



CHP Program Implementation

California Energy Commission

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California Public Utilities Commission

Energy Division- Emerging Procurement Strategies Team

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Timeline of IOU CHP RFOs

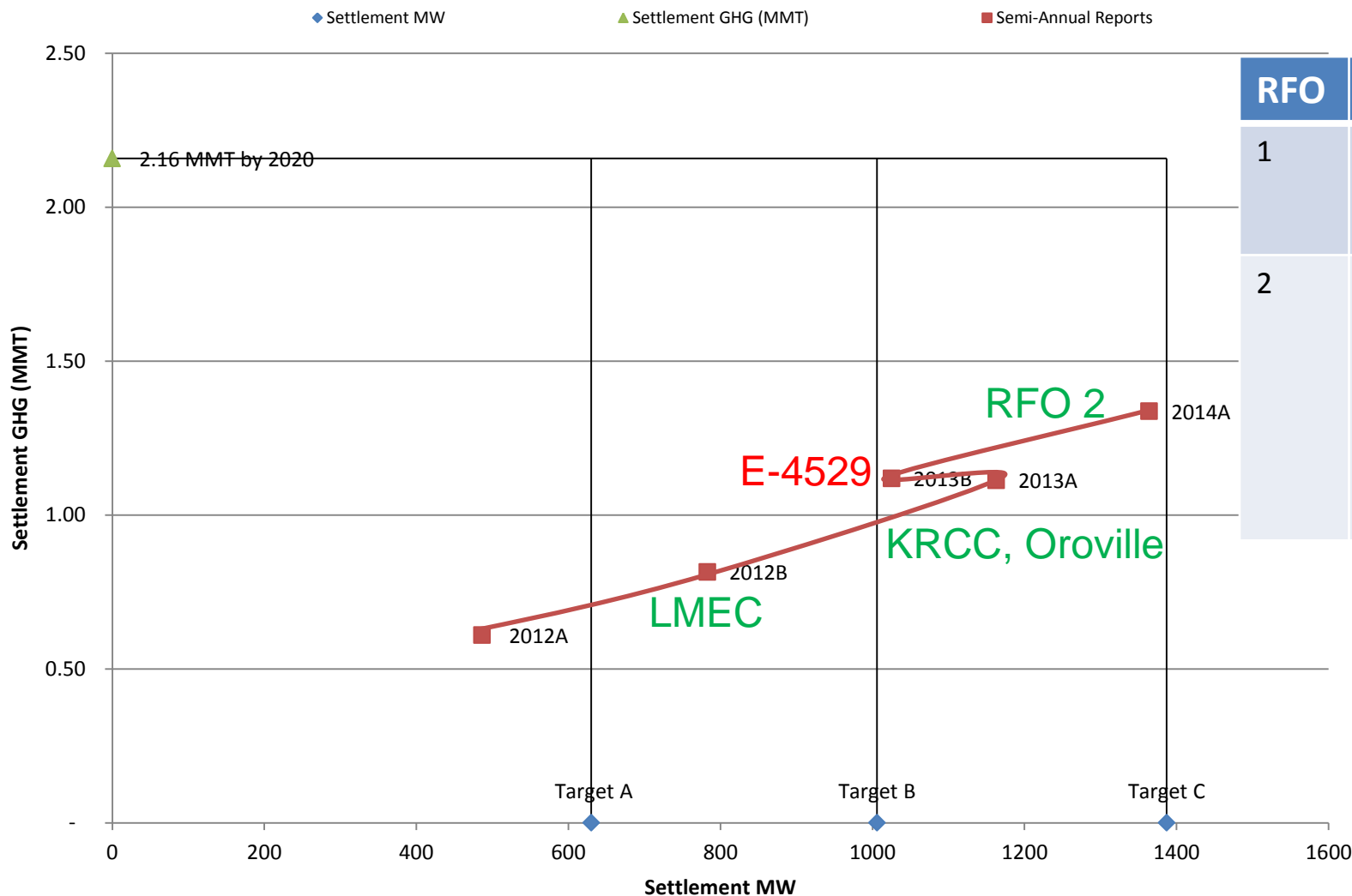
Milestone	Utility and Date Achieved <i>(or Anticipated)</i>		
	PG&E	SCE	SDG&E
<u>RFO 1 Launch</u>	12/7/11	12/11/11	2/21/12
Offers Due	2/27/12	2/16/12	4/6/12
Shortlisting	4/16/12	3/16/12	5/23/12
Transaction Briefings	4/25/12, 8/14/12	3/15/12, 5/23/12, 6/20/12, 1/30/13, 5/21/13	4/16/12, 5/18/12, 7/20/12, 8/17/12
File AL with PUC	7/2/12, 12/27/12	8/31/12, 10/1/12	7/3/13
CPUC Resolution	7/25/13, 8/15/13	7/25/13, 8/15/13, 9/5/13	Withdrawn 4/22/14
<u>RFO 2 Launch</u>	2/5/13	9/12/13	8/7/13
Offers Due	5/2/13	11/7/13	9/23/13
Shortlisting	6/26/13	12/19/13	11/22/13
Transaction Briefings	6/11/13, 8/14/13, 10/8/13, 1/14/14	12/18/13, 2/11/14	11/15/13, 12/13/13
File AL with PUC	3/14/14, 3/18/14	6/9/14, 6/12/14, 6/17/14, 6/20/14	None, IE Report 6/13/14
CPUC Review/Resolution	Current	Current	N/A
<u>RFO 3 Launch</u>	1/23/14	TBD- Local Capacity Requirement RFO	TBD- Local Capacity Requirement RFO
Offers Due	2/27/14		
Shortlisting	4/18/14		
Transaction Briefings	(Q2 & Q3 2014)		
File AL with PUC			
CPUC Review/Resolution			

PG&E and SCE completed RFO 1 near simultaneously, each requiring about a year to file their executed contracts with the Commission.



PG&E nearing MW Target C with over half GHG complete.

Comparing PG&E's CHP Procurement and Settlement Goals

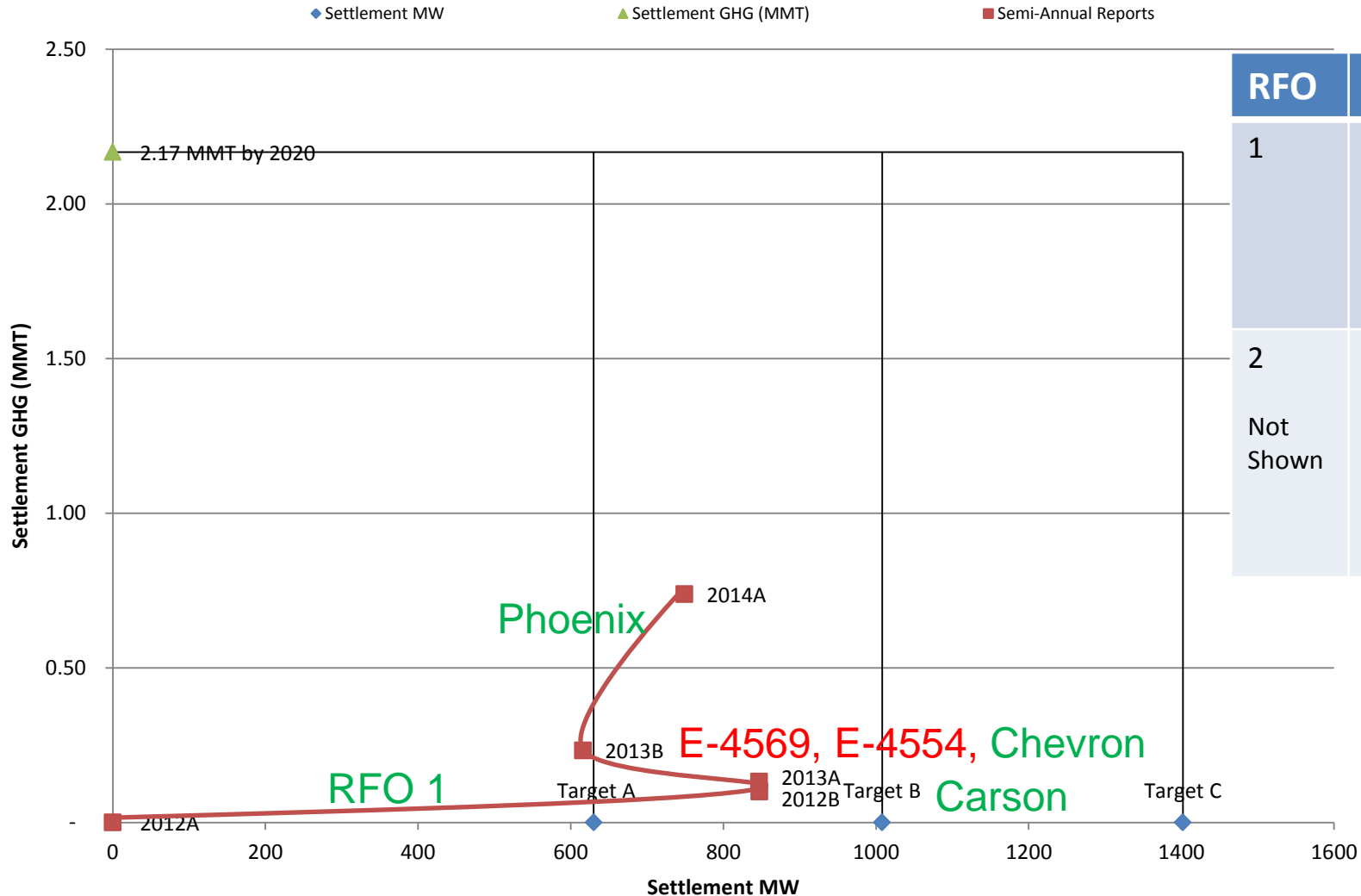


RFO	CHP Facility
1	Los Medanos* Kern River Oroville
2	Badger Creek Bear Mountain Chalk Cliff Live Oak McKittrick Midway Sunset Veresen Ripon



SCE approaches MW Target B, about a third to the GHG Target.

Comparing SCE's CHP Procurement and Settlement Goals

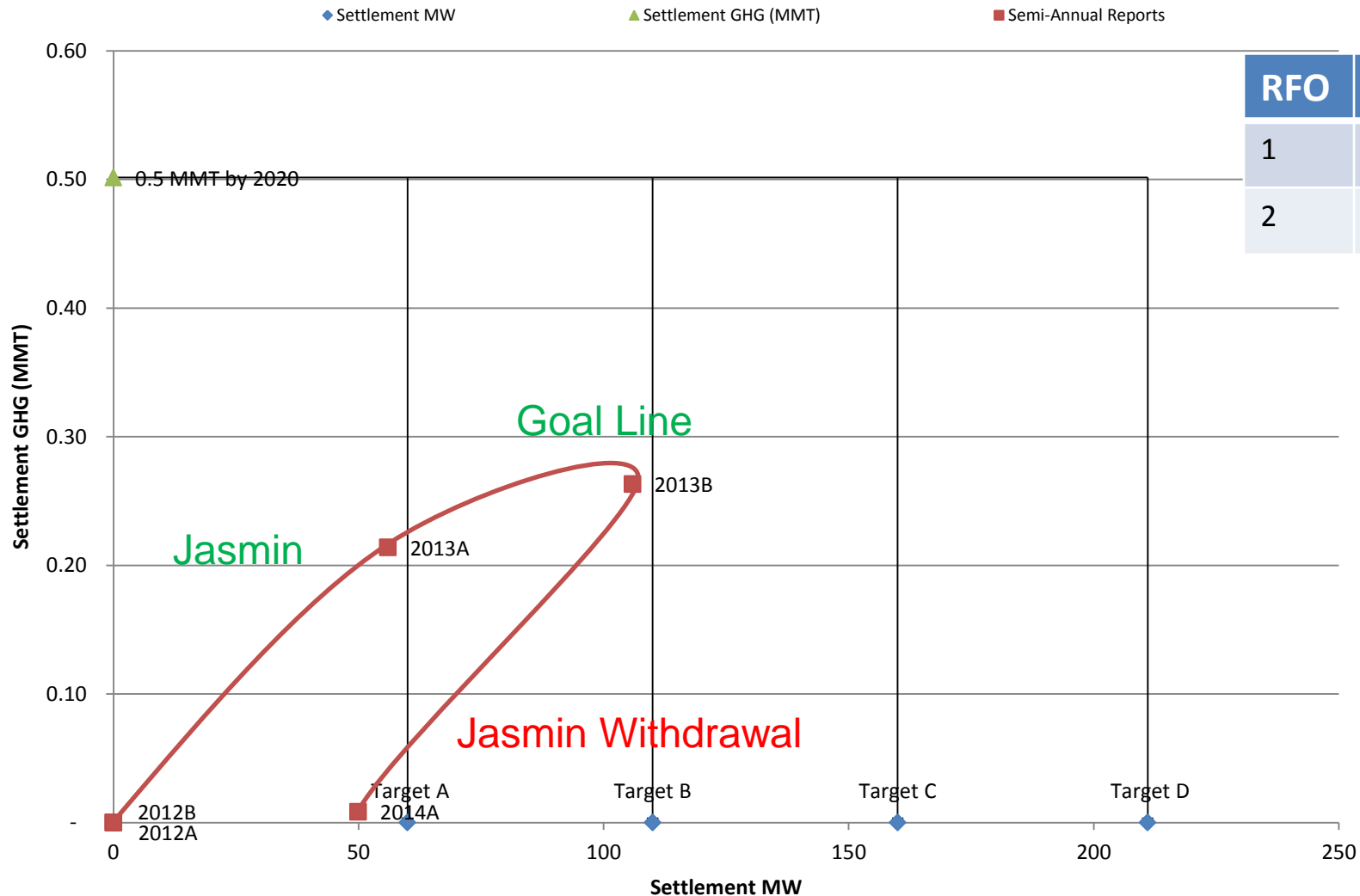


RFO	CHP Facility
1	Berry Newhall Los Medanos* Gilroy* Harbor* Sycamore
2	Berry University Elk Hills
Not Shown	U.S. Borax New Indy Oxnard New Indy Ontario Native American ER



SDG&E's withdrawal of Jasmin negated substantial progress.

Comparing SDG&E's CHP Procurement and Settlement Goals



RFO	CHP Facility
1	Jasmin
2	None Selected



Long Term Procurement Planning

- Commissioner Picker & Judge Gamson's May 6 Ruling identified that R.13-12-010 may address the CHP Program's MW and GHG Targets.



Potential CHP Program Modifications

- The Term Sheet establishes that the GHG ERT is subject to change during the Second Program Period, particularly in consideration of:
 1. IOU progress on the MW Targets
 2. CARB Adjustments to the Scoping Plan and Emissions Methodologies
 3. Expectation that new & repowered facilities (as opposed to existing) will yield Credits during the Second Program Period.

Program Element Subject to Change		
MW Target	GHG Emissions Reduction Target	Effect and Rationale for Change
	Section 2.3.2.3	Procure additional CHP capacity to meet the 2PP GHG ERTs.
Section 5.1.4.6-8		Mandate add'l 2PP CHP RFOs to meet remaining MW Targets.
	Section 6.6	2PP GHG ERT is subject to review & revision by LTPP
	Section 6.7.1, Section 7.4.1	Change CHP procurement to secure reductions pursuant to CARB's modified CHP RRM (6.7 MMT in 2008 Scoping Plan).
	Section 7.4.1	Change CHP procurement to secure reductions pursuant to CARB's modified Double Benchmark (8,300 HR, boiler n=.8)
Section 15.2.1.7	Section 15.2.1.7	MW & GHG Targets subject to suspension if FERC reinstates Section 210(m) purchase obligation
Section 16.3.1	Section 16.3.1	If CARB changes Targets, IOU obligations pend a D. in the LTPP



CPUC will consider the potential, cost, and need for CHP during the LTPP.

- The Term Sheet provides reasons that the IOUs may cite to justify an inability to meet the MW and GHG Targets.

Reason To Justify An Inability To Meet a CHP Program Target	MW Target	GHG Emissions Reduction Target
Lack of sufficient offers	Section 5.4	Section 5.4
CHP Facility is inefficient compared to the Double Benchmark	Section 5.4	Section 6.9.1
RFO Offer prices are in excess of levels from independent or publicly-available sources	Sections 5.4 & 5.4.1	Sections 5.4, 5.4.1, 6.9.2, & 6.9.2.1
Amount of GHG Emissions Reductions	Section 5.4	Section 5.4
A lack of Need exists	-	Section 6.9.3
Portfolio Fit	-	Section 5.4

- Changes to the MW and GHG Targets for the Second Program Period –if any– would be adopted during the 2014-5 LTPP.
- A Ruling discussing these considerations is forthcoming.



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