



FILED
06/30/21
03:16 PM

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Refinements, and Establish Forward
Resource Adequacy Procurement Obligations.

R.19-11-009

**COMMENTS OF
CALIFORNIA COMMUNITY CHOICE ASSOCIATION
ON THE PROPOSED DECISION**

Evelyn Kahl, General Counsel
CALIFORNIA COMMUNITY CHOICE
ASSOCIATION
One Concord Center
2300 Clayton Road, Suite 1150
Concord, CA 94520
(415) 254-5454
regulatory@cal-cca.org

June 30, 2021

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. CALCCA SUPPORTS THE COMMISSION’S DIRECTION THAT THE SFPFC PROPOSAL NO LONGER BE CONSIDERED AS A POTENTIAL RA FRAMEWORK	2
III. THE COMMISSION SHOULD REVISE THE PROPOSED DECISION SUCH THAT ELEMENTS OF BOTH THE PG&E AND SCE/CALCCA PROPOSALS CAN COME TOGETHER IN A SINGLE RESTRUCTURING FRAMEWORK.....	3
A. The Proposed Decision is Too Narrow in its Articulation of a Path Forward.....	4
B. The SCE/CalCCA Proposal is Not Significantly More Complex than the PG&E Proposal.....	4
C. The Commission Should Direct Working Groups to Consider How Elements of PG&E’s Proposal and SCE/CalCCA’s Proposal Could Be Integrated	8
D. A Combined Approach is More Durable and Feasible than a Slice-of-Day Only Approach	9
IV. THE COMMISSION SHOULD NOT ADOPT A HEDGING REQUIREMENT UNLESS IT MEETS THE COMMISSION’S OBJECTIVE OF MORE COST-EFFECTIVE CAPACITY AND ENERGY FOR CUSTOMERS INSTEAD OF MERELY SHIFTING COSTS	11
V. CALCCA SUPPORTS THE COMMISSION’S DIRECTION TO FURTHER CONSIDER UCAP AND MULTI-YEAR SYSTEM AND FLEXIBLE RA	12
VI. CONCLUSION.....	13

TABLE OF AUTHORITIES

Page

California Public Utilities Commission Decisions

Decision (D.) 20-06-031 6

California Public Utilities Commission Rules of Practice and Procedure

Rule 14.3 1

SUMMARY OF RECOMMENDATIONS

- As the Proposed Decision correctly concludes, the Commission should halt consideration of the standard fixed price forward contact proposal given the broad range of stakeholder opposition and inability to develop and implement the proposal in a timely manner.
 - The Commission should revise the Proposed Decision to allow for the consideration of both the PG&E Slice-of-Day proposal and the SCE/CalCCA Proposal as viable structural frameworks.
 - The Commission should direct working groups to consider how both PG&E Slice-of-Day proposal and the SCE/CalCCA Proposal could be integrated into a single structural framework that is complete, durable, and implementable.
 - The Commission should not adopt a hedging requirement unless it meets the Commission's objective of more cost-effective capacity and energy for customers instead of merely shifting costs.
 - CalCCA agrees with the Proposed Decision that the Unforced Capacity and Multi-Year System and Flexible Resource Adequacy framework should be further developed in working groups.
-

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Forward Resource Adequacy Procurement Obligations.

R.19-11-009

**COMMENTS OF
CALIFORNIA COMMUNITY CHOICE ASSOCIATION
ON THE PROPOSED DECISION**

The California Community Choice Association¹ (CalCCA) submits these comments pursuant to Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure on the proposed *Decision On Track 3B.2 Issues: Restructure Of The Resource Adequacy Program* (Proposed Decision), issued on June 10, 2021.

I. INTRODUCTION

CalCCA appreciates the Commission's consideration of the important structural reforms proposed in Track 3B.2 and the innovative work of parties to put forth proposals aimed at enhancing the broader resource adequacy (RA) structure. While CalCCA supports the Commission's rejection of the Standard Fixed Price Forward Contract (SFPFC) proposal, the Proposed Decision inappropriately limits the scope of the structural reform discussion. The Proposed Decision should be modified to allow for consideration of the Southern California

¹ California Community Choice Association represents the interests of 22 community choice electricity providers in California: Apple Valley Choice Energy, Baldwin Park Resident Owned Utility District, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

Edison (SCE)/CalCCA Proposal² along with the Pacific Gas and Electric Company (PG&E) Slice-of-Day proposal³ to allow for a complete, implementable solution in a timely manner.

Additionally, the Commission should not adopt a hedging requirement unless it meets the Commission's objective of more cost-effective capacity and energy for customers instead of merely shifting costs. Finally, the Proposed Decision correctly directs additional consideration of Unforced Capacity (UCAP) and multi-year requirements.

II. CALCCA SUPPORTS THE COMMISSION'S DIRECTION THAT THE SFPFC PROPOSAL NO LONGER BE CONSIDERED AS A POTENTIAL RA FRAMEWORK

The Proposed Decision concludes the SFPFC proposal should no longer be developed as a potential RA framework, citing a broad range of stakeholder opposition and the inability to develop and implement the proposal in a timely manner.⁴ CalCCA appreciates the Commission's decision to abandon the SFPFC proposal as an option for RA reform given the many challenges and risks associated with pursuing this proposal. As stated in CalCCA's 3B.2 Comments, the SFPFC proposal lacks clarity, threatens to materially disrupt the market and interfere with existing contracts, and fails to address reliability risks, among other challenges.⁵ The Commission should close the door on the SFPFC proposal and instead focus its efforts on much more workable and effective solutions including aspects of both the SCE/CalCCA Proposal and the PG&E Slice-of-Day proposal.

² See *Southern California Edison Company (U 338-E) and California Community Choice Association's Second Revised Track 3B.2 Proposal* (SCE/CalCCA Proposal), Feb. 26, 2021.

³ See *Second Revised Track 3B.2 Proposals of Pacific Gas and Electric Company (U 39 E)* (PG&E proposal or PG&E Slice-of-Day proposal), Feb. 26, 2021.

⁴ Proposed Decision at 36.

⁵ *California Community Choice Association's Comments on Track 3B.2 Proposals* (CalCCA 3B.2 Comments), March 12, 2021, at 6.

III. THE COMMISSION SHOULD REVISE THE PROPOSED DECISION SUCH THAT ELEMENTS OF BOTH THE PG&E AND SCE/CALCCA PROPOSALS CAN COME TOGETHER IN A SINGLE RESTRUCTURING FRAMEWORK

The Proposed Decision directs parties to develop a final restructuring framework based on PG&E's Slice-of-Day proposal through workshops over the next six months. The Proposed Decision does not include further development of the SCE/CalCCA Proposal citing concerns that it does not expressly address hourly energy sufficiency, and that layering an hourly energy component onto the existing proposal would increase its complexity and jeopardize timely implementation.⁶ Instead, the Proposed Decision suggests development of PG&E's proposal may include aspects of the SCE/CalCCA Proposal, including using net-load to set RA requirements and a bottom-up approach to establish individual load-serving entity (LSE) requirements.⁷ This conclusion prematurely and inappropriately closes the door on the SCE/CalCCA Proposal. The SCE/CalCCA Proposal offers solutions to many of the open issues not addressed in the PG&E Slice-of-Day proposal, and indeed included solutions to the concerns raised in the Proposed Decision. Additionally, upon review of the outstanding details of both proposals, the Commission will find the SCE/CalCCA Proposal is not more complex than the PG&E Slice-of-Day proposal, and instead could offer much needed simplifications to address several complexities inherent in the PG&E Slice-of-Day framework, including treatment of time-dependent renewables, the need to align RA requirements with individual LSE procurement, and the treatment of storage resources, which can be charged and discharged at any time as needed. The Commission should revise the Proposed Decision to allow for the incorporation of the best elements of both proposals, as a combined approach has the potential to result in a more holistic, durable, and feasible restructuring framework.

⁶ Proposed Decision at 37-38.

⁷ *Id.* at 38.

A. The Proposed Decision is Too Narrow in its Articulation of a Path Forward

Given the scope of issues a restructuring framework can and should address, the Proposed Decision is too limited by directing sole consideration of PG&E's Slice-of-Day proposal with the potential to incorporate limited aspects of the SCE/CalCCA Proposal. While PG&E's proposal attempts to address temporal issues by establishing RA requirements and resource counting for multiple slices of a day across seasons, many major issues remain unresolved by the PG&E proposal. These include verifying energy sufficiency across the compliance period on an LSE-by-LSE basis⁸, meeting net-peak needs in addition to gross-peak needs, ensuring that credited capacity can generate to the full amount in each slice, ensuring adequate battery charging capability, and accounting for the timing of battery charging and discharging. As described in detail below, an integrated approach is the best path forward to achieve a timely solution to address energy sufficiency under the transforming grid. As such, the Commission should modify the Proposed Decisions to allow for consideration of the SCE/CalCCA Proposal in addition to the PG&E Slice-of-Day proposal.

B. The SCE/CalCCA Proposal is Not Significantly More Complex than the PG&E Proposal

The Commission expresses concern that SCE/CalCCA Proposal does not expressly address the temporal issues addressed in PG&E's proposal or that any solution added onto the SCE/CalCCA Proposal will be too complex to implement within the Commission's desired timeframe. These concerns are simply not well-founded. The Commission should not conflate a well-developed proposal with one that is too complex. The SCE/CalCCA Proposal includes

⁸ The PG&E proposal has the potential for slices of six hours. The minimum duration for resources to qualify for RA is a four-hour output. Thus, while addressing the temporal aspect of when capacity is needed, the PG&E proposal has the potential to not deliver sufficient energy without including a change to require the minimum energy provision of a resource to match the duration of the slice.

significant detail to holistically enhance the broader RA capacity structure, including how to develop net-load duration curves at the LSE level, establish energy and battery charging requirements, and assess LSE portfolios for compliance with capacity and energy requirements. The proposal is also well aligned with the integrated resource planning (IRP) process, with limited changes needed to integrate the two. IRP will continue to serve as the mechanism to ensure new resource development takes place to meet reliability and decarbonization goals. The RA process will ensure LSEs contract with available resources to meet reliability needs, including both capacity and energy needs.

While not expressly addressed in the SCE/CalCCA Proposal, CalCCA recognized in comments that a test of temporal sufficiency or alternative methodologies could be layered onto the proposal in a variety of different ways to eliminate temporality issues.⁹ However, SCE and CalCCA refrained from proposing a specific solution to avoid prejudicing the solution selected by the working group and because it is not yet clear the magnitude of the temporal problem under the existing SCE/CalCCA Proposal. While parties raised the potential scenario where LSEs procure sufficient net qualifying capacity (NQC) and net qualifying energy (NQE) yet still do not meet hourly energy needs, the likelihood of this theoretical scenario occurring has not yet been determined. Even if such problems were to arise, there are several revisions that could be made to eliminate this issue. The working group process should offer an opportunity for parties to analyze how effectively the SCE/CalCCA addresses hourly energy needs before concluding the proposal is insufficient or requires an additional temporal sufficiency test or other methodological revision. If it is determined that the proposal is insufficient to address the temporal sufficiency, then the

⁹ CalCCA 3B.2 Comments at 2-4.

workshops should include an evaluation of the solutions identified by SCE and CalCCA to determine the preferred approach.

Unlike the SCE/CalCCA Proposal, the PG&E proposal leaves many details undefined that will introduce significant complexity despite how simple the Slice-of-Day approach may appear on the surface. First, the PG&E proposal relies on a seasonal requirement and an exceedance methodology for counting purposes. Resource capability for resources like wind, solar, and hydro¹⁰ can vary drastically from the beginning to the end of a three-month season, meaning the resource would likely be overvalued one portion of a season and undervalued in the other. This problem is reduced in a monthly RA program. The PG&E proposal also involves many data intensive analyses to establish the correct parameters for each slice for each month or season. Since load and renewable generation shift in each month or season, establishing the appropriate start and end for each slice will require analysis of daily patterns. In addition, the exceedance methodology will also require a separate data intensive analysis to estimate the appropriate value for each slice for each day. If a monthly methodology is required for six slices-of-day, this would require 72 separate analyses for each technology. If solar and wind are further broken down into geographic or technology type, the PG&E methodology would require Energy Division to conduct hundreds of such analyses.

Second, the PG&E proposal will introduce a much greater number of products than the SCE/CalCCA Proposal. Specifically, the SCE/CalCCA Proposal introduces one additional product: NQE. However, assuming six slices in a day, the PG&E proposal effectively creates six

¹⁰ Decision (D.) 20-06-031 adopted a monthly methodology for dispatchable hydro that uses historical bid in capacity to the CAISO. To the extent that the amount of capacity throughout a season decreases monthly, the PG&E proposal would need to establish the correct value for hydro over a lengthier period with significant uncertainty. This is particularly troubling since a significant amount of the hydro facilities are located within a local capacity area.

new products for each month or season. Consider a scenario where one LSE only needs additional capacity in slices 1 through 4 and another LSE needs additional capacity in slices 5 and 6 and the resources available can provide capacity in all six slices. This effectively requires LSEs to trade up to six separate products or requires resources to split up their capacity into individual slices for LSEs to meet their requirements. Attempts to simplify the proposal by reducing the number of slices creates a new challenge because the fewer slices may reduce the level of detail required to ensure reliability. Fewer slices imply longer slices, which are more likely to span more heterogenous periods of the day. This becomes an issue when variable energy resources are assigned a single value for the time period, but the heterogeneity of generation and load increases the odds of a shortfall during some portions of the slice period. Furthermore, longer slices will become more complex when accounting for storage charging and discharge, so that an energy sufficiency test will be required to ensure the capacity procured to meet each slice has sufficient energy to meet longer duration.

Additionally, the PG&E proposal does not align well with the IRP process, unlike the SCE/CalCCA Proposal. IRP considers net-load, net-peak needs, and energy needs on an hourly basis when determining the need for new resource build. While the SCE/CalCCA Proposal would incorporate each of those aspects into the RA program, the PG&E proposal does not. Instead, it creates significant divergence between RA and IRP by breaking down resource adequacy needs into slices.

The PG&E proposal could also complicate design of availability incentives, including either the existing resource adequacy availability incentive mechanism (RAAIM) or a future UCAP framework. For example, RAAIM currently applies to the availability assessment hours of 4 p.m. to 9 p.m. Under PG&E's proposal, RAAIM hours will need to be updated to apply during

the specific slices of a day for which each resource is shown. Similarly, the UCAP design could become significantly more complex if forced outages rates and UCAP values need to be calculated by resource by slice. This would certainly introduce significant complexities to ensure availability is appropriately incentivized during slices in which resources are counted on to be available. However, if a change to RAIM or UCAP is not performed, it is possible that the cost of non-compliance is significantly lower than the value of the RA within that slice, which could lead to sufficient capacity procured but not made available to the California Independent System Operator (CAISO). This issue exists today on a monthly basis where the value of RA is highest in the summer months. Under the slice of day construct, that value is now likely to vary by slice as well.

Lastly, it is not clear how the PG&E proposal will maintain compliance with state law that requires the use of Effective Load Carrying Capability (ELCC) to value wind and solar capacity given the proposal's reliance on the exceedance methodology. The Commission previously relied upon the exceedance methodology to value wind and solar and ultimately replaced the exceedance methodology with ELCC methodology that is in place today. However, using an ELCC methodology under a Slice-of-Day approach introduces the challenge of developing ELCC values for each slice of day for each season. Upon close examination, it becomes clear there are significant complexities associated with the PG&E proposal that have yet to be fully vetted.

C. The Commission Should Direct Working Groups to Consider How Elements of PG&E's Proposal and SCE/CalCCA's Proposal Could Be Integrated

Integrating the PG&E proposal with the SCE/CalCCA Proposal offers several simplifications to solve the issues with the PG&E proposal, while addressing the concerns of the Commission around ensuring temporal energy sufficiency. As a first step, a net load duration curve should be developed by netting solar and wind against each LSE's demand to capture the reliability contribution of variable wind and solar most accurately. Then, the sufficiency of NQE

and NQC could be tested against the net-load duration curve for compliance, as SCE and CalCCA propose, including one of the solutions to eliminate temporality issues. For example, to test for temporal problems within an LSE's portfolio for use-limited resources that are not netted, the PG&E Slice-of-Day approach could be layered as a second sufficiency test. A "slice" test could be implemented in a variety of different ways that should be explored in the working group process. For instance, in a monthly compliance framework, the test could examine temporal sufficiency during the most challenging "slice" for each defined period on multiple days. Alternatively, the test could examine a single representative day in the month and test for sufficiency during each slice of that day.

Netting should be used in conjunction with the Slice-of-Day approach to fully capture resource capability within the compliance period, reduce the complexity of determining slices, avoid concerns that exceedance methodologies will systematically under- or over-estimate generation during some portions of the slice, and avoid the need to use the ELCC or exceedance calculations for wind and solar. Layering the temporal aspect of PG&E's proposal as a sufficiency test following the NQC and NQE test ensures an LSE's portfolio meets its energy needs both within the compliance period and throughout the day, while limiting the number of new products. Developing a two-step process that integrates both the SCE/CalCCA and PG&E frameworks could address open issues and minimize complexities associated with each proposal on its own. The Commission should revise the Proposed Decision to direct the working group to consider both proposals and identify how key elements of each can come together in a workable solution.

D. A Combined Approach is More Durable and Feasible than a Slice-of-Day Only Approach

Relying solely on the Slice-of-Day proposal will not only leave several issues unaddressed but will also not prove to be a lasting solution because slices and exceedances will need continual

adjustment. This aspect of PG&E's proposal will not be resolved after the conclusion of the working group process. Rather, as the load shape changes, so too will the appropriate number and duration of slices. This is similar to the existing problem under the Maximum Cumulative Capacity (MCC) bucket construct in place today. Thus, the many complex calculations needed to establish the slice of day methodology will need to be periodically repeated to avoid a structure that targets out-of-date grid needs.

Additionally, the Slice-of-Day proposal is not compatible with other RA programs in California. The CAISO expressed the same concerns in their comments on Track 3B.2 proposals.¹¹ There are several non-Commission jurisdictional entities with their own RA programs. In the event these entities do not also adopt a Slice-of-Day framework, it will create significant challenges for the CAISO in terms of how to account for, identify the source of, and allocate backstop costs associated with RA deficiencies. The final restructuring proposal adopted should allow for reasonable consistency between Commission jurisdictional entities and non-jurisdictional entities and between CAISO processes and Commission processes.

Alternatively, incorporating the SCE/CalCCA and PG&E proposals together would ensure durability of the future RA framework by basing requirements on net-load duration curves rather than pre-defined slices to better capture real world grid dynamics. Additionally, the SCE/CalCCA Proposal keeps the existing NQC framework largely intact, which maintains closer compatibility with other RA programs in California. Instead, NQE and the temporal sufficiency check would be layered on top of the NQC requirement, allowing for easier identification of the source of any RA deficiencies.

¹¹ *California Independent System Operator Corporation Comments on Track 3B.2 Proposals*, March 23, 2021, at 7.

In short, both the SCE/CalCCA and PG&E proposals present paths forward that address the Commission's objectives of ensuring RA with a growing number of use-limited resources. A combined approach is likely the best path forward to achieve the Commission's objectives in a complete, durable, and implementable manner. As such, the Proposed Decision should be modified to allow for joint consideration of both proposals, such that the working group can converge on the best aspects of both.

IV. THE COMMISSION SHOULD NOT ADOPT A HEDGING REQUIREMENT UNLESS IT MEETS THE COMMISSION'S OBJECTIVE OF MORE COST-EFFECTIVE CAPACITY AND ENERGY FOR CUSTOMERS INSTEAD OF MERELY SHIFTING COSTS

In the Proposed Decision, the Commission expressed concern that the restructuring proposals did not include a component to ensure RA is linked with bidding behavior that minimizes costs to customers. To remedy this, the Commission directs parties to discuss and propose a hedging proposal through the working group process.¹² Both PG&E and Energy Division put forward hedging proposals. Under PG&E's proposal, whenever the Locational Marginal Price (LMP) exceeds a specified trigger value, a rebate would be paid by the resource to the LSE for the difference between the LMP and the trigger value. Under Energy Division's proposal, a bid cap would be set at the higher of \$300/MWh or the resource's default energy bid.¹³

Mandating hedging requirements for LSEs creates several challenges that will not result in the most cost-effective outcome for customers. First, hedging requirements create administrative complexities that will shift revenues from the energy market to RA contracts, rather than creating cost savings. The LSE is not always the entity that bids in RA capacity from a generator into the energy market. Therefore, the LSE itself cannot control the bids submitted and any risks to the

¹² Proposed Decision at 38.

¹³ *Id.* at 22-24.

generator associated with bidding above the bid cap will be priced into the RA contract.¹⁴

Additionally, a resource selling RA with a hedging requirement may find it more profitable to accept the penalty they face by bidding above the cap and selling energy to other balancing authorities when prices are high.¹⁵ For these reasons, a hedging requirement is not guaranteed to provide incremental reliability or customer cost savings.

While the SCE/CalCCA Proposal does not include a hedging component, it allows the market to operate efficiently while not precluding LSEs from entering into hedging arrangements if they so choose. If LSEs choose to hedge themselves against high prices in the energy market, they can do so voluntarily under the existing construct or under a new restructuring proposal. This is a more effective and efficient outcome than a requirement that will be administratively burdensome while simply shifting costs to LSEs from the energy market to RA contracts. The Commission should focus its efforts on developing the restructuring proposal rather than a hedging proposal that will not achieve its desired outcome.

V. CALCCA SUPPORTS THE COMMISSION'S DIRECTION TO FURTHER CONSIDER UCAP AND MULTI-YEAR SYSTEM AND FLEXIBLE RA

The Commission sees merit in both the UCAP framework and multi-year system and flexible RA requirements and directs parties to consider the proposal in workshops to potentially be layered onto the final proposed framework.¹⁶ CalCCA also sees merit in both the UCAP framework and multi-year system and flexible RA requirements. UCAP provides numerous benefits including providing transparency around resource reliability to LSEs contracting for RA

¹⁴ While the generator can control its own bids to avoid such exposure, human error can and will still occur and even the imposition of a single penalty of \$24/kW-month would be a significant impact to the value of the contract.

¹⁵ During Track 3B.2 workshops, Professor Wolak acknowledged that this incentive is present in any of the hedging proposals, including the SFPFC proposal.

¹⁶ Proposed Decision at 42-44.

resources, incentivizing resources to conduct planned maintenance, and incorporating forced outages upfront in RA counting rather than through substitution requirements and the RAIM. The UCAP framework is compatible with a broader restructuring framework and should be developed further in working groups.

CalCCA also sees merit in multi-year system and flexible RA requirements and agrees with the Commission that there are uncertainties in the RA program that would complicate multi-year contracting for system and flexible RA if they were adopted at this time. CalCCA supports waiting to adopt multi-year system and flexible RA requirements until the restructuring framework is finalized.

VI. CONCLUSION

CalCCA appreciates the opportunity to submit these comments and requests adoption of the recommendations proposed herein. For all the foregoing reasons, the Commission should modify the proposed decision as provided in Attachment A.

Respectfully submitted,



Evelyn Kahl
General Counsel to the
California Community Choice Association

June 30, 2021

ATTACHMENT A

Proposed Changes to Findings of Fact, Conclusions of Law and Ordering Paragraphs

FINDINGS OF FACT

2. PG&E's slice-of-day proposal ~~best addresses the identified principles and the certain concerns with the current RA framework and if further developed, is best positioned~~ but significant open issues and complexities must be resolved for the proposal to be implemented in 2023 for the 2024 compliance year.
3. The SCE/CalCCA Proposal offers solutions best suited to enhance the broader RA capacity structure as a whole and should be considered in conjunction with PG&E's Slice-of-Day proposal to be implemented in 2023 for the 2024 compliance year.

CONCLUSIONS OF LAW

2. Parties should engage in a series of workshops to further develop PG&E's slice-of-day proposal and the SCE/CalCCA Proposal for a final proposed framework.

ORDERING PARAGRAPHS

1. Parties shall undertake a minimum of five workshops over the next approximately six months to develop implementation details based on Pacific Gas and Electric Company's slice-of-day proposal and the SCE/CalCCA Proposal. The workshops shall cover the following implementation details: (1) Structural Elements; (2) Resource Counting; (3) Need Determination and Allocation; (4) Hedging Component; and (5) Unforced Capacity Evaluation and Multi-Year Requirement Proposals.