

Proposed Event

Long-Term Resource Adequacy Summit

Late January – Early February 2013

This document provides an overview of an upcoming Proposed Event expected to educate Commissioners and stakeholders on long-term resource adequacy in California. Please provide feedback to organizing staff.

Goal	The goal of the Long-Term Resource Adequacy Summit is to provide an in-depth education to key decision makers and stakeholders about (1) The current status of our energy market framework for ensuring long-term resource adequacy in California and (2) Discuss options for modifications to our existing resource adequacy framework, especially based on experience from other energy markets.
Expected Outcome	Based on the summit, as well as educational materials provided before the summit, the expectation is that decision makers will have sufficient understanding of the problems and options to decide whether pursuing market modifications should be advanced in our various stakeholder proceedings.
Attendees	CPUC Commissioners - This event will be a public En Banc meeting CAISO CEO and Board of Governors; CEC Commissioners; CA Energy Market Stakeholders; and invited stakeholders from energy markets in other regions
Location	To be determined. Considering venues that will hold 300+ participants and allow for an interactive discussion. Likely to be held at a university or public venue in the San Francisco Bay Area. Looking for venues that provide a speaker/panel area, and also an area for VIPs in the front, but not require VIPs to sit at a dais all day.
Format	Presentations by staff and experts. A heavy emphasis will be on education and options, especially hearing from voices typically outside of our standard stakeholder processes. Commissioners and other VIPs will have priority in asking questions of experts. Some audience Q&A will be provided. Subsequent workshops, proposals and meetings with stakeholders would be required prior to any public decisions on capacity market changes, so the emphasis of this event is analysis of our current situation (especially the challenges), education (especially about the experience in other markets), and options (especially in light of our market's history and constraints).
Host/Sponsorship	This event is being jointly hosted by the CAISO and the CPUC. The event will be a public meeting of the CPUC and publicly noticed. The event may also be publicly noticed as an ISO Board meeting.
Event Date	This all day public event is being targeted to be held in late January or February. VIPs are kindly asked to provide event blackout dates to organizing staff.
Request for Speakers	Commission Staff are currently compiling lists of potential speakers. Please provide any suggestions to organizing staff.
Organizing Staff	CPUC - Marzia Zafar, Molly Sterkel, Bob Strauss CAISO – Thomas Doughty, Phil Pettingill, Karen Edson
Proposed Agenda	See attached proposed agenda.
Briefing Materials/ White Paper	In advance of the event, CPUC staff expect to prepare a White Paper on the topics relevant to the event. A briefing book of related background articles and documents will be provided to Commissioners in advance of the event. Guests may also receive an ISO-sponsored report by the Brattle Group

Draft Agenda

Long-Term Resource Adequacy Summit

Late January – Early February 2013

8:30 a.m. – 5:00 p.m.

CPUC & CAISO are co-sponsoring this summit to generate meaningful discussion among the different stakeholders to better understand the current management of capacity resources and the performance of the markets.

Recently, there have been ongoing discussions amongst stakeholders on whether the current structure for electric resource adequacy is an efficient and effective approach for California and whether this approach is attracting and sustaining investment while meeting California's goal toward more and more energy efficiency, demand response, and renewable energy. There have been various reports prepared identifying some of the challenges. Some of key challenges facing our markets include:

1. The once-through cooling mandates will require about 16,000 MW of existing generators to either retire or invest in costly environmental upgrades.
2. The need for more flexible generation, because of the increase in renewable energy (i.e. California's renewable portfolio standard to procure 33% of customers' energy from renewable sources by 2020).
3. The State has a need for maintaining adequate capacity in local areas, defined as transmission constrained areas. CAISO currently has ten locally constrained areas, including the LA Basin.
4. All forms of capacity, both existing and new, require investment by the financial markets to meet continuing operational needs.

This summit will be divided into two main parts. The morning session will be dedicated to discussing and identifying concerns/constraints/problems with the current approach for electric resource adequacy. What is the problem we are trying to solve? The afternoon will be dedicated to identifying options/solutions to either modifying the existing approach and/or creating a new approach. What are the options that may be proposed to solve the problem? What is the experience we can gain from other markets about whether these options will solve any or all of the problems identified in the morning?

8:30 a.m. – 8:45 a.m.

Introduction

CPUC Commissioners, CAISO CEO and (possibly) Board Members, & CEC Commissioners

8:45 a.m. – 10:15 a.m.

California Agency Perspective

In this session the agencies will present their perspective on the challenges associated with the current approach.

- ✓ CPUC
 - ✓ CAISO
 - ✓ CEC
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10:30 a.m. – Noon

Structural Challenges with California’s Current Forward Procurement Construct

In this session market experts, including market participants and stakeholders, will share their views on limitations within the current market and procurement model.

Moderator: TBD

- ✓ Utility
- ✓ Expert Consultants, e.g. RAP, Brattle Group, etc.
- ✓ Conventional Generator
- ✓ Load/Ratepayer Groups - DRA or TURN, CLECA

12:00 p.m. – 1:00 pm

Lunch

1:00 pm – 2:30 p.m.

Alternative Models and Best Practices from other Regions

In this session, officials and market participants from other regions will share their experience within alternative market structures, and how those structures helped to attract investment and growth.

Moderator: TBD

- ✓ PJM
- ✓ ERCOT or MISO
- ✓ LSE from another region
- ✓ DR/Energy Efficiency provider from other region
- ✓ PUC from another state

2:45 pm – 4:15 p.m.

Applying Alternative Models to the California Market Construct

In this session, policymakers and market participants will discuss the potential for modifying the existing structure and/or applying alternative market designs to the California market model.

Moderator: TBD

- ✓ Utility
- ✓ Expert Consultants, e.g. RAP, Brattle Group, etc.
- ✓ DG developer
- ✓ DR Provider
- ✓ A Residential Customer Advocate

4:15 p.m. – 5:00 p.m.

State Agencies Discuss Next Steps

Leaders from State agencies will discuss the concepts presented in the preceding panel, offer closing remarks, and address final questions from the audience. This conversation will set the stage for further discussion on the topic in potential subsequent stakeholder proceedings.
