MEETING of the Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California

Wednesday, February 23, 2022
12:30 p.m.

SPECIAL NOTICE: Pursuant to the Proclamation of the State of Emergency by Governor Newsom on March 4, 2020, AB 361, and enacting Resolutions, and as a response to mitigating the spread of COVID19, the Energy Planning & Resources Committee will conduct this meeting remotely.

To Listen to the Meeting:
https://us06web.zoom.us/j/85975901993
or
Dial: (720) -707-2699 Meeting ID: 859 7590 1993

PUBLIC COMMENT: Members of the public may submit their comments by one of the following options:

- **Email Public Comment:** Members of the public are encouraged to submit written comments on any agenda item to clerk@cleanpoweralliance.org up to four hours before the meeting. Written public comments will be announced at the meeting and become part of the meeting record. Public comments received in writing will not be read aloud at the meeting.

- **Provide Public Comment During the Meeting:** Please notify staff via email at clerk@cleanpoweralliance.org at the beginning of the meeting but no later than immediately before the agenda item is called.
  - You will be asked for your name and phone number (or other identifying information) and agenda item similar to filling out a speaker card so that you can be called on when it is your turn to speak.
  - You will be called upon during the comment section for the agenda item on which you wish to speak on. When it is your turn to speak, a staff member will unmute your phone or computer audio.
  - You will be able to speak to the Board for the allotted amount of time. Please be advised that all public comments must otherwise comply with our Public Comment Policy.
  - Once you have spoken, or the allotted time has run out, you will be muted during the meeting.

If preferred, you may also submit written comments during the meeting via email to: clerk@cleanpoweralliance.org. The written comments will be shared with the Board of Directors.

“While downloading the Zoom application may provide a better meeting experience, Zoom does not need to be installed on your computer to participate. After clicking the webinar link above, click “start from your browser.”
Meetings are accessible to persons with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least two (2) working days before the meeting at clerk@cleanpoweralliance.org or (323) 640-7664. Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

PUBLIC COMMENT POLICY: The General Public Comment item is reserved for persons wishing to address the Board on any Clean Power Alliance-related matters not on today’s agenda. Public comments on matters on today’s Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period. Members of the public who wish to address the Board are requested to contact the Board Clerk, as specified above, at the beginning of the meeting but no later than immediately prior to the time an agenda item is called. Each speaker is limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five (5) minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to Policy No. 8 – Public Comment for additional information.

CALL TO ORDER & ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Approve Minutes from January 26, 2022 Energy Committee Meeting

2. Receive and File January 2022 Risk Management Team Report

REGULAR AGENDA

3. Oral Update on Mid-Term Reliability RFO

4. Resource Adequacy Reform Update

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING MARCH 23, 2022

Public Records: Public records that relate to any item on the open session agenda for a Committee Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Committee. Those documents are available for inspection online at www.cleanpoweralliance.org/agendas.
MINUTES
REGULAR MEETING of the Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California
Wednesday, January 26, 2022, 12:15 p.m.

Pursuant to the Proclamation of the State of Emergency by Governor Newsom on March 4, 2020, AB 361, and enacting Resolutions, and as a response to mitigating the spread of COVID19, the Energy Planning & Resources Committee conducted this meeting remotely.

CALL TO ORDER & ROLL CALL
Chair Parkhurst called the meeting to order at 12:15 p.m. and Interim Clerk of the Board, Raynette Tom, conducted roll call.

ROLL CALL

<table>
<thead>
<tr>
<th>City</th>
<th>Name</th>
<th>Title</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alhambra</td>
<td>Jeffrey Maloney</td>
<td>Committee Member</td>
<td>Remote</td>
</tr>
<tr>
<td>Carson</td>
<td>Reata Kulcsar</td>
<td>Committee Member</td>
<td>Remote</td>
</tr>
<tr>
<td>Culver City</td>
<td>Daniel Lee</td>
<td>Committee Member</td>
<td>Remote</td>
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<tr>
<td>Oxnard</td>
<td>Kathleen Mallory</td>
<td>Committee Member</td>
<td>Remote</td>
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<tr>
<td>Sierra Madre</td>
<td>Robert Parkhurst</td>
<td>Chair</td>
<td>Remote</td>
</tr>
<tr>
<td>Thousand Oaks</td>
<td>Helen Cox</td>
<td>Committee Member</td>
<td>Remote</td>
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<tr>
<td>Ventura County</td>
<td>Carmen Ramirez</td>
<td>Committee Member</td>
<td>Remote</td>
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All votes are unanimous, unless otherwise stated.

GENERAL PUBLIC COMMENT
There was no public comment.

CONSENT AGENDA
1. Approve Minutes from December 16, 2021 Special Energy Committee Meeting
2. Receive and File November and December 2021 Risk Management Team Report

Ted Bardacke, CEO, provided a brief review of Item 2, noting that due to the default changes, CPA must revise its load forecast reflecting new positions driving deviations in the RMT report.

Motion: Committee Member Maloney, Alhambra
Second: Committee Member Cox, Thousand Oaks
Vote: The consent agenda was approved by a roll call vote with an abstention by Committee Member Ramirez.

REGULAR AGENDA
3. Approve Shortlist Projects as Recommended by the Review Team for the 2021 Mid-Term Reliability RFO
Natasha Keefer, Vice President, Power Supply, presented the recommended shortlist and waitlist for the 2021 Midterm Reliability Request for Offers (RFO). In 2021, the California Public Utilities Commission (CPUC) issued a decision requiring all Load Serving Entities (LSEs) to undertake new procurement to address mid-term reliability; this decision ordered CPA to procure a total of 679 MW of new reliable capacity between 2023-2026, of which a portion must be Long-Lead Time (LLT) resources. On September 29th, 2021, CPA launched its 2021 Midterm Reliability RFOS to comply with the order, and in January, the RFO Review Team developed a recommended shortlist and waitlist. Ms. Keefer provided an overview of the process by which CPA runs the long term RFOS, from launch to Board approval. Ms. Keefer discussed “incremental” capacity and described CPA’s remaining procurement need for compliance in three different product types: (1) “conventional” renewables plus storage/standalone storage; (2) baseload renewables; and, (3) a long-duration storage with 8+ hours of duration. Ms. Keefer provided a summary of the RFO project eligibility by type and the six criteria used for evaluating projects. Ms. Keefer provided an overview of the conforming offers. Offers were valued and rated based on their Net Present Value (NPV) using a comparison of benefits and costs of the project. The RFO Review Team recommends a shortlisting approach that ranges from shortlisting a portion of CPA’s compliance requirement to up to 2-3x its procurement need in different product types. The Review Team also recommends using a targeted waitlist to ensure enough projects are approved, accounting for shortlisting and negotiation fallout. Ms. Keefer discussed key considerations by product type and reviewed the recommended shortlist/waitlist. Five projects are recommended for the shortlist and five projects for waitlist. The shortlist includes one local project, one out of state project, and two projects located in DACs. All projects rank high on workforce development and there are no low environmental stewardship projects. Ms. Keefer concluded with an overview of the RFO schedule and next steps.

Chair Parkhurst asked about plans to promote the development of baseload and long-term storage resources. Ms. Keefer noted that there are no immediate plans, however, developers are aware of the procurement mandate and may need additional time to overcome development hurdles before they begin bidding to LSEs. In response to questions from the Committee, staff clarified that the mandate makes no mention of a recalculation of procurement requirements should CPA expand; explained that waitlisted projects will be moved to the shortlist if other projects decide not to move forward with CPA; shortlisted projects are given a two-week window to enter into exclusivity with CPA. Waitlisted projects are kept open until the conclusion of PPA negotiations and approval from the Board, with the understanding that those waitlisted projects are under no obligation to CPA.

Chair Parkhurst thanked staff and Committee Member Ramirez and Committee Member Kulcsar for their participation in the RFO Review Team.

**Motion:** Committee Member Ramirez, Ventura County  
**Second:** Committee Member Kulcsar, Carson  
**Vote:** The consent agenda was approved by a roll call vote.

**COMMITTEE MEMBER COMMENTS**

Committee Member Ramirez commented on the efforts made to move towards renewable energy.

**ADJOURN**

Chair Parkhurst adjourned the meeting at 1:22 p.m.
January 2022 RMT REPORT

Key Actions
- Reviewed energy positions and approved 2022-2025 hedges.
- Reviewed positions for RPS, carbon free, and Resource Adequacy.
- Reviewed the PCIA Voluntary Allocation & Market Offer (VAMO) process and SCE’s initial allocation volumes.¹
- Reviewed Community Default-Change impacts on Load Forecast.

Policy Compliance
There were no policy deviations reported for January.

ATTACHMENT
None.

¹ This item will be brought before the Energy Committee in March.
**Staff Report – Agenda Item 3**

<table>
<thead>
<tr>
<th>To:</th>
<th>Energy Planning &amp; Resources Committee</th>
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<tbody>
<tr>
<td>From:</td>
<td>Natasha Keefer, Vice President, Power Supply</td>
</tr>
<tr>
<td>Approved by:</td>
<td>Ted Bardacke, Chief Executive Officer</td>
</tr>
<tr>
<td>Subject:</td>
<td>Oral Update on Mid-Term Reliability RFO</td>
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<tr>
<td>Date:</td>
<td>February 23, 2022</td>
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Staff will provide an oral update on the item.
To: Clean Power Alliance (CPA) Energy Committee
From: CC Song, Director, Regulatory Affairs
Approved By: Ted Bardacke, Chief Executive Officer
Subject: Resource Adequacy Reform Update
Date: February 23, 2022

RECOMMENDATION
Receive and file.

ATTACHMENT
1) Resource Adequacy Reform Update Presentation
Resource Adequacy Reform Update

February 23, 2022
Presentation Overview

- Resource Adequacy (RA) Reform Background
- CPA Principles for RA Reform
- Summary of Proposals
- Next Steps
- Q&A
RA Reform Background

- RA was originally designed to ensure sufficient *capacity* to meet the system-wide *gross* peak
  - If this requirement was met, it was assumed there would be sufficient energy available in all other hours to maintain reliability to the pre-determined planning standard (115% of gross peak load)
- Since the RA program’s inception, the resources on the grid have become increasingly variable and energy-limited
  - Net peak has become the most challenging time for reliability
  - Energy sufficiency can no longer be assumed as it once was
- Quick fixes have been implemented but a more robust and durable solution is needed
The gross peak load represents the total energy required by the CAISO to serve demand at its highest level of the day.

The net peak load represents the total energy demand less the wind and solar resource forecast from the gross peak load.

While the gross load peak on a typical day occurs in the late afternoon, the early evening net load peak is becoming increasingly critical as solar production ends and demand remains high in the evening.
Establishment of the RA Reform Process

- Jan 2020 - Commission requested proposals on RA reform
  - CalCCA-SCE Proposal – LSE required to show a portfolio with sufficient energy to meet both its load and storage charging needs
  - PG&E Proposal - RA requirements for multiple “slices-of-day” across seasons, counting methodology to reflect an individual resource’s ability to produce energy during each respective slice
- July 2021 - Commission directed working groups to develop implementation details around “slice-of-day” for RA year 2024
- Through the working groups, parties are generally converging around two slice-of-day proposals
  - Members of CalCCA, including CPA, proposed two additional options
CPA Guiding Principles

• The below principles were presented to the Committee in June 2020:

  • Develop a grid reliability framework that appropriately values the contributions of clean energy resources

  • Establish a long-term resource planning standard allows LSEs chart a course to 100% clean energy while ensuring grid reliability

  • Ensure that any new framework is implemented thoughtfully and with sufficient time for LSEs to adapt
High Level Summary of Proposals

For each month, each LSE must demonstrate it has enough capacity to meet its load profile in all 24 hours on the CAISO’s “worst day.”

For each month, each LSE must demonstrate it has enough capacity to meet its share of CAISO gross peak and net peak.
Pros and Cons of Proposals

SCE 24-Slice Proposal

• Pros
  • Direct visibility of how resource supply meets demand, and how excess energy from a renewable can be used to charge storage
  • Granular view of when a resource can contribute, especially useful for resources like demand response

• Cons
  • Resource trading cannot be unbundled by the hour, creating market inefficiency
  • Existing systems at CPUC and CAISO would need to be updated

Gridwell 2-Slice Proposal

• Pros
  • Slight tweak to current framework– compliance processes would remain largely unchanged

• Cons
  • The resource accounting methodology may not value renewable resources appropriately
  • Does not offer the granular view of when a resource can contribute, and may not be durable in the long run
Appropriately value contributions of renewable resources

Long-term framework that allows LSEs to chart a course to 100% clean energy

Thoughtful implementation with sufficient time to adapt

- 24-Slice
  - More accurately values renewable resources based on granular hourly contribution

- 2-Slice
  - Renewable resource valuation would be based on existing Effective Load Carrying Capacity (ELCC) methodology, with large discount on solar and wind capacity contribution

- 24-Slice
  - Granular view that provides visibility into individual LSE’s resource mix’s ability to meet demand

- 2-Slice
  - Likely not as durable as resource mix continues to evolve and gas resources retire

The July 2021 CPUC decision directed working groups to develop implementation details around a new framework for 2023, which does not provide sufficient time for thoughtful implementation.
<table>
<thead>
<tr>
<th>Proposal Type</th>
<th>Support Details</th>
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<tbody>
<tr>
<td>24-Hourly Slice Proposal (SCE)</td>
<td>PG&amp;E, renewable trade associations, storage trade association</td>
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<tr>
<td>24 Hourly Slice Proposal With Modifications (CPA)</td>
<td>Adopt 24-Hourly Slice Proposal but defer implementation until 2025 to resolve complex implementation issues including transactability and resource tracking. CalCCA official position. Supported by EBCE, MCE, PCE, Pioneer, SJCE, SCP.</td>
</tr>
<tr>
<td>2 Slice Proposal (Gridwell)</td>
<td>Thermal generators</td>
</tr>
<tr>
<td>2 Slice Proposal as a Temporary Bridge (4 CCAs)</td>
<td>Adopt 2 Slice proposal as a temporary bridge while something more durable can be developed for later implementation. Supported by 3CE, SDCP, SVCE, VCE.</td>
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Next Steps

⚡ CPUC Proceeding Schedule
  - February 28: Workshop Report filed
  - Early March (expected): Comments on Workshop Report
  - Mid March (expected): Reply comments on Workshop Report
  - Summer 2022: Proposed Decision on RA Reform

⚡ CPA staff will continue to work with CalCCA staff to develop comments on the Workshop Report

⚡ CPA staff will continue to keep the committee apprised of the proceeding progress and identify potential opportunities for engagement
Questions