



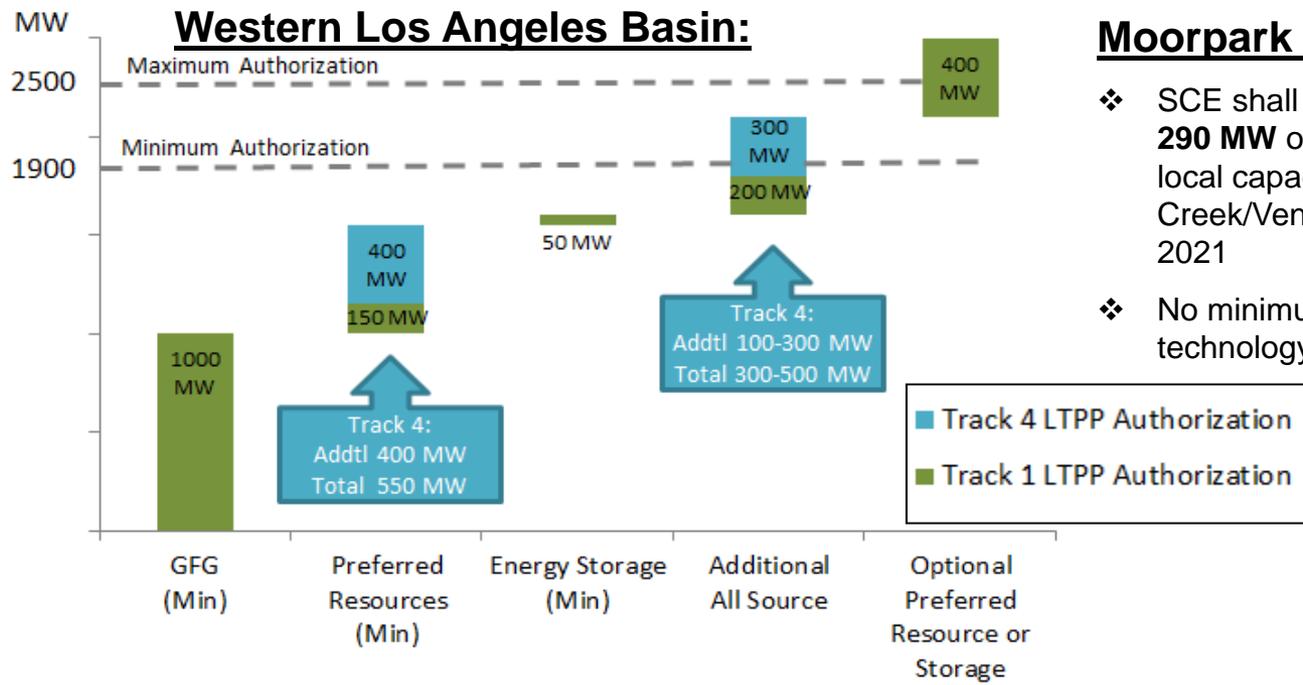
IEPR Workshop
Southern California Reliability:
Local Capacity Resources and
Preferred Resources Procurement Panel

August 20, 2014

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SCE - Regulatory Affairs

Overview of SCE's LCR Procurement Effort

- Long Term Procurement Plan (LTPP) Track 1 and Track 4 Decisions order SCE to procure the following resources by 2021 to meet LCR need due to the retirement of once-through-cooling units on the coast and SONGS



Moorpark Sub-Area:

- ❖ SCE shall procure between **215 and 290 MW** of electric capacity to meet local capacity requirements in the Big Creek/Ventura local reliability area by 2021
- ❖ No minimum requirement for a specific technology

- SCE is required to conduct a technology neutral “all-source” solicitation to satisfy the above LCR requirements

LCR RFO Timeline

LCR RFO Date	Milestone
September 12, 2013	RFO documents issues
December 2, 2013	Non-binding Notice of Intent to Offer deadline
December 16, 2013	Indicative Offer submittal deadline
January 30, 2014	Shortlist notification
June 9, 2014	Commercial Lockdown deadline
August 28, 2014	Deadline to complete negotiations
September 5, 2014	Final Offer submittal deadline
October 16, 2014	Final selection notification
November 21, 2014	Filing of Application for approval to CPUC

Preferred Resources Pilot Overview

The PRP seeks to inform the clean energy grid of the future by increasing the overall use of preferred resources in the southern portion of SCE's territory and obtain "grid-level" measurement to determine how best to use them to meet local capacity requirements*

- **Objectives**

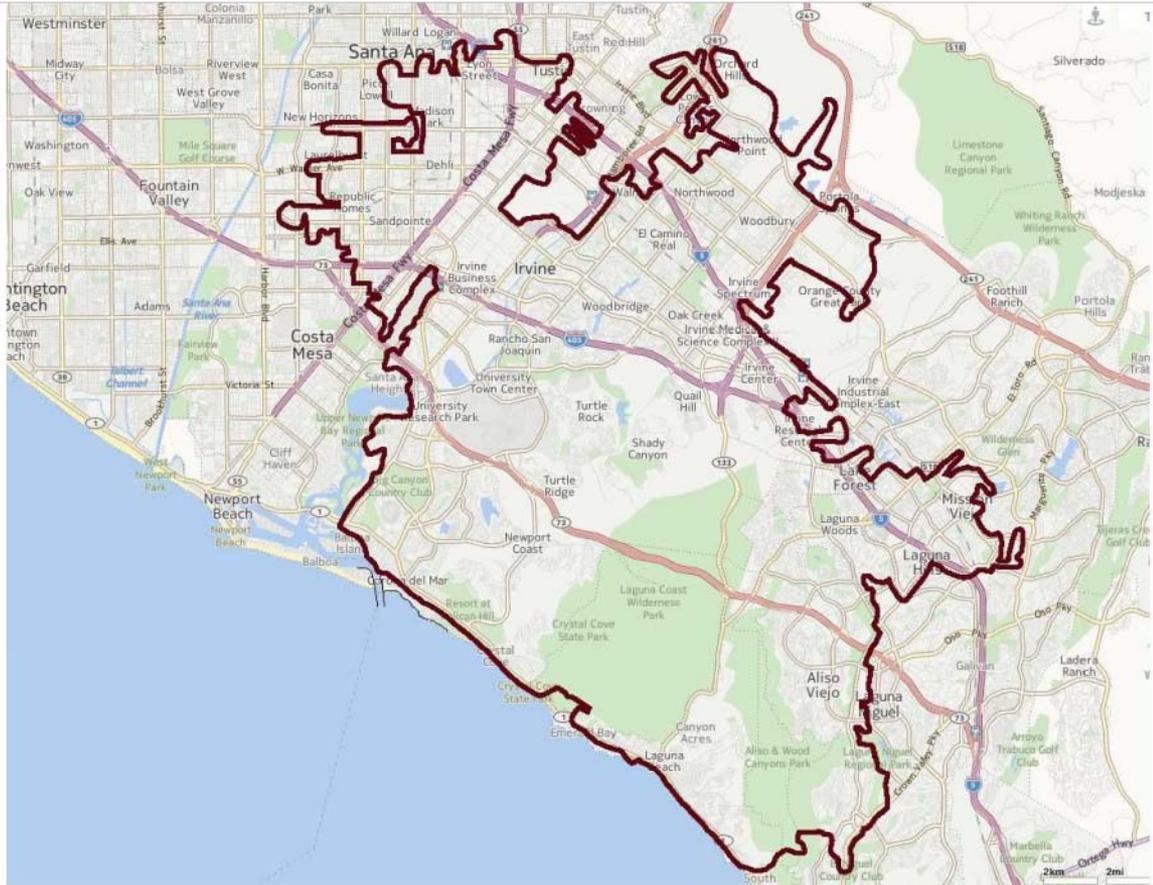
- **Measure** the local grid impact of Preferred Resources
- **Implement** a Preferred Resources portfolio to address local peak needs
- **Demonstrate** Preferred Resources can be used to meet local capacity requirements
- Minimize/eliminate the need for gas fired generation at these locations
- Identify lessons learned for application to other grid areas

- **Scope**

- Regions served by Johanna and Santiago sub-stations
- "Preferred Resources" that meet the definition for energy efficiency, demand response, renewable resources, clean distributed generation, and energy storage
- Processes used to evaluate, procure and deploy Preferred Resources

* - if load growth is managed over the 10 year period of 2013 – 2022 to net zero through the use of preferred resources, the PRP will have demonstrated that preferred resources can meet local capacity requirements

PRP Region



Year-end 2013 Preferred Resources:

- **70 MW, including:**
- 32 MW Demand Response
- 23 MW Solar (nameplate)
- 15 MW Combined Heat & Power

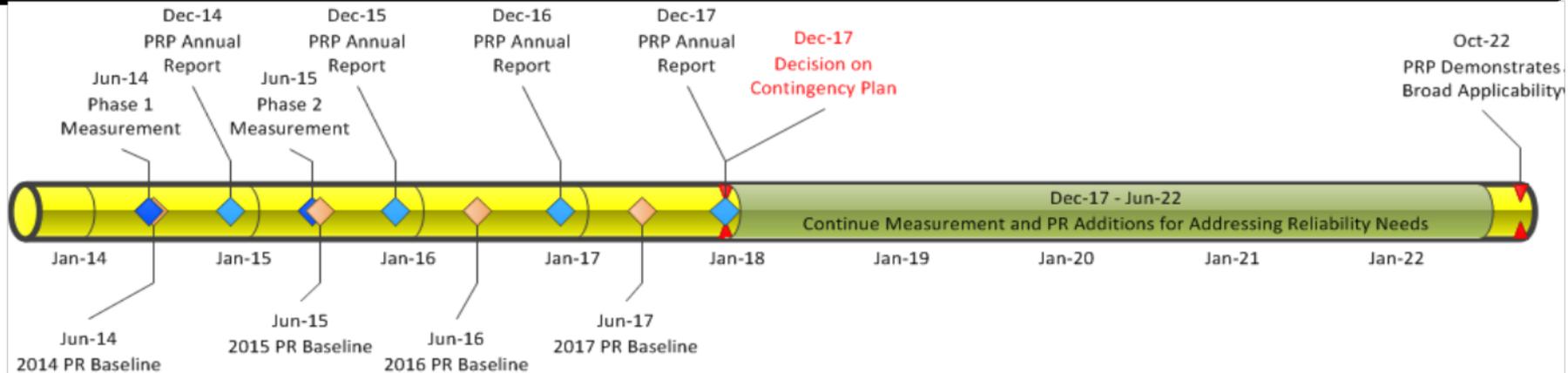
Year-end 2022 Forecast:

- Increase in Need:
- ~ **310 MW**
- Peak:
- ~ **1,200 MW**

Current Customers Data:

- Total accounts: **250,000**
- Commercial & Industrial accounts: **30,000**

PRP Timeline and Milestones



Design, test, and measure portfolio of preferred resources to demonstrate and prove performance through 2017

Increasing need for reliability performance as resources are added through 2022

Three Major Phases

- Phase 1: Lay the Foundation from Nov '13 - 2014
- Phase 2: Demonstration and Proof from 2015 – 2017
- Phase 3: Sustainability and Close-out from 2018 – 2022

Four Major Work Streams

- Preferred Resources Portfolio Design & Acquisition
 - Acquire by design the correct mix of preferred resources to meet LCR needs
- Preferred Resources Implementation
 - Improve adoption and use of preferred resources to meet LCR needs
- Preferred Resources Measurement
 - Develop the measurement system for use in determining preferred resources ability to meet LCR needs
- Stakeholder Engagement
 - Obtain measurable support for PRP activities and seek input to improve the potential for achievement of PRP objectives