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Resource Adequacy & Implementation of Resolution E-4907

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Agenda

- Resolution E-4907 Waiver Process
- 2018 Case Study: SCP's experience in RA market
- Resource Adequacy Going Forward

Resolution E-4907 enables 2018 CCA launch & compliance while minimizing cost shifts

Waiver process provides two pathways for transfer of RA from IOU to CCA:

1. Bilateral Negotiation: CCA and IOU agree upon price, terms
 - ✓ Allows flexibility and requires no calculation
2. Voluntary Allocation: CCA agrees to be liable for fair share of IOU RA costs, as determined by CPUC
 - ✓ Most likely to prevent cost-shifts

E-4907 aimed at 2018, 2019 process should be addressed in this proceeding

Both address gap in RA regulations and enable transfer of RA between LSEs, preventing existing issue of double-procurement of RA

But, in either case determining how RA is assigned and transferred is important to resolve: Do CCAs have full ability to manage? Or do IOUs retain RA for load?

2018 RA Market Case Study

TIMELINE	EVENT
July 27, 2017	RFO Documents issued.
August 3, 2017 (10:00 a.m. PPT)	Bidder's Conference Call.
August 14, 2017 (10:00 a.m. PPT)	Deadline to submit Indicative Offers: Completed Offer Form (Exhibit F and/or Exhibit G), executed Confidentiality Agreement (Exhibit E), redlined Enabling Agreements (if applicable, Exhibit A), audited financial statements, and Safety Statement.
August 24, 2017	Notify Respondents of Shortlist Results.
August 30, 2017	Deadline for shortlisted Respondents to provide redlined RA Confirmations and Guaranty.
September 21, 2017	Deadline to Complete Negotiations: Negotiations complete on Enabling Agreements (if applicable), Guaranty (if applicable, Exhibit D) and RA Confirmations (Exhibit B and/or C). Deadline to submit Commercial Terms: All inputs to the Offer Form must be submitted and cannot be further changed, except for final pricing.
September 25, 2017 (10:00 a.m. PPT) (the "Final Offer Deadline")	Deadline to Submit Final Offers: Respondents submit their final pricing in the Offer Form
October 6, 2017	Notify Respondents of Final Results: SCE notifies Respondents on final Offer acceptance/rejection.
October 10, 2017	Deadline to Execute Final Confirmations and Enabling Agreements (if applicable)

Resource Adequacy Going Forward

How to improve liquidity, transparency, and ratepayer value?

1. RA sales should take place earlier in the year
2. RA compliance timeline could be pushed back earlier in the year
3. RA liquidity could be improved by “bulletin board”

More granular sub-local RA could help prevent backstop procurement, but how to achieve this without granting certain generators market power?

Longer term RA could provide stability, but forward requirements would need to drop to allow flexibility.



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Questions?

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