

# SB695 Workshop - TBS Update

1. Does the TBS rate fully account for the incremental costs imposed on the IOU system due to additional short-term supplies procured to serve customers returning to bundled service from DA pursuant to D.05-03-034?
  2. Should the TBS rate be adjusted to account for procurement obligations for RA and RPS for bundled load served on the TBS tariff? If so, how?
- No, the TBS currently includes no adjustment for RA and RPS costs associated with incremental purchases for TBS customers.
  - IOU Proposal:
    - Because TBS customers are also billed CRS, which accounts for the above-market cost of generation resources in the IOU portfolio, a reasonable modification of TBS would be to include the capacity adder currently reflected in the market price benchmark (MPB) calculation. The MPB is used to determine CRS by subtracting the value of IOU sales at the MPB from the total portfolio cost. While the TBS rate may not fully recover the current cost associated with RPS in serving the TBS customer, these customers are contributing toward above-market costs of renewables in the relevant portfolio.
    - The IOUs propose to include the currently authorized capacity adder (\$7/MWh for SCE and SDG&E; \$4/MWh for PG&E) price for TBS. This is done by shaping the capacity adder across 12 months (using the same shaping factors used in the local RA credit calculation), and then converting the monthly amount to a equal cent-per-kWh rate. This capacity adder is then added to the TBS price.