TAC area. It applies to all IOU DR resources as follows:

$$\text{DR RA Value} = \text{DR Load Impact} * \text{Distribution line loss factors}$$

Pursuant to D.21-06-029 and D.23-06-029, the DLF for third-party DR resources will be embedded in the QC value of the DR resource starting in 2022. Thus, only the DLFs as established by D.10-06-036 for each IOU TAC are applicable:

	PG&E	SCE	SDG&E
Peak, distribution losses only	1.067	1.051	1.071

Demand Response MCC Bucket

While the Commission eliminated the MCC buckets 1-4 in 2023, it retained the MCC DR category, as detailed below.⁶⁶

Category	Availability	Maximum Cumulative Capacity for Bucket and Buckets Above
DR	Varies by contract or tariff provisions but must be available at least 24 hours per month from May-September. For May, must be available Monday-Saturday for 4 consecutive hours between 5 PM-10 PM. For June-September, must be available Monday-Saturday for 4 consecutive hours between 4 PM-9 PM.	8.3%

2027 Update: AAH Averaging (D.26-07-008)

Beginning with the 2027 compliance year, Energy Division will send CAISO three monthly values per DR resource, rather than the prior "greater of peak showing value or small non-zero QC value" approach. These three values are: the maximum showing value, the peak showing value, and the average of hourly MW values across the AAH window during which the resource is available. This change addresses months where the CEC's monthly peak hour falls outside a DR resource's four-hour showing window. See Section 6.2 for the full mechanics of this change.

Demand Response Credit Allocation

Consistent with prior compliance years, in 2027 LSEs will receive an allocation of Demand Response (DR) credit for programs that are administered by the utilities. These allocations will appear on the Requirements and Allocations tab of the SOD LSE Showing Tool template transmitted to each LSE and are directly debited from the LSE's RA obligation.

For 2027, the dispatchable Behind-the-Meter (BTM) LCR resources are added a distribution loss factor (DLF) and allocated along with the DR credits from the IOUs.

⁶⁶ OP 16 of [D.23-04-010](#) at 107.

17. Outages

Scheduled Outages. Beginning with the 2013 compliance year, the CPUC no longer has a scheduled outage replacement rule. CPUC's scheduled outage replacement rule was replaced by the CAISO's replacement requirement for scheduled generation outages.

Forced Outages. A forced outage of any RA resource occurring during a given month does not change the LSE's established RA compliance for that month. If the forced outage continues into succeeding months, the resource may still be counted towards the LSE's RA compliance.

Beginning with the 2027 compliance year, if a non-dispatchable resource is forced onto outage due to transmission testing or transmission failure (with evidence that the transmission operator caused the event), the affected hours are excluded from the resource's QC calculation and replaced with proxy production data from immediately before and after the outage, rather than counted against the resource. Outages that are part of a recurring pattern requiring a transmission upgrade remain included in the QC calculation. See Section 6.2 for the full adopted rule. (D.26-07-008)

Beginning with the 2028 compliance year, a resource's forced outage history will also factor into its RA capacity value under the Unforced Capacity (UCAP) framework adopted in D.26-07-008. This does not affect 2027 compliance and is not addressed further in this Guide.

18. Import Capacity Allocation Process for 2027

Each year, CAISO allocates import capacity into its Balancing Authority Area among LSEs and other market participants pursuant to Section 40 of the CAISO Tariff. This capacity may be credited toward an LSE's planning reserve margin or other RA obligation, but the allocation process does not guarantee or result in any actual transmission service being allocated.

CAISO first reserves capacity for holders of Existing Transmission Contracts (ETCs), Transmission Ownership Rights (TORs), and qualifying pre-RA import commitments entered into before March 10, 2006. Any capacity remaining on a branch group is then allocated among LSEs based on each LSE's Import Capacity Load Share, an LSE's proportionate share of CAISO's forecasted coincident peak load relative to other LSEs still seeking capacity on that branch group, as determined by the CEC, up to each LSE's Load Share Quantity.

LSEs may trade some or all of their allocated import capacity to other LSEs or market participants, provided the trade, including counterparty, MW quantity, term, and price, is reported to CAISO by the

applicable deadline. Any capacity remaining unassigned after initial allocation is made available through subsequent rounds of requests, allocated on the same Load Share Ratio basis in earlier rounds and on a first-come, first-served basis (without regard to Load Share Quantity) in later rounds.

Upon CAISO's request, Scheduling Coordinators must provide information on existing import contracts and any trades or sales of their load share allocation. CAISO will inform the CPUC or other Local Regulatory Authority of any RA Plan submitted by a Scheduling Coordinator that exceeds its allocation of import capacity.

See Appendix B for the full schedule of posting and submittal dates governing each step of this process.

19. Import Documentation Requirements

D.20-06-028 adopted documentation requirements for import RA resources, distinguishing "resource-specific" imports (pseudo-tied or dynamically scheduled resources, identified on CAISO supply plans by a resource ID ending in "DYN" or naming a specific out-of-balancing-area resource) from "non-resource-specific" imports (imports without CAISO physical unit parameters, bid in via price-taker, LMP-based, or negotiated-price options).

Eligibility (OPs 1-5):

- A resource-specific import contract counts toward RA requirements if the resource is pseudo-tied or dynamically scheduled into CAISO's day-ahead and real-time markets, and the LSE's RA filing lists a resource-specific resource ID matching a CAISO supply plan and the Commission's NQC list.
- A non-resource-specific import counts toward RA requirements if the contract is an energy contract with no economic curtailment provisions; the energy self-schedules (or bids between - \$150/MWh and \$0/MWh) into CAISO's day-ahead and real-time markets during the Availability Assessment Hours; and delivery is consistent with the governing contract and the MCC buckets.
- A qualifying non-resource-specific energy contract must specify price (\$/MWh or \$/kWh), quantity delivered per hour, and delivery period; name the LSE as counterparty; and confirm the import is not sourced from resources internal to the CAISO Balancing Area.
- An import not meeting the resource-specific definition (OP 1(a)) is non-resource-specific.
- Both resource-specific and non-resource-specific import contracts must be paired with an import allocation right, consistent with D.05-10-042.

Filing requirements (OPs 6-8):

- LSEs using non-resource-specific import contracts must submit full, unredacted contracts to verify compliance; Energy Division has discretion to limit or modify this requirement for compliant LSEs if duplicative or overly burdensome.
- LSEs are no longer required to submit an attestation or excerpted contract language (D.19-10-021).
- An attestation may substitute for contract language in two circumstances: (1) where the LSE is its own scheduling coordinator (or has appointed one) and the contract lacks a self-schedule/bid requirement, the scheduling coordinator may attest to the requirement using the template at D.20-06-028's Appendix A; or (2) where the underlying contract lacks language confirming the import isn't sourced internally to CAISO's Balancing Area, the import provider may attest using the template at D.20-06-028's Appendix B. Energy Division may modify either template as necessary.

Off-peak imports. D.24-06-004 allows LSEs to count off-peak import energy unavailable during the AAH window toward RA requirements, regardless of pairing with an on-peak import on the same branch group, so long as the import meets other applicable requirements and the LSE provides proof of (1) available import allocation rights and (2) reconciliation with any associated on-peak import to avoid over/under-accounting. D.26-07-008 extended this rule to apply to future Q3 compliance months.

Where an LSE's filing meets these requirements, Energy Division does not require contracts for resource-specific imports, though it may request a full, unredacted contract where the resource-specific characterization is in doubt. Full, unredacted contracts are required for all non-resource-specific imports.

If an LSE previously submitted a full, unredacted contract for an RA import resource and the contract is unamended, the LSE may reference that prior submission (resource ID and submission date) in its RA cover letter rather than resubmitting it, and must include the following language in cell B19 of the "Certification" tab:

Unspecified Import Documentation: I certify that I have reviewed the documentation relating to unspecified imports that we previously submitted and to which we refer in our cover letter for this filing, and I have verified that the contract(s) to which we refer are still active and applicable and have not been cancelled or amended in any way.

Energy Division reviews actual flows against RA rules and the MCC buckets; an LSE found non-compliant is referred to the Consumer Protection and Enforcement Division (CPED) for potential enforcement.

Compliance review process (D.21-06-029). Energy Division reviews non-resource-specific import contracts in two steps: (1) *ex ante*, at filing, for compliance with D.20-06-028's contract provisions; and (2) *ex post*, once bid and self-schedule data is available, for performance compliance. If no issues arise in Step 1, Staff may provisionally approve the filing pending Step 2. If Step 1 identifies an issue, the resource is treated as unavailable to CAISO on a Supply Plan, and a correction or deficiency notice issues as applicable. If Step 2 identifies no issues, Staff confirms any Step 1 deficiency was cured or approves the filing. If Step 2 identifies an issue, a deficiency notice issues; because supporting data is only available after the compliance month, such deficiencies may be treated as "not replaced" under the existing penalty structure.

Energy Division provides LSEs a template confirming required components for import RA products, released as an import checklist template in July 2022. LSEs showing import resources must file this template with their month-ahead RA filings.

20. Confidentiality and RA Filings

CPUC starts with a presumption that information should be publicly disclosed and that any party seeking confidentiality bears a strong burden of proof. However, in some instances (such as "market sensitive" information relating to electric procurement that passes a materiality standard), confidential treatment of data may not only be allowed, but may be required in order to carry out our statutory and constitutional duties.

Parties or persons submitting RA Filings for which they claim a right to confidential treatment shall attach a declaration, under penalty of perjury, certifying that they only claim confidentiality for data included in the D.06-06-066 Matrices. Pursuant to D.08-04-023, an LSE need not seek confidential treatment every time it makes a compliance filing of a repetitive nature.⁶⁷ Rather, on making subsequent compliance filings, the LSE may cite the earlier declaration for confidentiality. Thus, the LSE is required to send a signed electronic version of the declaration in PDF format via the Secure FTP application accompanying the 2026 Year Ahead Filing templates and cover letter and to include a reference to this declaration by date and summary of content in the cover letter accompanying each

⁶⁷ D.08-04-023, Section 4.2.6

future Month Ahead RA Filing. LSEs also may use the initial declaration submitted with the 2026 Year Ahead Filing to request protection for the annual and Month Ahead load forecast information submitted to the CEC. Again, the LSE must refer to the initial declaration filed with the 2026 Year Ahead filings in the cover letter to the Load Forecast submittals.

RA Filing or Data Requests Related to RA Filings

Assume an LSE makes an RA Filing and seeks confidential treatment for data of the type addressed in the Matrices to D.06-06-066. In this situation, the following procedure applies:

A declaration under penalty of perjury will accompany the filing, establishing the five factors required by D.06-06-066, Ordering Paragraph 2, but no motion is initially required. These five factors include the following:

1. That the material constitutes a particular type of data listed in the Matrix.
2. The category or categories in the Matrix to which the data corresponds.
3. That the submitting party is complying with the limitations on confidentiality specified in the Matrix for that type of data.
4. That the information is not already public; and
5. That the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.

If another party asks to see the confidential data, the filer and the requesting party shall meet and confer to resolve the dispute informally, consistent with the intent of new Rule 11.3 of Commission Decision D.06-06-066. If they cannot resolve the dispute, the filer and the requesting person shall present the dispute to the assigned ALJ. The confidentiality claim and dispute will be resolved consistent with the Commission's procedures for addressing confidentiality claims and requests for information in the context of Public Record Act requests.

21. Certification of LSE Resource Adequacy Compliance Filing

As confirmed in D.06-07-031, all RA filings shall be made under the following certification. A certification sheet signed by an officer of the organization must accompany each template. Electronic signatures are acceptable; see Section 22 below for additional details.

The required certification is as follows:

Consistent with Rules 1 and 2.4 of the CPUC Rules of Practice and Procedure, this Resource Adequacy compliance filing has been verified by an officer of the corporation who shall expressly certify, under penalty of perjury, the following:

1. I have responsibility for the activities reflected in this filing.
2. I have reviewed, or have caused to be reviewed, this compliance filing.
3. Based on my knowledge, information, or belief, this filing does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements true; and
4. Based on my knowledge, information, or belief, this [filing] contains all of the information required to be provided by Commission orders, rules, and regulations.

Until the Commission provides further guidance, any LSE whose RA filing includes imports for which the LSE previously provided contract language, or an attestation should also include additional certification language in cell B19 of the “Certification” tab, as described in Section 19 above.

22. Submission of RA Filings – Secure FTP

The RA SOD Showing Template was built and tested using Microsoft Excel for Microsoft 365 MSO (Version 2308 Build 16.0.16731.20542) 64-bit. Some calculations use dynamic arrays, introduced into Microsoft Excel for Office 365. Earlier versions of Excel may encounter problems when opening or using the template, and user may need to upgrade to a more recent version. Appendices A and D of this guide provide further instructions to LSEs regarding electronic submission of RA filings. LSEs are encouraged to contact Energy Division immediately with any questions or issues relating to the Secure FTP application. LSEs may need to reregister periodically, as the Secure FTP system may purge users after a period of inactivity. Additionally, in the case of unforeseen system failures, Energy Division will notify LSEs with alternate arrangements.

Considering the electronic nature of the submissions, LSEs are required to use the following naming convention when submitting compliance filings to the CPUC, CEC, and CAISO as follows:

[1-10 character name of LSE][first three letters of month or LOC for Year Ahead Local][YA for Year Ahead, or MA for Month Ahead][last 2 digits of the year][.xlsx]

LSEs must use the Secure FTP client, available <https://cpucftp.cpuc.ca.gov/>, to transmit the following files:

1. Completed workbooks covering the applicable compliance months. Month Ahead System RA Filings cover the next compliance month, while Year Ahead System RA Filings cover the summer months of May through September, and the Local and Flex RA Filing covers all the next year for flexible requirements and all of the next three years for local requirements.
2. A pdf of the signed certification sheet or an electronic signature on the certification page of the template (see further instructions below).
3. Confidentiality Declaration covering the filing or reference in the cover letter and Summary Sheet to the date and content of the original confidentiality declaration meant to cover the filing.
4. Any applicable contract documents, attestations, or waiver requests.

Energy Division may accept the following formats for certification of RA filings:

1. a PDF version of the filing template's Certification tab containing the name, title, and signature of the certifying officer in the appropriate cells, or
2. the certifying officer's "electronic signature" placed in the appropriate cell of the filing template's Certification tab. The electronic signature may be either (i) an image file of the certifying officer's signature or (ii) the certifying officer's digital signature with a timestamp.

The Certification tab of an LSE's Excel filing template should always contain the name and title of the certifying officer (in the appropriate cells), regardless of whether the LSE submits a signed copy of the tab as a PDF document. This will enable Energy Division to determine quickly whether the certifying officer has changed.

LSEs must submit files directly to the Energy Division via the Secure FTP application and must submit the filings to the CEC and CAISO using the email addresses below.

CPUC Energy Division email: RAFiling@cpuc.ca.gov	California Energy Commission email: RAFiling@energy.ca.gov	CAISO email: reliabilityrequirements@caiso.com
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The RA Filings are due according to the schedule listed in Section 3 of this Guide. Please do not print out and mail any of this information, as paper copies are not useful to Energy Division. Electronic copies of all documents and delivery receipts will be retained by Energy Division for record keeping.

LSEs will receive a letter via electronic mail that confirms approval of the filing from Energy Division. For this reason, the LSE must provide an email address to which the Energy Division will email the letter of approval.

Energy Division staff has included a set number of rows for each worksheet of the template. If more rows are needed, the LSE should add rows to the Excel spreadsheet. All formulas are locked to prevent accidental overwriting, but LSEs may unlock the formulas to add rows or to make necessary changes. It is the responsibility of the LSE to ensure that all information is integrated into the formulas correctly. The Summary worksheets of the template are completely automated.

23. Correction of Errors: Minor or Substantial

There are two classes of corrections, minor or substantial:

- Minor errors are typos and numerical errors that do not affect compliance or require the LSE to procure additional capacity. Minor errors must be corrected through the filing of accurate replacement sheets. Energy Division will communicate correction notices to the LSE via e-mail.
- Substantive errors (deficiencies) require the LSE to procure and demonstrate additional capacity. Substantive errors must be corrected through a complete refiling, including a new certification sheet and cover letter. The LSE must clearly explain the corrections and list extra procurement. The LSE may be subject to enforcement action for substantive errors. Energy Division will communicate deficiency notices to the LSE via e-mail.

The CPUC has discretion over classifying errors and ordering corrections. LSEs must use Secure FTP for all submissions of information and for all error correction.

Energy Division will attempt to perform initial compliance checks based on the most recent supply plans possible downloaded from CIRA following Energy Division's monthly RA filing deadline. If this is not possible, Energy Division will perform initial compliance checks based on supply plans included in the most recent complete run of the RA validation in CIRA following Energy Division's monthly RA filing deadline. Correction notices and deficiency notices will be based on information contained in these supply plans, regardless of when Energy Division performs the compliance check.

24. RA Penalty Structure

D.10-06-036 and Resolution E-4195 established the RA program's original penalty structure. D.11-06-022 modified it: a procurement deficiency cured within five business days is treated as a Specified Violation subject to the flat per-incident penalties below, rather than the ongoing per-kW-month penalty that applies to deficiencies not cured within that window. D.14-06-050 extended this structure to Flexible RA

deficiencies, and D.19-02-022 extended it to multiyear Local RA requirements. The prices below reflect subsequent updates adopted in D.19-06-026 and D.20-06-031.

The current penalty structure is as follows:

Deficiency in System, Local or Flexible RA Filing (Modifying Appendix A in Resolution E-4195)			
	System RA Penalty	Local RA Penalty	Flexible RA Penalty
Deficiency cured within five business days from the date of notification by the Energy Division	\$5,000 per incident if the deficiency is 10MW or smaller, \$10,000 for a deficiency larger than 10 MW. For the second and each subsequent deficiency in any calendar year, penalties will be \$10,000 per incident if the deficiency is 10 MW or smaller, \$20,000 for a deficiency larger than 10 MW.	\$5,000 per incident if the deficiency is 10MW or smaller, \$10,000 for a deficiency larger than 10 MW. For the second and each subsequent deficiency in any calendar year, penalties will be \$10,000 per incident if the deficiency is 10 MW or smaller, \$20,000 for a deficiency larger than 10 MW	\$5,000 per incident if the deficiency is 10MW or smaller, \$10,000 for a deficiency larger than 10 MW. For the second and each subsequent deficiency in any calendar year, penalties will be \$10,000 per incident if the deficiency is 10 MW or smaller, \$20,000 for a deficiency larger than 10 MW
Replaced after five-business days from the date of notification or not replaced	\$8.88/kW-month in summer months (May through October) and \$4.44/kW-month in non-summer months (November to April)	\$4.25/kW-month	\$3.33/kW-month

D.06-06-064 (at 74) clarifies that penalties for system and local deficiencies are not cumulative. D.19-06-026 (at 19-20) similarly clarifies that where an LSE incurs both flexible and system RA deficiencies:

- a. Where the deficiencies are equivalent, the system RA penalty price applies.
- b. Where the flexible deficiency exceeds the system deficiency, the system RA penalty price applies to the system deficiency amount, and the flexible RA penalty price applies to the excess.

D.21-06-029 added the following points-based penalty structure for system RA deficiencies:

Months	Points for Each Instance of System RA Deficiency
Non-Summer (November – April)	1
Summer (May – October)	2

Tier	Accrued Points	System RA Penalty Price
1	0-5	Applicable system RA penalty price
2	6-10	2x the applicable system RA penalty price
3	11+	3x the applicable system RA penalty price

D.21-06-029 adopted a methodology for accumulation of points for each month of deficiency not remedied within five days of notification from Energy Division, with summer month deficiencies (May to October) resulting in two points and winter month deficiencies (November to April) resulting in one point. LSEs with one to five points fall into Tier 1 and pay the applicable RA penalty in \$/kW-month; LSEs with six to ten points fall into Tier 2 and pay twice the applicable RA penalty; and LSEs with 11 or more points fall into Tier 3 and pay three times the applicable RA penalty. No points accrue for a deficiency under 1% of the LSE's system RA requirement, and points accrue only for month-ahead (not year-ahead) deficiencies. Points expire 24 months after the violation and carry over between compliance years within that window. The provider of last resort does not accrue points for a deficiency resulting from unexpected load returns for which a system RA waiver is granted. Effective beginning the 2022 RA compliance year.

Pursuant to D.23-06-029, effective for the July 2023 RA filing, accrued penalty points apply to both an LSE's month-ahead and year-ahead RA penalties; if an LSE crosses into a higher tier during a compliance year, the higher penalty applies beginning with the deficient month in which the LSE entered that tier.

All year-ahead RA deficiencies are charged at the Tier 1 price. In the month-ahead process, the LSE pays the difference between its month-ahead tier penalty and the Tier 1 penalty already paid on the year-ahead deficiency, plus its current tier price on any incremental month-ahead deficiency:

$$\text{Year-Ahead penalty} = \text{DeficiencyYear-Ahead} \times \text{Tier 1 Price}$$

$$\text{Month-Ahead penalty} = [(\text{DeficiencyYear-Ahead} \times \text{Tier PriceMonth-Ahead}) - \text{Year-Ahead penalty}] + (\text{DeficiencyMonth-Ahead incremental} \times \text{Tier PriceMonth-Ahead})$$

For any month-ahead or year-ahead RA deficiency, the type of deficiency, month, deficiency amount (MW), and any points accrued are deemed not confidential and published on the Commission's website by CPED or Energy Division no earlier than October 1 of the compliance year. For other non-deficiency RA program violations (e.g., late load forecasts, late RA filings), the citation information is similarly deemed not confidential and may be published.

The Commission has not imposed a penalty structure on CPEs that fail to procure resources to meet local RA requirements and instead defer to the CAISO backstop mechanism, provided the CPE exercises reasonable efforts to secure capacity and the independent evaluator report documents the reasons for the failure to procure.⁶⁸

24.1 AB 1373 Strategic Reserve Capacity Payments

AB 1373 established a mechanism requiring LSEs to make Strategic Reserve Capacity Payments to the Department of Water Resources (DWR) under specific conditions. These payments are distinct from, but related to, RA citation penalties. If an LSE incurs a system RA deficiency citation during a month in which DWR's Electricity Supply Strategic Reliability Reserve Program (ESSRPR) resources are triggered (i.e. operated above Pmin during CAISO declared Energy Emergency Alerts 1 – 3), the CPUC may assess a Strategic Reserve Capacity Payment.

To determine whether a payment applies, CPUC staff must confirm:

1. DWR provides information to CPUC that on or more units in the ESSRPR resources were used in a given month to meet a system reliability need.
2. An LSE under CPUC jurisdiction is found deficient in meeting in System RA requirements for a specified number of MWs for a particular month.
3. The LSE citation for a System RA deficiency was issued for the same month a unit from the ESSRPR was used.
4. CPED has confirmed the deficiency under the CPUC's RA citation program.

If the criteria above are met for any CPUC jurisdictional LSE, then CPUC Staff will identify the Strategic Reserve Capacity Payment for that LSE as follows:

1. CPUC Staff shall determine the System RA citation amount using the Commission-adopted RA citation deficiency.
2. For any month of deficiency for which IOUs, at the direction of the CPUC, have procured Excess Resources on behalf of all benefiting customers in their service territories, CPUC Staff shall identify the total amount of Excess Resources that were procured on behalf of, and paid for by, the LSE.

⁶⁸ OP 17 of D.20-06-002.

3. CPUC Staff will identify the pro-rata share of the Excess Resources that shall be applied to the LSE deficiency. The pro-rata share will be based on the individual LSE's pro-rata share of monthly peak load for the given month. The pro-rata share may be confidential.
4. CPUC Staff will subtract the pro-rata share of Excess Resources from the LSE's otherwise cited System RA deficiency amounts to determine any residual LSE deficiency amount.
5. Any residual deficiency amount is the deficiency amount that may be subject to the Strategic Reserve Capacity Payment.

CPUC will calculate the Strategic Reserve Capacity Payment Amounts as directed by the statute based on information provided by DWR.

1. CPUC Staff will multiple the residual LSE deficiency amount above by the per month unit cost of the ESSRPR resources to determine the Strategic Reserve Capacity Payment Amount.
2. CPUC Staff will identify the monthly ESSRPR unit cost based on the specified statutory direction outline in Water code Section 80713 subdivision (b), namely:
 - a. Two-thirds weighting of the annual portfolio costs incurred from June through September;
 - b. The remaining one-third of the annual portfolio costs from the remaining months.
3. Table 1 below provides draft estimates of the annual Capacity Payment for illustrative purposes:

10/01/2024-09/30/2025				10/01/2025-09/30/2026				10/01/2026-09/30/2027			
Capacity (MW)	Estimated Cost (\$)	Summer Rate (\$/kW-month)	Winter Rate (\$/kW-month)	Capacity (MW)	Estimated Cost (\$)	Summer Rate (\$/kW-month)	Winter Rate (\$/kW-month)	Capacity (MW)	Estimated Cost (\$)	Summer Rate (\$/kW-month)	Winter Rate (\$/kW-month)
3,029.8	\$383,875,000	\$21.1	\$5.3	3,029.8	\$347,875,000	\$19.1	\$4.8	885.3	\$115,625,000	\$21.8	\$5.4

4. An LSE's Strategic Reserve Capacity Payment for any month the ESSRPR is triggered will be determined by:
 - a. The applicable seasonal capacity payment unit cost; and
 - b. The residual LSE RA deficiency amount.

Formula for Calculating Payment Based of RA Deficiency:

Strategic Reserve Capacity Payment (\$) = \$/kW-month applicable Seasonal Capacity Payment Unit Cost x monthly RA deficiency MWs x 1,000 kW/1 MW

If the RA citation penalty is less than the calculated Capacity Payment, the LSE must pay the difference to DWR. If the citation exceeds the Capacity Payment, the excess is remitted to the General Fund. If the ESSRPR was not triggered, citation penalties are sent to the General Fund.

These payments support cost recovery for DWR reliability procurements and are separate from penalties imposed for non-compliance with RA obligations.

Implementation protocols are further detailed in the 2025 Memorandum: Establishing Interagency Protocols Regarding Water Code Section 80713, as established by Assembly Bill (AB) 1373 (Garcia, 2023) Regarding Capacity Payments for Strategic Reliability Reserve Resources.⁶⁹

25. Local Waiver Process

LSEs that are unable to bilaterally contract for local capacity needed to meet their assigned obligation may request a waiver. D.06-06-064 and D.07-06-029 established a waiver process whereby an LSE can request relief from the procurement obligation with a demonstration that it has made every commercially reasonable effort to contract for Local RA resources. D.19-02-022 extended this waiver process to multiyear Local RA requirements. A waiver request must demonstrate that the LSE actively sought products and either received bids with prices in excess of their proposed administratively determined local attribute price or received no bids. The waiver applies to Commission-imposed penalties only. A deficient LSE would still be responsible for any applicable backstop procurement costs, even if it received a waiver from CPUC penalties.

The waiver process is as follows. An LSE requesting a waiver must make such request at the time it files its Local RAR compliance showing. The waiver request must include both of the following:

- (1) a demonstration that the LSE reasonably and in good faith solicited bids for its RAR capacity needs along with accompanying information about the terms and conditions of the Request for Offer or other form of solicitation, and
- (2) a demonstration that despite having actively pursued all commercially reasonable efforts to acquire the resources needed to meet the LSE's local procurement obligation, it either
 - (a) received no bids, or

⁶⁹ <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/ra-penalties-and-citations/interagency-ab-1373-coordination-cpuc-dwr-final-memo-for-circulation.pdf>

- (b) received no bids for an unbundled RA capacity contract of under \$51 per kW-year or for a bundled capacity and energy product of under \$73 per kW-year, or
- (c) received bids below these thresholds but such bids included what the LSE believes are unreasonable terms and/or conditions, in which case the waiver request must demonstrate why such terms and/or conditions are unreasonable.

These requirements are necessary, but are not necessarily a sufficient, condition for CPUC to grant waiver. The Commission will also consider other information brought to its attention regarding the reasonableness of the waiver request.

Staff will consider a waiver request along with any other pertinent information in making recommendations to the Commission regarding whether to institute formal enforcement proceedings against a deficient LSE. Energy Division will advise the LSE whether the Commission has accepted the waiver or whether the Commission intends to pursue the matter further. Energy Division will provide a report to the Executive Director detailing the number of waiver requests received and granted, and a copy of this report will be furnished to the Commissioners and the ALJ.

Beginning with the 2020 Year Ahead filing process, local RA waiver requests shall be submitted via a Tier 2 Advice Letter to the Commission with accompanying service to the service list (in redacted form, if necessary) of the RA proceeding open at the time of the request. Please note that this requirement will begin with the 2020 Year Ahead filing process and that Tier 2 advice letters containing local waiver requests will be due on the same date as other Year Ahead or Month Ahead filing components, as outlined in the tables in Section 3.

Beginning with the 2021 Year Ahead filing process, a load-serving entity (LSE) shall have fulfilled their Resource Adequacy obligations in the six disaggregated “Pacific Gas and Electric Company (PG&E) Other” local capacity areas (LCAs) if the following requirements are met:

- (a) The LSE makes the required demonstration as part of the current local waiver process through a Tier 2 Advice Letter for its disaggregated PG&E Other local capacity requirements; and
- (b) The LSE, in its Year Ahead compliance filing, demonstrates procurement of local RA capacity within the PG&E Other LCAs such that the LSE’s collective procurement in the six disaggregated PG&E Other LCAs meets the LSE’s collective requirement for the disaggregated PG&E Other LCAs.

If the LSE demonstrates that they made reasonable efforts to procure capacity in the disaggregated PG&E Other areas and procured sufficient resources to meet the aggregated PG&E Other area requirement, the LSE will be deemed compliant, subject to verification that the LSE indeed made the required demonstration.

A local Resource Adequacy waiver request that is filed past the submission deadline will be rejected.

26. System and Flexible Waiver Process for Provider of Last Resort (POLR)

The provider of last resort (POLR) may be eligible for a limited system or flexible Resource Adequacy (RA) waiver for instances in which retail load is: (a) returned to the POLR with insufficient time to meet the RA requirement, or (b) not transferred from the POLR to another load-serving entity (LSE) as planned as a result of action or inaction by the LSE. The waiver shall be submitted through a Tier 2 Advice Letter. The POLR waiver process is effective immediately.

Appendix A: Submission of RA Compliance Filings

1. Applicability

D.08-06-031 allows Energy Division staff to determine that RA Filings may be submitted via means other than an Advice Letter. These guidelines seek to give direction to LSEs as to how to make RA Filings under the new rules.

1.1 Code of Ethics

Rule 1 (“Code of Ethics”) of the Commission’s Rules of Practice and Procedure (California Code of Regulations, Title 20, Division 1, Chapter 1) shall apply to all RA Filings.

1.2 Computation of Time

As used in these rules, “day” means a calendar day, and “business day” means a calendar day except for Saturdays, Sundays, and weekdays when the Commission’s offices are closed, due either to a State holiday or to an unscheduled closure (e.g., an emergency or natural disaster). The Commission’s Internet site (www.cpuc.ca.gov, under “About CPUC”) will maintain a list of State holidays for the current calendar year and a list for the following calendar year as soon as that list is available.

When these rules set a time limit for performance of an act, the time is computed by excluding the first day (i.e., the day of the act or event from which the designated time begins to run) and including the last day. If the last day does not fall on a business day, the time limit is extended to include the first business day thereafter.

2. RA Filing format

The RA Filings (Cover Letter with Summary Sheet and all RA Templates) shall include a Cover Letter, which shall state the person to contact for questions, and the date when the LSE expects the RA Filing to be received by the CPUC. The Cover Letter shall summarize the contents as follows:

- (1) Note the correct compliance period covered by this Filing
- (2) Show contact person, telephone number, and e-mail address for additional information regarding the RA Filing and the person to whom the approval letter is to be sent.

If an RA Filing does not include a complete submission as described above, the Energy Division may reject the RA Filing and require a new submission by the LSE.

4. Submitting RA Filings and Related Documents

The RA filing (RA Templates and Confidentiality declaration if needed) shall be submitted to the CPUC Energy Division, CEC, and CAISO. The method of filing is summarized in Section 22 of the RA Guide, along with the exact email addresses to be used at the CPUC, CEC, and CAISO.

5. Service to Other Parties

RA filings are compliance filings and not subject to protest. Therefore, service beyond the parties listed in Section 22 of the RA Guide (CPUC, CEC, and CAISO, as applicable) is not required.

6. Correction of Errors made in RA Filings

Minor typographical or numerical inaccuracies that do not affect compliance and do not require the procurement of additional capacity can be made by submitting a corrected template to replace the original, with the changes described in the cover letter. The LSE must type REVISED at the top of all Resource Worksheets (not Summary Pages) and highlight any changed cells in the Resource Worksheets (not Summary Pages). Since the Summary Pages are protected and unable to be edited, the LSE is not required to highlight any information on them. Errors that do affect compliance and require the LSE to procure additional capacity must be submitted via a complete refiling of the templates with a new cover letter, new Certification Sheet, and must be received by Energy Division within the time frame indicated in the correction notice. The Cover Letter must state the reason for the refiling, and indicate any additional procurement performed. Energy Division Staff reserves the discretion to classify errors as one of the two classes, and to order corrections. Corrections made to RA Filings that affect compliance may also be referred to the Commission's enforcement staff.

- **Minor Typographical and Numerical Errors:**

Simple typographical or numerical errors that do not affect compliance or do not invalidate resources sufficient to drop the LSE below RAR can be corrected by the LSE by submitting a corrected template to replace the original in its entirety; specific revisions must be noted in a cover letter. In the case of a supply plan mismatch or a scheduled outage that invalidates a portion of the LSE's capacity, if the supplier has submitted replacement capacity via a supply plan as of the RA Filing due date, the LSE may submit corrections to list the correct source of capacity via correction sheets. Submission of revised templates and cover letters is done via the same method as the original filing and to the same addresses. LSEs must type REVISED at the top of any page that contains corrections (except for Summary pages) and must highlight cells that have been altered. Corrections must arrive in Energy Division within five business days after notification by the CPUC.

- **Substantive Errors that May Affect Compliance**

Errors that are substantive and affect compliance, when removal of the capacity in question would leave the LSE without sufficient capacity committed to the CAISO (even in the event that the LSE otherwise controls the capacity but did not make it available to the CAISO via a RA Filing) to meet RAR. Substantive errors must be corrected via a complete refiling of the RA Filing (with cover letter that explains the errors and a new certification sheet). Additional procurement (even if the LSE already controls the capacity but has not made it available to CAISO via an RA filing) must be demonstrated via a corrected template and the LSE is to ensure that a revised supply plan documenting that additional procurement is filed with the CAISO by the supplier.

Procurement deficiencies occur when LSEs do not make sufficient RA capacity available to the CAISO via an RA Filing or supply plan confirmation by the RA Filing due date. If additional RA capacity is made available to the CAISO on behalf of the LSE by suppliers, that amount will be debited against any deficiency even if the LSE does not list it in their RA Filing. Corrections and additional procurement must be clearly explained in the Cover Sheet and noted in the certification sheet. Corrections to an original RA Filing must include the date of submission of the original RA Filing.

Refiled RA Filings are evaluated similarly to original RA Filings and are subject to the same filing provisions. Examples of errors that may affect compliance include omitting resource availability, filing a resource under an incorrect tab (recording an import as a Physical Resource), and any typographical or numerical error that would change an LSE's compliance status. Energy Division must receive corrections or refiling within five business days of LSE receipt of the correction notice.

Appendix B: CAISO Import Allocation Process for 2027

This appendix provides the full detail of the import capacity allocation process summarized in Section 18, including the schedule of posting and submittal dates governing each step. Refer to Section 40 of the CAISO Tariff for the express contractual language on this topic.

In summary, import capacity will be assigned to entities that serve load in the CAISO Control Area in 2026 per the following steps:

1. **Posting of Maximum Import Capability on Interties:** For 2027, the CAISO will establish for each branch group the total import capacity values into the CAISO Control Area and publish these values on its website by July 1, 2026. The information can be found on the CAISO website at: <https://www.caiso.com/documents/iso-maximum-resource-adequacy-import-capability-for-year-2026.pdf>
2. **Determination of Available Import Capability by Accounting for Existing Contracts and Transmission Ownership Rights Held by Out-of-Balancing Authority Area LSEs:** For each branch group, the CAISO will determine the Available Import Capability into the CAISO by taking the Total Import values from Step 1 and deducting the import capacity associated with (i) Existing Transmission Contracts and (ii) Encumbrances and Transmission Ownership Rights.
3. **Determination of Existing Contract Import Capability by Accounting for Existing Contracts and Transmission Ownership Rights Held by CAISO Balancing Authority Area LSEs:** The import capacity associated with ETCs and TORs in Step 2 will be reserved for the holders of such commitments and will not be reduced subsequent to the following process.
4. **Assignment of Pre-RA Import Commitments:** The LSEs submitted their existing commitments from resources outside CAISO Control Area entered into before March 10, 2006 and with a term lasting into the year 2027 as part of the 2027 Compliance Year Import Allocation Process. The CAISO will use this information to determine Import Capability reserved for Pre-RA Commitments. Previously, LSEs selected particular branch groups based on the primary branch group that energy or capacity from each particular import resource commitment had historically been scheduled. For resources that did not have deliveries into 2027 or were not included in the Compliance Year 2027 Import Allocation process, the CAISO will assign capacity based on which branch group the energy or capacity was anticipated to be scheduled. This is the Pre-RA Import Capability.

To the extent a particular branch group is over requested due to Pre-RA commitments not included in the Compliance Year 2027 Import Allocation process or changes to system conditions that affect total import capability into the CAISO, the requested Pre-RA Import Capability will be allocated based on the Import Capacity Load Share ratio of each LSE that submitted such resource commitments. However, to the extent this initial allocation has not fully assigned the total import capacity of a particular branch group to the requested resource commitments, the remaining capacity will be allocated until fully exhausted based on the Import Capacity Load Share ratio of each LSE whose quantity of submitted resource commitment have not been fully satisfied. Import Capacity Load Share is each LSE's proportionate share of the forecasted 2027 coincident peak load for the CAISO Control Area relative to the total coincident peak load of all LSEs that have not had their request for import capacity for a resource commitment on a particular branch group fully satisfied. The proportionate share of the forecasted 2027 peak load for the CAISO Control Area for each LSE is the "Coincident Load Share" as determined by the CEC.

5. Assignment of Remaining Import Capability Limited by Load Share Quantity: The Total Import Capability remaining after Step 4 will be assigned only to LSEs serving Load within the CAISO Balancing Authority Area that have not received Existing Contract Import Capability and Pre-RA Import Commitment Capability under Steps 3 and 4, that exceed the LSE's Load Share Quantity. Only the MW quantity of any Pre-RA Import Commitment Capability assigned to Existing Contract Import Capability under Step 4 that exceeds the Existing Contract Import Capability on the particular Intertie will be counted for purposes of this Step 5. This Total Import Capability will be assigned until fully exhausted to those LSEs eligible to receive an assignment under this Step based on each LSE's Import Capability Load Share Ratio up to, but not in excess of, its Load Share Quantity. The quantity of Total Import Capability assigned to the LSE under this Step is the LSE's Remaining Import Capability. This Step 5 does not assign Remaining Import Capability on a specific Intertie.
6. Posting of Assigned and Unassigned Capability: By July 9, 2026, the CAISO will publish on their website (<http://www.caiso.com/planning/Pages/ReliabilityRequirements/Default.aspx>) the following information:
 - a. Total Import Capability.
 - b. Quantity in MW of ETCs and TORs assigned to each branch group, distinguishing between ETCs held by LSEs within the CAISO and those held by LSEs outside the CAISO.
 - c. The aggregate quantity in MW, the holders, of Pre-RA Import Commitments assigned to each branch group.

- d. Remaining aggregate import capacity, the identity of the branch groups with available capacity, and the MW quantity remaining on each such branch group.
- 7. Notification of LSE Assignment Information: By July 9, 2026, the CAISO will notify the Scheduling Coordinators of each LSE of the following information:
 - a. LSE's Import Capacity Load Share.
 - b. LSE's Load Share Quantity
 - c. Amount and branch group on which the LSE's Contract Import and Pre-RA Import Capacity has been assigned.
 - d. LSE's Remaining Import Capacity
- 8. Transfer of Import Capacity: LSEs will be allowed to trade some or all their remaining import capacity to any other LSE or market participant. The CAISO will accept trades among LSEs and market participants only to the extent such trades are reported to the CAISO as outlined in a CAISO Market Notice. LSEs must report their trades to the CAISO by July 20, 2026, and include the following:
 - a. Name of counterparty
 - b. MW quantity
 - c. Term of transfer
 - d. Price per MW
- 9. Request to assign Remaining Import Capacity: By July 21, 2026, Scheduling Coordinators for LSEs and other market participants shall report to the CAISO requests to allocate post-trading Remainder Import Capacity on a MW per available branch group basis. The CAISO will honor the requests to the extent a branch group has not been over-requested. If a branch group is over requested, the requests for Remainder Import Capacity on that branch group will be allocated based on the ratio of each LSE's Import Capacity Load Share, as used in Step 4. A market participant without an Import Capacity Load Share will be assigned the Import Capacity Load Share equal to the average Import Capacity Load Share of those LSEs from which it received Remainder Import Capacity.
- 10. CAISO Notification of Initial Remaining Import Capacity Assignments and Unassigned Capacity: ISO Notification of Initial Remaining Import Capacity Assignments and Unassigned Capacity by July 28, 2026, the CAISO will notify each Scheduling Coordinator for LSEs of their accepted allocations and publish on its website remaining aggregate import capacity, the identity of the branch groups with available capacity, and the MW quantity remaining on each branch group.

11. Secondary Scheduling Coordinator Request to Assign Remaining Import Capability by Intertie: To the extent import capacity remains unallocated pursuant to Step 10, all LSEs will notify the CAISO by August 3, 2026, of their request to allocate any Remainder Import Capacity on a MW per available branch group basis. The CAISO will honor the requests to the extent a branch group has not been over requested. If a branch group is over requested, the requests on that branch group will be allocated based on the ratio of each LSE or market participant's Import Capacity Load Share, as used in steps 3 and 6.
12. Posting of Assigned and Unassigned aggregate Import Capability: By August 10, 2026 the CAISO will notify each Scheduling Coordinator for an LSE of the LSE's accepted allocation under this Step 12 and publish on its website the quantity and branch group identity of Remaining Import Capability that has not been assigned pursuant to the steps above.
13. Requests for Unassigned Available Import Capability: To the extent total Available Import Capability remains unassigned pursuant to Step 12, Scheduling Coordinators for LSEs shall notify the CAISO pursuant to limitations discussed below, of a request to assign the Remaining Import Capability on a branch group. The CAISO will accept two (2) requests per calendar week from any Scheduling Coordinator on behalf of a single LSE or market participant. The CAISO will honor requests on a first come first served basis and without regards to the LSE's Load Share Quantity. Requests will be honored and assigned for the balance of the Compliance Year, however requests honored by the CAISO and notified to the LSE after the 20th day of the month cannot be included in the Monthly RA Filing submitted at the end of that month but may be used for subsequent RA Filings.

This multi-step allocation of import capacity does not guarantee or result in any actual transmission service being allocated and is only used for determining the maximum import capacity that can be credited towards satisfying an LSE's planning reserve margin, or appropriate Resource Adequacy Obligation. Upon the request of the CAISO, Scheduling Coordinators must provide the CAISO with information on existing import contracts and any trades or sales of their load share allocation. The CAISO will inform the CPUC, or other Local Regulatory Authority of any Resource Adequacy Plan submitted by a Scheduling Coordinator for an LSE under their respective jurisdiction that exceeds its allocation of import capacity.

The table below summarizes the posting and submittal dates for each step described above:

CAISO Business Practice Manual Exhibit A-3: Import Capability Posting and Submittal Dates

Item	Posting Date	Submittal Date	Frequency
Market Notice requesting Import Commitment Data and contact person		1 st week in June	Annual
LSE to submit Data requested		2 weeks after previous Market Notice	Annual
Step 1: Posting Maximum Import Capability on Interties	1 st of July or next business day if 1 st falls on a weekend		Annual
Step 6: Posting of Assigned and Unassigned Capability	9 th of July or next business day if 9 th falls on a weekend		
Step 7: Notification of LSE Assignment Information	9 th of July or next business day if 9 th falls on a weekend		Annual
Step 8: Transfer of Import Capability		18 th of July, or next business day if 18 th falls on a weekend	Annual
Step 9: Request to assign Remaining Import Capability		19 th of July, or next business day if 19 th falls on a weekend	Annual
Step 10: ISO Notification of Initial Remaining Import Capability Assignments and Unassigned Capability	26 th of July, or next business day if 26 th falls on a weekend. The ISO will begin accepting requests for Step 11 at the date and time indicated in the market notice published after Step 10.		Annual
Step 11: Secondary request to assign Remaining Import Capability		1 st of August, or next business day if 1 st falls on a weekend. The ISO will begin accepting requests for Step 11 at the date and time indicated in the market notice published after Step 10.	Annual
Step 12: Posting of Assigned and Unassigned aggregate Import Capability	8 th of August or next business day if 8 th falls on a weekend. The ISO will begin accepting requests for Step 13 at the date and time indicated in the market notice published after Step 12.		Annual
Step 13: Requests for Unassigned Available Import Capability		9 th of August, or next business day if 9 th falls on a weekend. The ISO will begin accepting requests for Step 13 at the date and time indicated in the	Annual

Item	Posting Date	Submittal Date	Frequency
		market notice published after Step 12.	
Step 13: Publish list of Unassigned Available Import Capability	5 th day of September, or next business day if 5 th falls on a weekend		Annual
Registration for Bilateral Import Capability Transfers		Anytime	One time
Reporting Bilateral Import Capability Transfers occurring outside of Step 8		Anytime. To be counted on an RA Plan, must be submitted on or before the 20 th of the Month, two months prior to the Compliance Month (i.e.: 9/20/2008 to count on Nov 2008 RA Plan)	Upon transfer of Import Capability
Posting of Eligible Import Capability Trading Parties	5 th day of each month, or next business day if 5 th falls on a weekend		Monthly
Posting of Import Capability Transfers	Within 5 business days of receiving a transfer request.		On Event
Posting of Interties and holders of Import Allocation per Intertie	5 th day of each month, or next business day if 5 th falls on a weekend		Monthly
Posting of Import Allocation usage on Annual RA Plans	15 business days after Annual RA Plans are due		Annual

Appendix C: Directions for Use of Secure FTP

Summary

The PDF file below explains how to set up an account for the CPUC Secure File Transfer Protocol (SFTP) that will enable you to send large files securely throughout the CPUC. You can send files up to 2 GB in size. Please note that external users can **ONLY** send files to internal users within CPUC.

NOTE: This user Guide is for External Users. All blacked out parts of images are to protect the confidentiality of user information.

File: <https://www.cpuc.ca.gov/-/media/cpuc->

[website/files/uploadedfiles/cpuc_public_website/content/kiteworksftpexternalusersquickstartguide.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/kiteworksftpexternalusersquickstartguide.pdf)