



R.17-09-020 Track 3 Proposal Workshop



March 13, 2019

California Public Utilities Commission





WebEx and Teleconference Info

Web Conference Information

Meeting Number: 715 798 532

Meeting Password: !Energy1

To join the online meeting:

Go to:

<https://centurylinkconferencing.webex.com/centurylinkconferencing/j.php?MTID=mc5d45041448f4f2cfaa044dda3d5e96>

Telephone Only Participation

Teleconference Number: (866) 811-4174

Participant Code: 4390072#

Note: All phones will be in listen only mode. Please raise your hand through WebEx if you have a question or comment.

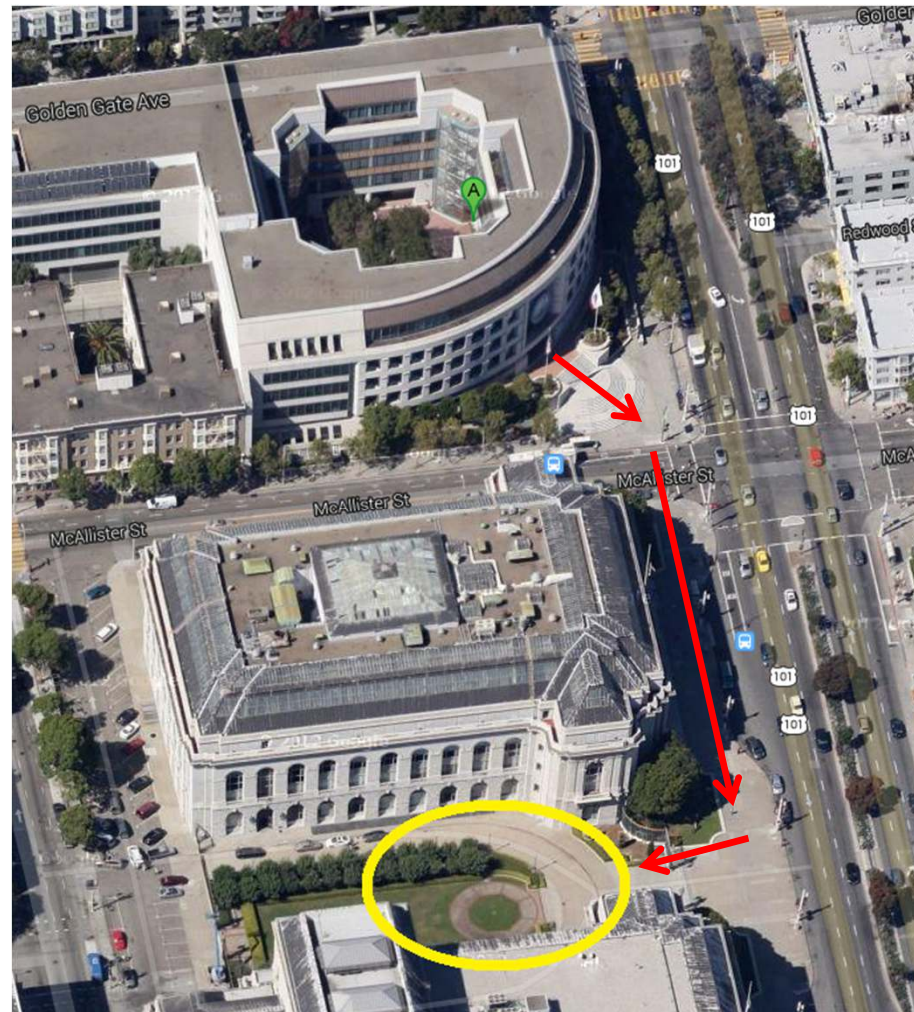




Restrooms & Evacuation Procedure

Restrooms are at the far end of the hallway.

In the event of an emergency evacuation, please cross McAllister Street, and gather in the Opera House courtyard down Van Ness, across from City Hall.





Day 2 Agenda

10:00 - 10:05 am	Welcome Back, Review Agenda	Energy Division
10:05 – 11:00 am	RA Penalties and Waivers	Energy Division SDG&E SCE
11:00 am - 12:00 pm	Flexible RA Requirements	CESA SCE CalWEA
12:00 - 1:00 pm	Lunch	
1:00 - 2:00 pm	ELCC	Energy Division
2:00 – 2:45 pm	QC Methodologies (combined resources, DR, hydro)	SCE CEERT Joint DR Parties PG&E
2:45 – 3:15 pm	Path 26 Requirement	Energy Division SCE
3:15 – 4:00 pm	System and Local RA Requirements and Allocations	AReM CalCCA PG&E





RA Waivers and Penalties





Current Local Waiver Requirements

- To receive a local waiver an LSE must provide:
 - *(1) a demonstration that the LSE reasonably and in good faith solicited bids for its RAR [Resource Adequacy Requirement] 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 received no bids, or received no bids for an unbundled RA capacity contract of under \$40 per kW-year or for a bundled capacity and energy product of under \$73 per kW-year 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 (D.06-06-064 at 79)*
- \$40/kW-year price is annual. Does not translate to monthly \$3.33/kW-month price
- If waiver request is straightforward Energy Division may grant, anything requiring discretion addressed through resolution
- If LSE has System and Local deficiencies “penalties are not to be added; instead, the larger...would apply” (D.06-06-064 at 79)





Staff Proposal

1. Revised Local Waiver Price

- \$40/kW-year trigger price has been in place since 2006
- Local waiver requests have gone from rarely used through 2017 to common in 2018 and 2019
- Tightening of RA market and increased dependence of LSEs on waivers suggest need to update trigger price
- Staff propose \$51/kW-year (85th percentile of SP26 capacity in 2017 RA Report)





2. Path 26 Waiver

- If Path 26 requirement is not removed Staff propose establishing a Path 26 waiver
- Requirements for waiver would be similar to local waiver requests
- A granted Path 26 waiver would allow capacity on the opposite side of Path 26 without a Path 26 allocation to count towards an LSE's system RA requirement

3. Penalties for System and Flexible RA Deficiencies not Cumulative

- Decision language is clear that system and local penalties are not cumulative

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- Propose similar clarification for system and flexible RA





4. Advice Letter Process for Waiver Requests

- As requests have increased Staff see a need to formalize the process for consideration of waiver requests
- Waiver requests requiring discretion are already addressed through resolutions
- Advice letters provide transparency
- Propose that waiver requests be submitted as Tier 2 Advice Letters

