1. Welcome
2. Roll Call
3. Public Comment for Items Not on the Agenda
4. Items to be Added, Withdrawn, or Reordered on the Agenda

Regular Agenda
5. Overview of Year-Ahead Resource Adequacy Filing
6. Overview of Upcoming Energy Contract Agreements
7. Committee Member Announcements
8. Adjournment
Overview of Year-Ahead Resource Adequacy Filing
Resource Adequacy Overview

San Diego Community Power Finance and Risk Committee
October 6, 2020
CA Reliability Requirements

• CPUC/CAISO Resource Adequacy program defines load serving entity (LSE) reliability obligations
• LSEs must own or contract with generation capacity equivalent to expected monthly peak demands plus 15% reserve margin
• Requirements for local and flexible (dispatchable) resource adequacy capacity
• Capacity program – RA contracts do not convey energy to buyer but create seller obligation to be available to CAISO
• Majority of SDCP’s RA capacity must be within San Diego-Imperial Valley local reliability area
• Will need to show local RA capacity for all months of year based on August peak loads
RA Regulatory Compliance Program

- Annual and monthly compliance demonstration filings made to CPUC
- Penalties apply for failure to meet obligations
- Load serving entities can seek waivers for local obligation if insufficient capacity is available
- SDCP has been actively procuring RA since May and expects to be compliant with year-ahead obligations
Year-Ahead Compliance Demonstration

- October 31, 2020 - must demonstrate contracts for the following:
  - 100% of local RA obligations for all months in 2021-2022 and 50% in 2023
  - 100% of flexible RA obligations for all months in 2021
  - 90% of system RA obligations for May-Oct 2021

* Monthly RA compliance filings begin November 17, 2020 (for Jan 2021)
Generator Net Qualifying Capacity Value

• Net Qualifying Capacity (NQC) is the rating of each resource for its reliability contribution
• Existing RA capacity is mostly natural gas
• Solar and wind provide little NQC due to intermittency and delivery profile
Overview of Upcoming Energy Contract Agreements
Energy Contracting
SDCP Finance & Risk Management Committee
October 6, 2020
Procurement

- Energy
- RPS
- Resource adequacy
- Ancillary services
Commercial Transactions

• Master sale & purchase agreements
  • Edison Electric Institute (EEI)
  • Western Systems Power Pool (WSPP)
• Power purchase agreements
• Confirmations
• Short vs. long term
• Multiple counter-parties
• Team approach
Terms & Conditions

- Buyer and Seller negotiate price, term, product, delivery point, payment, credit and collateral terms, default, liability, indemnification
- PPAs – long-term, construction and commercial operation milestones, development and performance securities, performance guaranties
Process

- Enabling
- Bilateral
- RFOs
- Board adopt agreements subject to RM policy
- Staff can approve confirmations
- Confidentiality
Item 7

Committee Member Announcements
San Diego Community Power

Next regular meeting will be on November 10

Finance and Risk Management Committee