



# San Diego Community Power

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Finance and Risk Management  
Committee

Regular Meeting

October 6, 2020



# Agenda

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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 Items to be Added, Withdrawn, or Reordered on the Agenda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



# Item 5

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## 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

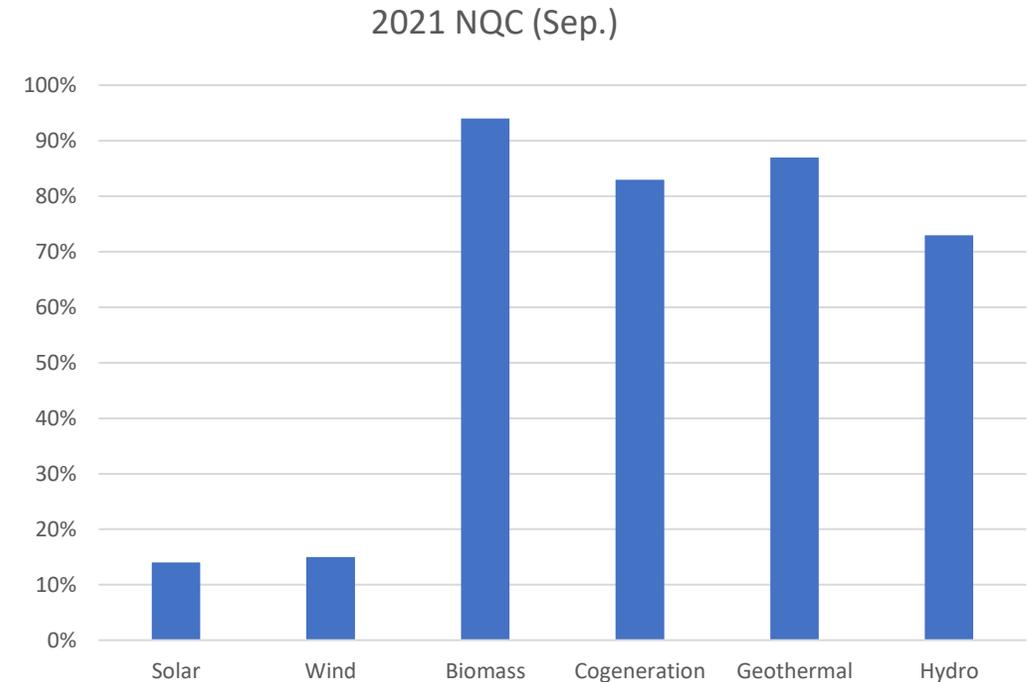
# Year-Ahead Compliance Demonstration

- 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





# Item 6

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## Overview of Upcoming Energy Contract Agreements

# Energy Contracting

SDCP Finance & Risk Management Committee

October 6, 2020



**BEST BEST & KRIEGER** LLP  
ATTORNEYS AT LAW

# 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

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# Committee Member Announcements



# San Diego Community Power

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Next regular meeting will be  
on November 10

Finance and Risk  
Management Committee

