



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

☐ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person:

Phone #:

E-mail:

E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☐ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? ☐ Yes ☐ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☐ No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtailable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



PO BOX 12716
San Diego, CA 92112
sdcommunitypower.org

October 31, 2023

California Public Utilities Commission
Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

SDCP Advice Letter 15-E

**SUBJECT: REQUEST OF SAN DIEGO COMMUNITY POWER FOR WAIVER OF
2024 AND 2025 LOCAL PROCUREMENT OBLIGATIONS (PUBLIC
VERSION)**

PURPOSE

Pursuant to California Public Utilities Commission (“Commission”) Decision (“D.”) 06-06-064 and D.07-06-029, D.19-02-022, and D.19-06-026, and in accordance with Section 25 of the Commission’s *2024 Filing Guide for System, Local, and Flexible Resource Adequacy (RA) Compliance Filings* (“2024 Filing Guide”), San Diego Community Power (“SDCP”) hereby submits this Tier 2 Advice Letter seeking a waiver of penalties associated with a portion of its 2024 and 2025 Local RA Requirements. SDCP’s specific Local RA requirements are market-sensitive and confidential, and they are provided in confidential Attachment A to this Advice Letter. This request is being submitted in conjunction with SDCP’s Local RA year-ahead compliance filing.

For the reasons set forth below, SDCP respectfully requests a waiver of any potential penalties associated with its 2024 and 2025 Local RA obligations. Thus far, SDCP has successfully procured 74% of its total three-year Local RA allocation and expects to exceed 80% of its Local RA obligation upon completion of outstanding negotiations, which, due to procedural delays and organizational bandwidth of the investor-owned utilities’ (“IOUs”), power marketing firms, and battery storage developers with whom SDCP is currently contracting, are ongoing. SDCP took reasonable and good faith efforts to secure capacity in satisfaction of its Local RA requirements, and yet has been unable to secure contracts that would satisfy the remaining obligation. Based on the state of the market and the lack of available resources, SDCP believes that no further efforts would have resulted in the necessary procurement before the October 31, 2023, year-ahead compliance filing deadline.

BACKGROUND

SDCP was formed when five founding member cities – the City of San Diego, the City of Encinitas, the City of La Mesa, the City of Chula Vista, and the City of Imperial Beach – formed

a Joint Powers Authority, effective October 1, 2019.¹ SDCP submitted an Implementation Plan and Statement of Intent to the Commission on December 23, 2019. Reducing greenhouse gas (“GHG”) emissions was the driving factor in the formation of SDCP and originates from the Climate Action Plans (“CAP”) of its member cities. The City of San Diego, for example, adopted a CAP in 2015, and an updated CAP in 2022, that sets a goal for 100% renewable energy city-wide by 2035, and other member cities have adopted similar goals in their respective CAPs.² The member cities intend to achieve these goals in collaboration by jointly operating SDCP and providing renewable and GHG-free energy to residents, businesses, and government agencies.

SDCP began serving customer load to its five founding member cities in 2021. In March 2021, SDCP enrolled the municipal accounts of its five founding members and some large commercial accounts, and in July 2021, SDCP enrolled the remaining commercial, industrial, agricultural, street lighting, and traffic control accounts.³ Subsequently, between February and May 2022, SDCP enrolled residential and lighting accounts. In addition, the County of San Diego and National City joined SDCP and customer accounts in their jurisdiction enrolled in SDCP service beginning in April 2023.

In D.19-02-022, the Commission adopted a three-year forward Year Ahead Local RA requirement beginning in the 2020 RA compliance year.⁴ Subsequently, in D.23-06-029, the Commission adopted the 2024-2026 Local capacity obligations, which include the 22,080 megawatt (“MW”) Local Capacity Requirement (“LCR”) for 2024 outlined in the California System Operator’s (“CAISO’s”) Final 2024 Local Capacity Technical Report.⁵ To date, SDCP has procured approximately 74% of its allocation. SDCP expects to exceed 80% of its Local RA obligation upon completion of outstanding negotiations and expects to submit revised year-ahead filings in the coming weeks. Despite its best efforts, SDCP has been unable to procure the remaining local capacity even after offering prices well above the local trigger price of \$51/kW-year.

¹ See *Joint Powers Agreement*, San Diego Regional Community Choice Energy Authority, October 1, 2019, available at https://www.sandiego.gov/sites/default/files/sdrceea_jpa_agreement_signed_0.pdf.

² See *Climate Action Plan*, City of San Diego, December 2015, at 35, available at https://www.sandiego.gov/sites/default/files/final_july_2016_cap.pdf and *2022 Climate Action Plan, City of San Diego*, at 16, available at https://www.sandiego.gov/sites/default/files/san_diegos_2022_climate_action_plan_0.pdf; See also, City of Encinitas, January 2018, at 3-2, available at https://encinitasca.gov/Portals/0/City%20Documents/Documents/City%20Manager/Climate%20Action/Encinitas_Climate%20Action%20Plan_Final_01-17-18.pdf?ver=2018-01-24-114612-100; City of La Mesa, March 13, 2018, at 45, available at https://www.cityoflamesa.us/DocumentCenter/View/11008/LMCAP_CC03132018?bidId=; City of Chula Vista, September 2017, at 20, available at <https://www.chulavistaca.gov/home/showdocument?id=15586>; City of Imperial Beach, July 17, 2019, at 31, available at https://www.imperialbeachca.gov/vertical/Sites/%7B6283CA4C-E2BD-4DFA-A7F7-8D4ECD543E0F%7D/uploads/Approved_CAP_071719_MF_1234_Climate_Action_Plan_Reso_2019-8054.pdf.

³ See *Letter to Energy Division Regarding Revisions to San Diego Community Power’s Implementation Plan*, July 21, 2021, available at: https://sdcommunitypower.org/wp-content/uploads/2021/11/2021.07.21_Letter-to-CPUC-Regarding-Revisions-to-Implementation-Plan.pdf.

⁴ D.19-02-022, *Decision Refining the Resource Adequacy Program*, R. 17-09-020, February 21, 2019, at OP 2.

⁵ D.23-06-029, *Decision Adopting Local Capacity Obligations for 2024-2026, Flexible Capacity Obligations for 2024, and Program Refinements*, June 29, 2023, at OP 1; CAISO, *2024 Local Capacity Technical Study*, April 28, 2023, at 2, available at <https://www.caiso.com/InitiativeDocuments/Final-2024-Local-Capacity-Technical-Report.pdf> (“CAISO LCT”).

LOCAL RA WAIVER STANDARD

D.06-06-064 and D.07-06-029 established a waiver process whereby a load-serving entity (“LSE”) can request relief from the procurement obligation with a demonstration that it has made every commercially reasonable effort to contract for Local RA resources.⁶ D.19-02-022 extended this waiver process to multi-year Local RA requirements.⁷ A waiver request must demonstrate that the LSE actively sought products and either received bids with prices in excess of their proposed administratively determined local attribute price or received no bids. Local RA waiver requests shall be submitted via a Tier 2 Advice Letter to the Commission with accompanying service to the service list (in redacted form, if necessary) of the RA proceeding open at the time of the request – R.21-10-002.⁸ An LSE must establish the following:

- (1) a demonstration that the LSE reasonably and in good faith solicited bids for its RAR capacity needs along with accompanying information about the terms and conditions of the Request for Offer or other form of solicitation, and
- (2) a demonstration that despite having actively pursued all commercially reasonable efforts to acquire the resources needed to meet the LSE’s local procurement obligation, it either
 - (a) received no bids, or
 - (b) received no bids for an unbundled RA capacity contract of under \$51 per kW-year or for a bundled capacity and energy product of under \$73 per kW-year, or
 - (c) received bids below these thresholds but such bids included what the LSE believes are unreasonable terms and/or conditions, in which case the waiver request must demonstrate why such terms and/or conditions are unreasonable.

These requirements are necessary, but are not necessarily a sufficient, condition for CPUC to grant a waiver. The Commission will also consider other information brought to its attention regarding the reasonableness of the waiver request.⁹

DISCUSSION

SDCP’s waiver request meets both prongs of the waiver requirements set forth in D.06-06-064. Through 2021, 2022, and 2023, SDCP undertook an aggressive procurement strategy to overcome local constraints and meet its local RA requirements. These efforts include:

1. Conducting a request for offers (“RFO”) in 2020 for long-term renewable energy resources, which SDCP preferred to be located in the SD-IV Local area;

⁶ D.06-06-064, *Opinion on Local Resource Adequacy Requirements*, R.05-12-013, June 29, 2006, at Conclusion of Law 26; D. 07-06-029, *Opinion on Phase 2 – Track 1 Issues*, R.05-12-013, June 21, 2007, at 37.

⁷ D.19-02-022 at OP 2.

⁸ Commission 2024 Filing Guide for System, Local, and Flexible Resource Adequacy (RA) Compliance Filings, R. 21-10-002, September 28, 2023, at 57 (“2024 Filing Guide”).

⁹ 2024 Filing Guide at 56-57.

2. Conducting two separate RFO solicitations in 2021;
3. Submitting bids in SDG&E's 2021 solicitation and attempting to engage bilaterally with SDG&E;
4. Establishing in 2021 an evergreen Request for Information for Local Renewable Energy and Energy Storage resources ("Local RFI");
5. Conducting two RFO solicitations in 2022;
6. Submitting bids in SDG&E's 2022 solicitation;
7. Conducting a solicitation for new-build renewable energy and energy storage resources ("2022 Renewable RFO");
8. Conducting a solicitation for new-build, stand-alone energy storage facilities in 2023 ("2023 Energy Storage RFO");
9. Conducting four RFO solicitations in 2023 for short-term RA from existing resources;
10. Submitting bids in SDG&E's 2023 solicitation; and
11. Engaging bilaterally with SDG&E, PG&E, SCE, non-IOU Local RA sellers, active RA brokers, and other market participants.

1. SDCP Undertook Reasonable and Good Faith Efforts to Solicit Supply Bids for its Local RA Capacity Needs.

As set forth in D.06-06-064, an LSE seeking a waiver of penalties associated with Local RA deficiency must first demonstrate that it has "reasonably and in good faith solicited bids for its RAR capacity needs along with accompanying information about the terms and conditions of the Request for Offer or other form of solicitation."¹⁰ SDCP's request for a waiver thoroughly demonstrates that SDCP undertook reasonable, good faith solicitations with standard industry terms, participated in other LSE solicitations, and individually contacted every single local RA seller in the region. A more detailed description of SDCP's procurement efforts, as well as the terms and conditions of the solicitations, are included in confidential Attachment A.

SDCP began its efforts to procure local RA in 2020. To overcome known market constraints, SDCP adopted a comprehensive procurement strategy to maximize its ability to obtain local RA. SDCP held its own RFOs for 2022-2024 SD-IV local RA in April 2021 and October 2021. In addition, SDCP submitted bids for SD-IV local RA in response to SDG&E's RFO. Outside of the RFO processes, SDCP persistently sought out bilateral negotiations to procure the necessary resources from other local RA sellers.

Through these reasonable and good faith efforts, SDCP was able to secure 80% of its 2022 three-year local RA allocation before the 2022 year-ahead filing deadline. SDCP submitted Advice Letter 5-E requesting a waiver for its remaining Local procurement obligations.¹¹ On January 31, 2022, the Energy Division granted this request for waiver, finding that "SDCP's waiver request demonstrated that it pursued all commercially reasonable efforts in procuring local capacity to meet its Local RA obligations in the deficient local areas."¹²

¹⁰ D.06-06-064 at 73.

¹¹ SDCP Advice Letter 5-E, *San Diego Community Power's Local Resource Adequacy Waiver Request*, November 1, 2021.

¹² *January 31, 2022, Letter to SDCP Approving SDCP Advice Letter 5-E.*

SDCP continued its procurement efforts through 2022, issuing two RFOs for 2023-2025 Local RA in March 2022 and September 2022, and engaging with IOUs and other sellers to procure Local RA. SDCP was limited by: the lack of a formal process via which Power Charge Indifference Adjustment (“PCIA”)-eligible SD-IV Local Resources are allocated or offered to the LSEs which serve the customers on behalf of whom the incumbent IOU (in this case, SDG&E) procured said resources; SDG&E’s inability to negotiate bilaterally with SDCP; the inability of most market participants (including SDG&E) to transact RA products for 2025 and beyond while the methodology and compliance tools for “slice of day” RA counting rules remain in flux; and, by lack of resolution regarding SDCP’s Petition for Modification (“PFM”) regarding correction of the load forecast data which is used to determine accurately the volume of Modified Cost Allocation Mechanism (“MCAM”) Local RA resources which it purchases from SDG&E. SDCP remained in negotiations to procure its remaining Local obligations up until the October 31 filing deadline, but was ultimately unable to do so despite pursuing all commercially reasonable options.

On October 31, 2022, SDCP submitted Advice Letter 11-E requesting a waiver for its remaining Local procurement obligations in 2023-2025.¹³ As of today, aside from a May 2023 email exchange clarifying the scope of SDCP’s waiver request, the Energy Division has yet to respond to this request for waiver.

SDCP has continued its RA procurement efforts throughout 2023. Market conditions present in 2022 continued and worsened into 2023 as resource retirements, increased capacity obligations, and project delays throughout the Western Electricity Coordinating Council (“WECC”) region exacerbated resource scarcity, while (i) there remains no opportunity to allocate RA attributes from PCIA-eligible resources from IOUs to CCAs whose customers pay the above-market costs of said resources, (ii) the CPUC has yet to act upon SDCP’s PFM regarding correcting the load forecast incorporated in MCAM allocation transactions, and (iii) regulatory uncertainty lingers throughout the market as all market participants await and assess final compliance methodologies associated with transition to “slice of day” RA accounting in 2025.

Despite market headwinds, SDCP continued dogged procurement efforts, which included: administration of four RFOs for Local RA to be delivered during 2024-2026; participation in SDG&E’s sole RA RFO, which included Local RA to be delivered in 2024; and bilateral outreach and negotiations with all three IOUs, and every other resource owner in the SD-IV local area. Via these efforts, SDCP has secured 74% of its three-year Local RA obligations for 2024-2026 and hopes to procure an additional 6% of its outstanding three-year forward Local RA obligations via transactions with two California IOUs, one power marketing firm, and a local battery storage developer in San Diego County that have been conceptually agreed but not yet fully confirmed due to procedural delays, illness, and organizational bandwidth on behalf of the contracting parties. While SDCP has procured sufficient resources to meet its 2026 Local RA requirements, a shortfall remains in 2025 due largely to pandemic- and supply-chain related project delays, uncertainty regarding interconnection and deliverability processes, and a dearth of 2025 transactions and resource availability in the market while most market participants await clarity regarding implementation of “slice of day” RA accounting rules.

¹³ SDCP Advice Letter 11-E, *Request of San Diego Community Power for Waiver of 2023 Local Procurement Obligations*, October 31, 2022.

2. Despite Best Efforts SDCP Did Not Receive Any Offers to Fulfill its Remaining Obligations or They Were Not Under \$51 or Unreasonable Terms.

The second prong of the RA Waiver standard set forth in D.06-06-064, as modified by D.19-02-022, requires an LSE to demonstrate that “despite having actively pursued all commercially reasonable efforts to acquire the resources needed to meet the LSE’s local procurement obligations,” the LSE either received no bids, or received no bids under the trigger price for a waiver request.¹⁴ As delineated in Attachment A, SDCP conducted resource-by-resource outreach to each generating unit that qualifies for SD-IV Local RA, confirming that Local Capacity in 2024 and 2025 from each was (i) already fully committed to other LSEs; (ii) not available for sale prior to the October 31, 2023 filing deadline; or (iii) available at a price that significantly exceeded \$51/kW-year.

3. Well-Documented Local Constraints and the Impacts of Regulatory Uncertainty on the Local Capacity Market Support Granting SDCP’s Waiver Request

In D.06-06-064, the Commission acknowledged that it “will consider other information brought to its attention regarding the reasonableness of the waiver request.”¹⁵ As described below, and detailed in Attachment A, SDCP’s procurement efforts were significantly limited by external factors that made it more difficult, if not impossible, for SDCP to secure otherwise available SD-IV resources.

Beyond the well-known supply shortfalls facing all load serving entities with SD-IV local RA obligations, the San Diego area is unique in terms of the proportion of overall system RA requirements that must be met with SD-IV local RA resources, as well as the significant role played by resources secured under the Cost Allocation Mechanism (“CAM”). The proportionate magnitude of the local RA obligation in the SDG&E area imposes unique and meaningful challenges when attempting to procure requisite local RA quantities, particularly for a new entity like SDCP.

SDCP highlights these factors to emphasize its belief that no further commercially reasonable efforts would have resulted in the necessary procurement before the October 31, 2023, year ahead filing deadline. Additional detail regarding the unique constraints contributing to SDCP’s deficiency is provided in confidential Attachment A.

CONCLUSION

For the reasons explained above, SDCP requests that the Energy Division recommend to the Commission that SDCP be granted a waiver of penalties associated with the portion of its Local RA obligation that it has thus far been unable to fulfill despite having actively pursued all commercially reasonable efforts.

¹⁴ D.06-06-064 at 72-73; D.19-02-022 at OP 13.

¹⁵ D.06-06-064 at 73; see also 2024 Filing Guide at 57 (“Staff will consider a waiver request along with any other pertinent information in making recommendations to the Commission regarding whether to institute formal enforcement proceedings against a deficient LSE.”).

REQUEST FOR CONFIDENTIAL TREATMENT

SDCP requests confidential treatment for the Memorandum from Byron Vosburg Regarding San Diego Community Power's Local Resource Adequacy Waiver (the "Memorandum") and certain attachments thereto, which are included with this Advice Letter as confidential Attachments A, A-5, and A-6. SDCP makes this request pursuant to D.06-06-066, as modified by D.07-05-032 and D.08-04-023, which adopted the ESP matrix specifying categories of market-sensitive information that should be treated as confidential and D.20-07-005, which provided that the market-sensitive information of CCAs shall be eligible for confidential treatment consistent with the ESP matrix.¹⁶

As detailed in the Declaration of Stephen Gunther Supporting Confidentiality Claim for SDCP's Local RA Waiver Request Submission, included as Attachment B, the Memorandum and its attachments include various kinds of market-sensitive information regarding the current market positions and compliance obligations of SDCP, including, without limitation, procurement obligation quantities, procured quantities, entities with whom SDCP has negotiated and transacted, and price-related information that are all market sensitive information. Accordingly, SDCP requests that the Memorandum contained in Attachment A to this Local RA Waiver Request be treated as confidential. To the extent that the Commission has any different interpretation with respect to this request, SDCP respectfully requests that notice be provided to SDCP and that SDCP have an opportunity to provide any supplemental information necessary to maintain the confidentiality of the Memorandum.

EFFECTIVE DATE

In accordance with D. 19-06-026, SDCP submits this Advice Letter classified as Tier 2 (effective after staff approval) under GO 96-B.¹⁷ SDCP respectfully requests approval no later than November 30, 2023 which is 30 days from the date of this filing.

PROTEST

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received by November 20, 2023 which is 20 days from the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
ATTN: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

¹⁶ D.20-07-005, *Decision Granting in Part Petition to Modify Decision 06-06-066*, R.05-06-040, July 16, 2020 at 1.

¹⁷ D.19-06-026, *Decision Adopting Local Capacity Obligations for 2020-2022, Adopting Flexible Capacity Obligations for 2020, and Refining the Resource Adequacy Program*, R.17-09-020, June 27, 2019 at OP 8.

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. A copy of the protest should also be sent via email to the address shown below on the same date it is delivered to the Commission.

ATTN: Byron Vosburg
Managing Director Power Services
San Diego Community Power
PO BOX 12716 San Diego, CA 92112
Email: bvosburg@sdcommunitypower.org

Blake Elder
Director, EQ Research LLC
1155 Kildaire Farm Road, Suite 202
Cary, NC 27511
Email: belder@eq-research.com

NOTICE

A copy of this Advice Letter has been distributed to the service list of R.21-10-002 in accordance with D.19-06-026.¹⁸

ATTACHMENTS

Attachment A – Memorandum of Byron Vosburg Regarding San Diego Community Power’s Year Ahead Local Resource Adequacy Waiver

[CONFIDENTIAL – NOT PROVIDED WITH PUBLIC ADVICE LETTER]

Attachment B –Declaration of Stephen Gunther Supporting Confidentiality Claim for San Diego Community Power’s Year Ahead Local Resource Adequacy Waiver

CC: Service Lists R.21-10-002 & R.23-10-011

¹⁸ D.19-06-026 at OP8. Local RA waiver requests shall be submitted via a Tier 2 Advice Letter to the Commission with accompanying service to the service list (in redacted form, if necessary) of the RA proceeding open at the time of the request.

Attachment A

**Memorandum of Byron Vosburg Regarding San Diego Community Power's Year Ahead
Local Resource Adequacy Waiver Request**

[Confidential]

Attachment A-1

San Diego Community Power Resource Adequacy Request for Offers – January 2023

From: Asikeh Kanu akanu@sdcommunitypower.org
Subject: CY 2024-2026 RA RFO
Date: January 30, 2023 at 3:13 PM
To: RARFO RARFO@sdcommunitypower.org

AK

Good Afternoon,

San Diego Community Power ("SDCP") is seeking **to purchase** the following Resource Adequacy ("RA") products for the 2024 – 2026 compliance period:

Product	Area	Minimum Volume (MW)	Delivery Start	Delivery End	Term
Local RA (Flexible or Generic)	SD-IV	1 MW	1/1/2024	12/31/2026	CY, Quarterly or Monthly
System RA (Flexible or Generic)	North and/or South System	5 MW	1/1/2024	12/31/2026	CY, Quarterly or Monthly
Import RA	COB or NOB	5 MW	1/1/2024	12/31/2025	CY, Quarterly or Monthly

Solicitation Timeline

RFO Issued	January 30, 2023
Offers Due	12:00 PM PPT, February 2, 2023
Shortlist Notified	5:00 PM PPT, February 7, 2023

Solicitation Details

- Preference will be given to entities that are a WSPP member or have an existing EEI Master Agreement in place with SDCP
- Offers are requested in \$/kW-month
- Responses and/or questions should be addressed to akanu@sdcommunitypower.org and RARFO@sdcommunitypower.org.
- Please submit offers to akanu@sdcommunitypower.org and RARFO@sdcommunitypower.org by **12:00 PM PPT on Wednesday, February 2, 2023. Offers will be evaluated on an ongoing basis and respondents are encouraged to submit offers early.**

At its sole discretion, SDCP reserves the right to define and modify evaluation criteria at any time, accept or reject any offers or portions of offers, and modify or terminate this solicitation at any time and for any reason.

Regards,

Asikeh Kanu

Portfolio Manager, Power Services

Office 619.732.1854 ext.130

akanu@sdcommunitypower.org

PO Box 12716

San Diego, CA 92112

sdcommunitypower.org

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Confidentiality Notice: Customer privacy is a high priority at San Diego Community Power (SDCP). This electronic message transmission (email) and any attachments may contain information that may be confidential and/or privileged. The information is intended to be solely for the use of the individual or entity to whom this email is addressed. If you are not the intended recipient, please note that any disclosure, copying, distribution, or use of the contents of this information is prohibited. If you have received this email in error, please immediately notify us by telephone (888) 382-0169 or by electronic mail (sender's email), and confirm that you have deleted the email and any copies. SDCP's privacy policy can be found via <https://sdcommunitypower.org/privacy-policy/>

Attachment A-2

San Diego Community Power Resource Adequacy Request for Offers – June 2023

From: Asikeh Kanu akanu@sdcommunitypower.org
Subject: CY 2024-2026 RA RFO
Date: June 23, 2023 at 8:12 PM
To: RARFO RARFO@sdcommunitypower.org

AK

Good Afternoon,

San Diego Community Power ("SDCP") is seeking **to purchase** the following Resource Adequacy ("RA") products for the 2024-2026 compliance period:

Product	Area	Minimum Volume (MW)	SDCP Buy/Sell	Delivery Start	Delivery End	Term
Local RA (Flexible or Generic)	SD-IV	5 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly
System RA (Flexible or Generic)	North and/or South System	5 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly
Import RA (without rights)	COB, NOB, IID-SCE, IID-SDGE	5 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly
Import RA (with rights)	Any location	5 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly

Solicitation Timeline

RFO Issued	June 23, 2023
Offers Due	5:00 PM PPT, July 5, 2023
Shortlist Notified	5:00 PM PPT, June 11, 2023

Solicitation Details

- The bid response template is attached to this email.
- Preference will be given to entities that are a WSPP member or have an existing EEI Master Agreement in place with SDCP
- Offers are requested in \$/kW-month (Import energy offers can be submitted in \$/MWh)
- Responses and/or questions should be addressed to akanu@sdcommunitypower.org and RARFO@sdcommunitypower.org.
- Please submit offers using the following link: [Submissions for RA 2024-2026 RFO](#)
- Attachments can be included in the form submission and/or submitted to akanu@sdcommunitypower.org and RARFO@sdcommunitypower.org
- **Responses must be submitted by 5:00 PM PPT on Tuesday, July 5, 2023. Offers will be evaluated on an ongoing basis and respondents are encouraged to submit offers early.**

At its sole discretion, SDCP reserves the right to define and modify evaluation criteria at any time, accept or reject any offers or portions of offers, and modify or terminate this solicitation at any time and for any reason.

Regards,

Asikeh Kanu

Portfolio Manager, Power Services

Office 619.732.1854 ext.130

akanu@sdcommunitypower.org

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SDCP RA RFO
Respo...6).xlsx

Attachment A-3

San Diego Community Power Resource Adequacy Request for Offers – September 2023

From: Asikeh Kanu akanu@sdcommunitypower.org
Subject: CY 2024-2026 RA RFO
Date: September 7, 2023 at 4:45 PM
To: RARFO RARFO@sdcommunitypower.org

AK

Good Afternoon,

San Diego Community Power ("SDCP") is seeking **to purchase** the following Resource Adequacy ("RA") products for the 2024-2026 compliance period:

Product	Area	Minimum Volume (MW)	SDCP Buy/Sell	Delivery Start	Delivery End	Term
Local RA (Flexible or Generic)	SD-IV	5 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly
System RA (Flexible or Generic)	North and/or South System	5 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly
Import RA (without rights)	COB, NOB, IID-SCE, IID-SDGE, PARKER_ITC, SYLMAR	5 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly
Import RA (with rights)	Any location	5 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly
Import Energy	MALIN500, NOB, IVLY230, MIR230, PV, WW500, PARKER230	2 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly

Solicitation Timeline

RFO Issued	September 7, 2023
Offers Due	5:00 PM PPT, September 13, 2023
Shortlist Notified	5:00 PM PPT, September 15, 2023

Solicitation Details

- The bid response template is attached to this email.
- Preference will be given to entities that are a WSPP member or have an existing EEI Master Agreement in place with SDCP
- Offers are requested in \$/kW-month (Import energy offers can be submitted in \$/MWh)
- Responses and/or questions should be addressed to akanu@sdcommunitypower.org and RARFO@sdcommunitypower.org.
- Please submit offers using the following link: [Submissions for RA 2024-2026 RFO](#)
- Attachments can be included in the form submission and/or submitted to akanu@sdcommunitypower.org and RARFO@sdcommunitypower.org
- **Responses must be submitted by 5:00 PM PPT on Wednesday, September 13, 2023. Offers will be evaluated on an ongoing basis and respondents are**

2025. Offers will be evaluated on an ongoing basis and respondents are encouraged to submit offers early.

At its sole discretion, SDCP reserves the right to define and modify evaluation criteria at any time, accept or reject any offers or portions of offers, and modify or terminate this solicitation at any time and for any reason.

Regards,

Asikeh Kanu

Portfolio Manager, Power Services

Office 619.732.1854 ext.130

akanu@sdcommunitypower.org

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San Diego, CA 92112

sdcommunitypower.org

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SDCP RA RFO	2024 -2026 RA
Respo...6).xlsx	RFO C...R.docx
32 KB	17 KB

Attachment A-4

San Diego Community Power Resource Adequacy Request for Offers – October 2023

From: Asikeh Kanu akanu@sdcommunitypower.org
Subject: CY 2024-2026 RA RFO Phase II
Date: October 3, 2023 at 12:31 PM
To: RARFO RARFO@sdcommunitypower.org

AK

Good morning,

San Diego Community Power ("SDCP") is seeking **to purchase** the following Resource Adequacy ("RA") products for the 2024-2026 compliance period:

Product	Area	Minimum Volume (MW)	SDCP Buy/Sell	Delivery Start	Delivery End	Term
Local RA (Flexible or Generic)	SD-IV	5 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly
System RA (Flexible or Generic)	North and/or South System	5 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly
Import RA (without rights)	COB, NOB, IID-SCE, IID-SDGE, PARKER_ITC, SYLMAR, PALOVERDE_ITC, CASCADE_ITC, MCCLMKPTC_ITC, SILVERPK_ITC	5 MW	SDCP Buys	1/1/2024	12/31/2024	Yearly, Quarterly, Partial Strip or Monthly
Import RA (with rights)	Any location	5 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly
Import Area Rights (IARs)	Any location	5 MW	SDCP Buys	1/1/2024	12/31/2024	Yearly, Quarterly, Partial Strip or Monthly
Import Energy	MALIN500, NOB, IVLY230, MIR230, PV, WW500, PARKER230, MCCULLOUGH500	2 MW	SDCP Buys	1/1/2024	12/31/2026	Yearly, Quarterly, Partial Strip or Monthly

Solicitation Timeline

RFO Issued	October 3, 2023
Offers Due	5:00 PM PPT, October 9, 2023
Shortlist Notified	5:00 PM PPT, October 11, 2023

Solicitation Details

- The bid response template is attached to this email.
- Preference will be given to entities that are a WSPP member or have an existing EEI Master Agreement in place with SDCP.

- Offers are requested in \$/kW-month (Import energy offers can be submitted in \$/MWh)
- Responses and/or questions should be addressed to akanu@sdcommunitypower.org and RARFO@sdcommunitypower.org.
- Please submit offers using the following link: [Submissions for RA 2024-2026 RFO](#)
- Attachments can be included in the form submission and/or submitted to akanu@sdcommunitypower.org and RARFO@sdcommunitypower.org
- **Responses must be submitted by 5:00 PM PPT on Monday, October 9, 2023. Offers will be evaluated on an ongoing basis and respondents are encouraged to submit offers early.**

At its sole discretion, SDCP reserves the right to define and modify evaluation criteria at any time, accept or reject any offers or portions of offers, and modify or terminate this solicitation at any time and for any reason.

Regards,

Asikeh Kanu

Portfolio Manager, Power Services

Office 619.732.1854 ext.130

akanu@sdcommunitypower.org

PO Box 12716

San Diego, CA 92112

sdcommunitypower.org

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2024 -2026 RA

RFO C...R.docx

26 KB

Attachment A-5

**San Diego Community Power's Bid to San Diego Gas & Electric's 2024 Local Resource
Adequacy Solicitation**

[Confidential]

Attachment A-6

Summary of San Diego Community Power's Bilateral Resource Adequacy Outreach Efforts

[Confidential]

Attachment B

**Declaration of Stephen Gunther Supporting Confidentiality Claim for San Diego
Community Power's Year Ahead Local Resource Adequacy Waiver Request**

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

**DECLARATION OF STEPHEN GUNTHER
SUPPORTING CONFIDENTIALITY CLAIM FOR SDCP'S LOCAL RA WAIVER
REQUEST**

In accordance with General Order 66-D, D. 06-06-066, D. 08-04-023 setting forth the protocol for the submission of confidential information to the California Public Utilities Commission ("Commission"), and D. 20-07-005 extending confidential treatment to market-sensitive information of community choice aggregators ("CCA"), San Diego Community Power ("SDCP") submits the following declaration in support of its claim of confidentiality for the below-specified information provided in confidential Attachment A to SDCP Advice Letter 15-E: *San Diego Community Power Request for Local Resource Adequacy Waiver* ("SDCP AL 15-E").

The undersigned declares, under penalty of perjury pursuant to the laws of the State of California, as follows:

1. I am the Senior Regulatory Analyst for SDCP. In this capacity, I have knowledge of the information provided in this declaration and am authorized to make this declaration on SDCP's behalf.
2. In this Advice Letter submission, SDCP is securely and confidentially uploading the following documents to the Energy Division through the Commission's FTP system:
 - a. SDCP Advice Letter 15-E: *Request of San Diego Community Power for Waiver of 2024 and 2025 Local Procurement Obligations.*
 - b. Attachment A: *Memorandum of Byron Vosburg Regarding San Diego Community Power's Year Ahead Local Resource Adequacy Waiver Request [Confidential]*
 - c. Attachment B: *Declaration of Stephen Gunther Supporting Confidentiality Claim for San Diego Community Power's Year Ahead Local Resource Adequacy Waiver Request*
3. In this Advice Letter submission, SDCP is publicly submitting the following documents to the Energy Division and the service list for the current Resource Adequacy Rulemaking, R.21-10-002 via email:
 - a. SDCP Advice Letter 15-E: *Request of San Diego Community Power for Waiver of 2024 and 2025 Local Procurement Obligations.*

- b. Attachment B: *Declaration of Stephen Gunther Supporting Confidentiality Claim for San Diego Community Power's Year Ahead Local Resource Adequacy Waiver Request*
4. Through this declaration, SDCP requests that Attachment A to SDCP AL 15-E, along with supporting Attachments A-5 and A-6 contained therein, be treated as confidential and kept under seal.
 5. This request for confidentiality is being made pursuant to the requirements and authority of D. 06-06-066, D.08-04-023, and D. 20-07-005; and Commission General Order 66-D.
 6. The attached "Table of Confidential Information" identifies the specific information that is subject to this confidentiality request, provides specific citations to the authority upon which each request is based, provides a justification for confidential treatment, and specifies the length of time that the information is to be kept confidential.
 7. SDCP is complying with the limitations of confidentiality specified in the ESP and CCA Matrix established in D. 06-06-066, as modified by D. 20-07-005 for the types of data being submitted subject to a request for confidentiality.
 8. To the best of my knowledge, the information being submitted subject to this request for confidentiality is not already public.
 9. SDCP is providing a public, unredacted version of SDCP AL 15-E and is separately providing confidential information in confidential Attachment A to the Commission. Redacted versions of this confidential attachment cannot reasonably be publicly produced.
 10. As set forth below, the narrative and supporting documentation for SDCP AL 15-E is highly market-sensitive, confidential, and cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure. In particular, they include key elements of SDCP's procurement strategy, SDCP's bid prices, and third parties' bid prices in SDCP's solicitations, which may or may not have resulted in RA sale, and procurement transactions. These documents have been withheld from public distribution in their entirety.
 11. The following person is designated as the person for the Commission to contact regarding potential release of this information by the Commission:

Blake Elder
Director, EQ Research LLC
1155 Kildaire Farm Road, Suite 202
Cary, NC 27511
Email: belder@eq-research.com

Executed on October 31, 2023 at San Diego, California

/s/ Stephen Gunther

Stephen Gunther
Senior Regulatory Analyst
San Diego Community Power
PO BOX 12716
San Diego, CA 92112
(619) 657-0419
sgunther@sdcommunitypower.org

<p style="text-align: center;">TABLE OF CONFIDENTIAL INFORMATION SDCP Advice Letter 15-E: <i>San Diego Community Power's Request for Year-Ahead Local Resource Adequacy Waiver</i></p>			
Redaction Reference	Confidentiality Category from D.06-06-066 Matrix or Other Authority	Justification for Confidential Treatment	Length of Time Data to Be Kept Confidential
Confidential Attachment A to SDCP Advice Letter 15-E (entire document and Supporting Documents Attachments A-5 & A-6)	ESP and CCA Matrix (as modified by D. 20-07-005), Item II(B) – RA Supply Data.	<p>The <i>Memorandum of Byron Vosburg Regarding San Diego Community Power's Local Resource Adequacy Waiver</i> supplements SDCP's Advice Letter by providing market-sensitive RA supply information:</p> <ul style="list-style-type: none"> • Capacity under contract (MW). • Capacity deficiencies (MW). • Contract price information. • Identifying information for specific procurement time periods. • Confidential information regarding SDCP's RA procurement practices. <p>All of this information is not publicly available and constitutes "Supply</p>	Under Item II(B), RA Supply Data is confidential for the first 3 years of the forecast period.

		<p>Data” under Item II(B), and as such is confidential.</p> <p>Attachment A also includes supporting documentation of SDCP’s efforts to procure its Local RA obligation, including confidential communications with brokers, and bids/offers submitted to SDCP. All of this information is RA “supply data” under Item II(B) and as such is confidential.</p> <p>Additionally, this information is highly market sensitive as it: reveals confidential communications, proposals, offers, and bids between market participant, reveals SDCP’s business practices, and could be used by other market participants to determine SDCP’s RA short position, creating market disruption. The public interest in withholding this information outweighs the public interest in disclosing it.</p>	
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