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<th><strong>Docket Number:</strong></th>
<th>19-IEPR-09</th>
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<tr>
<td><strong>Project Title:</strong></td>
<td>Southern California Energy Reliability</td>
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<td><strong>Document Title:</strong></td>
<td>Panel 1 - OTC Replacement</td>
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<td><strong>Description:</strong></td>
<td>Presentation by Pete Skala California Public Utilities Commission</td>
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<td><strong>Filer:</strong></td>
<td>Raquel Kravitz</td>
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<td><strong>Organization:</strong></td>
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IEPR Update Joint Agency Workshop on
Energy Reliability in Southern California: Panel 1

May 23, 2019
OTC Replacement
Status of Procurement for OTC Replacement*

• **9,498 MW** of Capacity in Southern California (within CAISO BAA) will have retired by December 31, 2020
  – 4,200 MW** have already retired as of May 2019
  – 5,298 additional MW set to retire by December 31, 2020 (includes 1,556 MW in late 2019)

• **3,000 MW** of procurement has been approved or is under review, pursuant to authorizations in Track 1 and Track 4 of the most recent LTPP proceeding (R.12-03-014)
  – 2,200 MW new or existing gas power plants (less than 1,400 MW new)
  – 800 MW preferred resources

*Also see 2019 SACCWIS Report
**Includes specific generators at El Segundo, Encina, Huntington Beach, Mandalay, San Onofre, and South Bay
Emerging Electric Reliability Concerns in California
2019 Total RA Resource Mix and RA Requirements

CAISO Master Generator Capability List, CAISOs 2019 total local and flexible RA requirements
CPUC Jurisdictional Load

- In 2014 - 18 LSEs serving load (3 IOUs, 14 ESPs and 1 CCA)
- As of May 2019, 36 active LSEs are regulated by the CPUC for Resource Adequacy (3 IOUs, 14 ESPs, 19 CCAs)
- The Commission has received another 9 implementation plans, and 3 expansion plans for 2020 launches (one launch has been delayed to 2021)
- SB 237 increases Direct Access cap

Based on 2014 year ahead load forecasts (MWs) from the CEC

- 2018 CEC Peak MA load forecast
- 2019 CEC. Peak YA load forecast
Reliability Challenges

• Tightening in-state supply
  – Growing reliance on out-of-state resources in peak months
    • Consider effects on import capability of drier conditions in Pacific Northwest
      and generator retirement in other areas of WECC
  – Unexpected mothballs and retirements reduce in-state capacity further
  – ELCC proposal in RA proceeding (R.17-09-020) is based on revised
    calculations that would reduce qualifying solar and wind capacity by
    roughly 50%

• Bilateral procurement challenges
  – Mitigating market power, especially within transmission-constrained
    areas and subareas, with a “right-sized” generation supply
  – Proliferation of load serving entities
  – Eleven requests for RA waivers in both 2018 and 2019
Suite of Possible Solutions

- Additional in-state procurement of new and/or “mothballed” resources
  - D.19-04-040 in the IRP Proceeding (R.16-02-007) opened a short-term procurement track

- Multiyear RA requirements to discourage exit of existing resources
  - D.19-02-022 approved three-year local capacity requirements. Parties are also considering a mechanism for centralized local capacity procurement.

- Procurement of OTC capacity through compliance deadlines
  - Pursuant to D.18-06-030, SCE procured capacity from Ormond Beach and Ellwood through December 2020

- Modifications to mothball and retirement rules