



Workshop Agenda

Subject: RPS Procurement Reform

January 22, 2013 9:30AM-4:30PM

California Public Utilities Commission
Hearing Room A
505 Van Ness Avenue
San Francisco, CA. 94102

SCOPE OF WORKSHOP

On October 5, 2012 Commissioner Mark Ferron issued an Assigned Commissioner Ruling (ACR) that included several new proposals related to the Commission's review of renewable generation procurement for the RPS Program. Comments by stakeholders were received on November 20, 2012 and reply comments were received on December 12, 2012. The intent of the workshop is to discuss each of the procurement reform proposals in the ACR and for stakeholders to provide feedback and recommendations to the Commission after which a Proposed Decision will be issued for further comments.

A call-in telephone number and gotowebinar URL will be provided before the workshop to the R.11-05-005 and R.05-06-040 service lists. For additional information about the workshop, please contact Jason Simon at jls@cpuc.ca.gov or 415-703-5906.

BACKGROUND

See the October 3, 2012, Second Assigned Commissioner's Ruling Issuing Procurement Reform Proposals and Establishing a Schedule for Comments on Proposals at:
<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M029/K970/29970716.PDF>.

Introductions and Morning Workshop Overview	9:30 – 10:00	<ul style="list-style-type: none">• Opening comments by Commissioner Ferron• Overview of the RPS procurement continuum and discussion on the importance of RPS procurement reform• Overview of the standards of review (SOR) that will be covered in the first workshop session from 10:00 – 12:00.• Discuss what is in-scope and out-of-scope
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Standards of Review for Shortlist	10:00 – 11:00	<ul style="list-style-type: none"> • Merits of escalating shortlist to a Tier 3 Advice Letter • Merits of limiting shortlist to a ratio of annualized need
Timeline for Submission of Contracts	11:00 – 11:30	<ul style="list-style-type: none"> • Importance of limiting the timing of contract negotiations • Parameters to allow an extension of the contract execution timeline
Expedited Review of Purchase and Sale Contracts	11:30 - 12:00	<ul style="list-style-type: none"> • Allowing non-material modifications for standard offer contracts greater than five years in length. • Adding a 5-year RPS procurement product in the list of pre-authorized LTPP bundled procurement products for IOUs. • Relaxing the requirement for short-term contracts to come online within one year. • The adequacy of the proposed viability hurdles for expedited review of contracts greater than 5-years in length. Are they presumptive? A good starting point? Acceptable?
Lunch	12:00 – 1:00	
Afternoon Workshop Overview	1:00 – 1:30	Overview of the standards of review (SOR) and Least-Cost Best-Fit reform topic that will be covered in the second workshop session from 1:30 – 4:30.
SOR for Amended PPAs	1:30 – 2:30	<ul style="list-style-type: none"> • Define what a “change in technology” is for requiring a project to re-bid into the next solicitation. • Define what “substantial changes” to a contract are for requiring a project to be re-submitted as a Tier 3 advice letter. What

		<p>constitute “minimal changes?”</p> <ul style="list-style-type: none"> • Should modifications that offer ratepayer benefit be allowed to file as a Tier 2 advice letter? • Must amendments show better ratepayer value than the original PPA?
SOR for Bilateral PPAs	2:30 – 3:30	<ul style="list-style-type: none"> • Defining the parameters that constitute a legitimate need for bilateral contracts. • The merits of disallowing the execution of a bilateral contract without an annual RPS solicitation.
SOR for PPAs Beyond the Scope of the Advice Letter Process	3:30 – 4:00	<ul style="list-style-type: none"> • Why should RPS contracts, submitted through the advice letter process, be treated differently than projects filed via application in fossil procurement? • Is utilizing the application process “stifling” to market innovation? • Merits and disadvantages of price discovery and proposed changes to the compliance matrix related to price discovery.
Clean-up and Closing Comments	4:00 – 4:30	