

From: Kochanowsky, Amy E.
Sent: 7/7/2014 4:32:00 PM
To: Franz, Damon A. (damon.franz@cpuc.ca.gov); 'Kinports, Dean A.' (DAKinports@semprautilities.com); Jacobson, Erik B (RegRel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=EBJ1); Redacted
{Redacted}; Pestana, Harold (/O=PG&E/OU=Corporate/cn=Recipients/cn=HJP5); Houck, Jason (jason.houck@cpuc.ca.gov); 'Katie.sloan@sce.com' (Katie.sloan@sce.com); 'Grace.Vermeer (Grace.Vermeer@sce.com)' (Grace.Vermeer@sce.com); 'Dawn C. Anaiscourt (dawn.anaiscourt@sce.com)' (dawn.anaiscourt@sce.com)
Cc:
Bcc:
Subject: RE: AB 1613 Contracts and GHG allowance purchases

Hi everyone,

Based on your feedback, and our internal discussions, we've identified the following process for resolving the price and information exchange issues that are still outstanding in the AB 1613 contracts:

1. Energy Division receives input from CHP parties and utilities on the **price** index.
2. Energy Division issues a letter directing utilities which price index to use, and any other specifics on which data to use. Utilities and CHP facilities can execute AB 1613 contracts.
3. Once the price issue is resolved, the Energy Division will then address the **information exchange** issue. We anticipate developing a straw proposal, holding a workshop, and issuing a Resolution.

Assuming you all have had the opportunity to discuss, I'd like to schedule a call to get your input on the pricing component including (1) which price index to use and why (e.g., Intercontinental Exchange (ICE), ARB Auction, CAISO's Greenhouse Gas Allowance Price Index, etc.) and (2) which index data to use (e.g., average price over a date range, price from a specific day, etc.). Please let me know your availability for a 1-hour phone call to provide your input.

- Thursday, July 10 1-5pm
- Friday, July 11 10am-noon
- Tuesday, July 15 11am-5pm
- Wednesday, July 16 1-5pm
- Thursday, July 17 all day

Best,
Amy

Amy Kochanowsky
Emerging Procurement Strategies

Energy Division, California Public Utilities Commission
ak1@cpuc.ca.gov | (415) 703-3175

From: Kochanowsky, Amy E.
Sent: Tuesday, June 24, 2014 10:57 AM
To: Kinports, Dean A.; Franz, Damon A.; Dawn C. Anaiscourt (dawn.anaiscourt@sce.com); Jacobson, Erik B (RegRel); Grace.Vermeer (Grace.Vermeer@sce.com); Pestana, Harold; Houck, Jason; 'Jarman, Thomas A'; Maguire, Ted; 'Katie.Sloan@sce.com'
Subject: RE: AB 1613 Contracts and GHG allowance purchases

Hi all,

Thanks for the call this morning. It was helpful to understand that the price issue is the most pressing issue to resolve from the utility perspective. I've just reached out to our legal team, and will give you an update once we have more clarity on the process Energy Division needs to use to (1) gather stakeholder input and (2) inform the utilities on our decision of which price to use.

Best,

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-----Original Appointment-----

From: Kochanowsky, Amy E.
Sent: Friday, June 20, 2014 3:42 PM
To: Kochanowsky, Amy E.; Kinports, Dean A.; Franz, Damon A.; Dawn C. Anaiscourt (dawn.anaiscourt@sce.com); Jacobson, Erik B (RegRel); Grace.Vermeer (Grace.Vermeer@sce.com); Pestana, Harold; Houck, Jason; 'Jarman, Thomas A'; Maguire, Ted; 'Katie.Sloan@sce.com'
Subject: AB 1613 Contracts and GHG allowance purchases
When: Tuesday, June 24, 2014 9:00 AM-10:00 AM (UTC-08:00) Pacific Time (US & Canada).
Where: [Redacted] Passcode:[Redacted]

Call in:[Redacted]

Participant Passcode:[Redacted]

Background:

In the AB 1613 contracts, the Seller elects who (utility or Seller) will procure GHG allowances associated with the electricity sold to the utility. In either case, the utility is responsible for the GHG allowance costs. Energy Division needs to determine:

- When the Seller elects to have the utility procure the GHG allowances

- What information the Seller needs to provide the utilities to procure the appropriate number of allowances.
- Timing and frequency of the utility provision of allowances.
- When the Seller procures allowances and the utility reimburses them
- The most recent public index to determine the allowance price, which is used to compensate the Seller.

For Discussion:

We'd like to get your feedback on next steps to address these issues (e.g., do the utilities want to present a joint proposal, should ED first develop a staff proposal or hold a workshop, etc.).

Thanks!