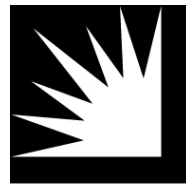


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SOUTHERN CALIFORNIA
EDISON[®]

An *EDISON INTERNATIONAL*[®] Company

(U 338-E)

***TESTIMONY OF SOUTHERN CALIFORNIA
EDISON COMPANY ON THE RESULTS OF ITS
2013 LOCAL CAPACITY REQUIREMENTS
REQUEST FOR OFFERS (LCR RFO) FOR THE
WESTERN LOS ANGELES BASIN***

PUBLIC VERSION

Before the

Public Utilities Commission of the State of California

Rosemead, California
November 21, 2014

SCE-1: Testimony of Southern California Edison Company on the Results of its 2013 Local Capacity Requirements Request for Offers (LCR RFO) for the Western Los Angeles Basin

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VII.

SOLICITATION RESULTS

A. Summary of Selected Offers

SCE selected 60 Preferred Resource contracts and three GFG contracts. Within the Preferred Resources category, SCE selected 23 contracts for ES, one of which was for IFOM ES. Table VII-19 summarizes the LCR MW⁸² procured by product category. Additional detail for each category is provided below.

*Table VII-19
Summary of Selected Offers*

Product Category	Total Contracts	Max Quantity (LCR MW)
Preferred Resources and ES		
EE	26	124.04
DR	7	75.00
Renewable DG	4	37.92
ES	23	263.64
Total Preferred Resources and ES	60	500.60
GFG Resources		
GFG	3	1,382.00
Total Preferred Resources, ES, and GFG	63	1,882.60

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B. Description of Selected Offers

1. Preferred Resources

In this competitive solicitation, SCE adhered to and selected resources consistent with the Loading Order of the State’s Energy Action Plan II. This resulted in 60 contracts for EE, DR, Renewable DG, BTM ES, and IFOM ES for a total of 500.60 LCR MW. The breakdown of the resources can be seen in Table VII-20.

⁸² To clarify, the LCR MW are a resource’s contribution to the LCR need in August 2021. This may differ from the MW quantity specified in the contract.

Table VII-20
Summary of Preferred Resource Selected Offers

Product Category	Counterparty	Total Contracts	Max Quantity (LCR MW)
EE	<ul style="list-style-type: none"> • Onsite Energy Corporation • Sterling Analytics LLC • NRG Energy Efficiency-L LLC • NRG Energy Efficiency-P LLC 	26	124.04
DR	<ul style="list-style-type: none"> • NRG Distributed Generation PR LLC • NRG Curtailment Solutions LLC 	7	75.00
Renewable DG	<ul style="list-style-type: none"> • Solar Star California XXXV, LLC • Solar Star California XXXVI, LLC • Solar Star California XXXVII, LLC • Solar Star California XXXVIII, LLC 	4	37.92
ES	<ul style="list-style-type: none"> • AES ES Alamitos, LLC • Ice Bear SPV #1, LLC • Hybrid-Electric Building Technologies Irvine 1, LLC • Hybrid-Electric Building Technologies Irvine 2, LLC • Hybrid-Electric Building Technologies West Los Angeles 1, LLC • Hybrid-Electric Building Technologies West Los Angeles 2, LLC • Stem Energy Southern California, LLC 	23	263.64
Total Preferred Resources (including ES)		60	500.60

1 As stated in Section VI.C.3, a qualitative consideration in the selection process was the amount
2 of PRP MW selected. SCE specified in its RFO instructions that it had a preference for Preferred
3 Resources in the Johanna or Santiago areas to support its PRP. SCE chose the Johanna and Santiago
4 sub-areas in the Southwest sub-area of the Western LA Basin because the Southwest sub-area is the area
5 most impacted by the permanent closure of SONGS. To assess the capabilities of Preferred Resources,
6 SCE, as part of the PRP, will design, acquire, and measure a diverse portfolio of Preferred Resources
7 that will meet the area’s power needs, while informing the development of the grid of the future and
8 contributing toward California’s progressive environmental and renewable energy goals. Through the
9 PRP, SCE seeks to provide customers, regulators, electric system operators, transmission planners,
10 procurement entities, and stakeholders, greater understanding about the ability and availability of
11 Preferred Resources to perform where and when needed to meet local reliability, while ensuring grid

1 stability and resiliency. As identified below, several of the Preferred Resource offers selected are
2 located in the Johanna/Santiago area.

3 a) Energy Efficiency

4 SCE selected 26 EE offers from three different counterparties representing a total of 124.04 MW
5 of savings.

6 SCE created a new EE contract for the LCR RFO where the seller commits to achieve a specified
7 quantity of energy (kWh) and capacity (kW) savings through installation of specified energy efficiency
8 measures at customers' sites. In the contract, the sellers generally identified the types of measures they
9 intend to deploy as well as the customer class they intend to target. However, for the most part, specific
10 customers had not yet been identified at the time of contract execution.

11 Per the agreement, the seller is obligated to achieve energy savings during three distinct periods:
12 Summer-On-Peak, Summer Off-Peak, and Winter On-Peak. In addition, the seller is obligated to meet
13 certain capacity savings. Failure to meet these savings reduces payment under the contract.

14 The parties rely on an independent evaluator to measure savings. The independent evaluator is
15 hired by the seller, although SCE has discretion to determine the acceptability of the seller's choice.
16 The independent evaluator will create a measurement and verification ("M&V") plan, subject to SCE's
17 review, in accordance with the M&V protocol included in the contract. The independent evaluator will
18 perform the M&V consistent with the M&V Plan, and will ultimately create a report setting forth energy
19 and capacity savings for purposes of determining payment under the contract. If SCE does not
20 reasonably agree with the M&V report, SCE has the right to hire its own independent evaluator whose
21 report will be used to assess performance under the contract. This process is performed upon
22 installation of all of the measures, and allows for SCE to require additional M&V measurements over
23 the term of the agreement.

24 The EE contracts also contain a delivery date security requirement of \$22.50/kW and include
25 provisions where the total payment is made over a four- to six-year period to ensure some payment is
26 made under the contract in 2021 when the resources are first needed. As described in Section IV.F, SCE

1 selected contracts that were incremental per the EE tranche analysis performed by SCE. [REDACTED]
2 [REDACTED] which is discussed in further detail below.