

**Phase 2 of the Power Charge  
Indifference Adjustment (PCIA)  
Impacts and Timeline**

**Business of Local Energy Symposium**

**June 21, 2019**

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# Outline and Background

Phase 1 Track 2 Decision (D.18-10-019) called for working groups:

1. Benchmark Development, True-Ups, & Forecasting
2. Prepayment
3. Portfolio Optimization



# Working Group #1: Benchmark Development

Co-Chairs	Est. Timeline
CalCCA & PG&E	Feb. 2019 – Fall 2019

1. Procedural: Which mechanisms should be used to develop initial benchmarks and later true-up those values? Should true-ups occur in ERRA proceeding?
2. Reporting: Are new data required for developing benchmarks and implementing true-ups?
3. Forecasting:
  - Probabilistic or scenario-based methodology?
  - How should unsold RA be forecast?
  - What is a “de minimis price?”
  - What data do IOUs need to better forecast departing load?
4. Should billing determinants be clarified?
5. How should PCIA be presented on customer bills?



# Working Group #2: Prepayment

Co-Chairs	Est. Timeline
AReM/DACC & SDG&E	March 2019 – Q1 2020

1. Process: How should Commission evaluate and approve prepayments? How should disputes be resolved?
  2. Accounting: How should IOUs account for prepayments received?
  3. Terms: What time period should prepayments be made over?
- Challenge: IOUs do not want prepayment as an option, yet proposed framework relies on bilateral negotiations between CCA/ESP and IOU



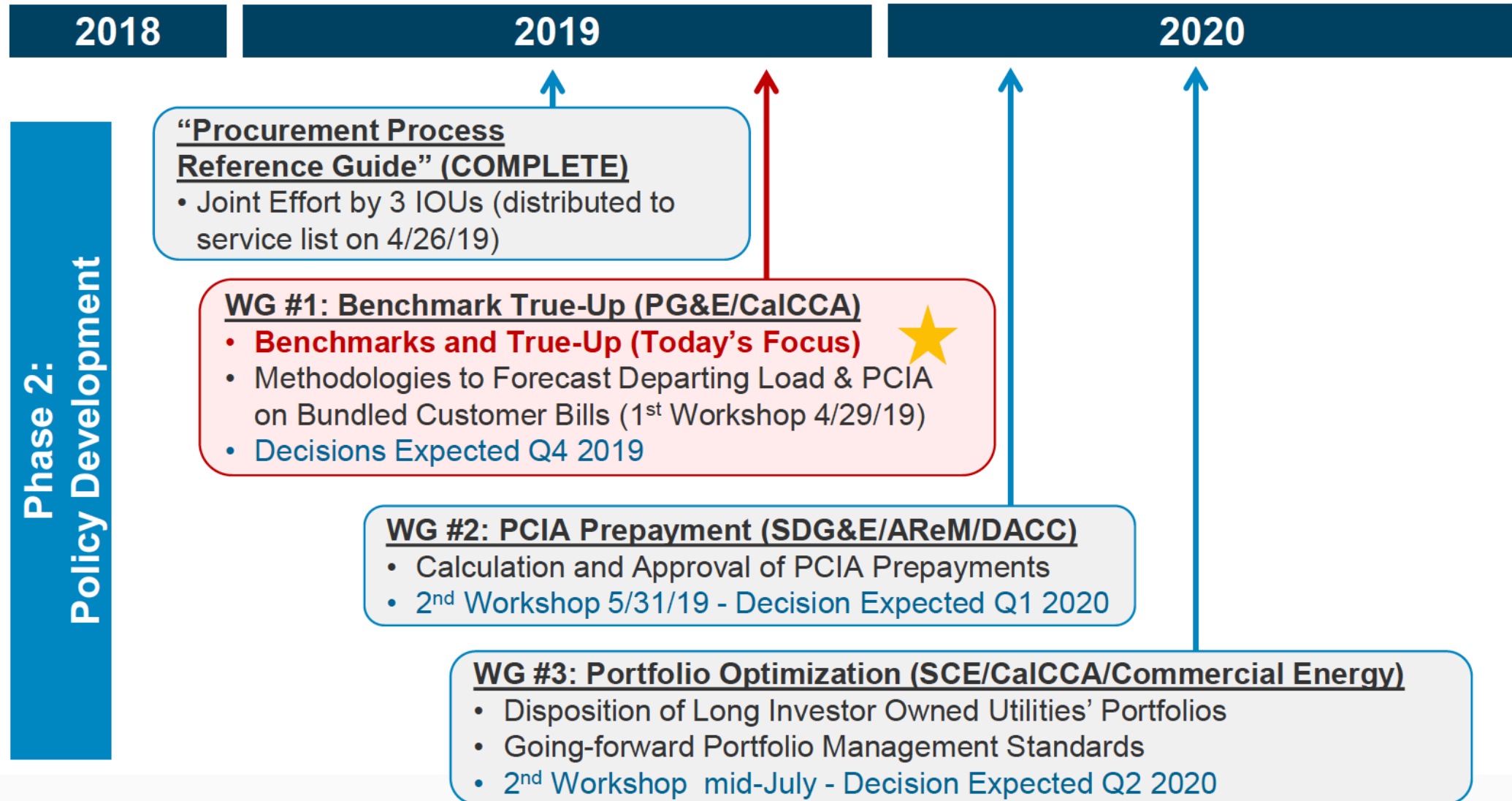
# Working Group #3: Portfolio Optimization

Co-Chairs	Est. Timeline
CalCCA, SCE, Commercial Energy	April 2019 – Q2 2020

1. What rules and processes should Commission use to address excess resources in utility portfolios?
  - How should they be structured to be compatible with Resource Adequacy and Integrated Resource Planning?
2. What standards should Commission adopt for more active management of IOU portfolios in response to departing load?
  - By what time frame and process should these standards be implemented?
3. Should shareholders bear some responsibility if utilities do not meet portfolio management standards?
  - If so, in which forum or proceeding(s)?



Three Concurrent Working Groups; Co-led by a Utility and CCA/DA Representative



# Additional Questions?

