California’s Energy Market: Challenges and Opportunities

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California’s Load-Serving Entities

THEN: Majority Investor-Owned Utilities

NOW: 19 Operational Community Choice Aggregators (CCAs)

Source: California Energy Commission

Source: PG&E, Clean Power Exchange
In February 2019, the CPUC adopted a minimum three-year forward multi-year RA requirement and disaggregated **6 local areas** in PG&E’s service territory that were previously grouped into “PG&E Other”.

As a result:
- There are **20+ entities**
- Buying across **7 local areas** in Northern California
- Over **36 individual monthly requirements**

Source: California Energy Commission
Recent CAISO analysis shows a potential resource shortage starting in 2020.

Projected shortfalls at 7 p.m.:
- 2020 = 2,300 MW
- 2021 = 4,400 MW
- 2022 = 4,700 MW

Source: CAISO Briefing on post 2020 grid operation outlook, Board of Governors Meeting, September 18, 2019, Slide 6
1. Central Buyer for Local RA
   - Administrative efficiency
   - Right Resources
   - Indifference to Load Shifts

2. Integrated Resource Planning
   - Support states long-term environmental goals
   - Right resource mix to support reliability

3. CAISO
   - Address increasing ramping needs and renewable unavailability issues
   - Participate in IRP to address long-term capacity shortfall risk

Where do we go from here?
Thank you!

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