

Memorandum

To: **Robert Oglesby, Executive Director**

Date : June 20, 2011

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From : **Ivin Rhyne**
California Energy Commission
1516 Ninth Street
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Subject: PLEXOS Solutions License Renewal

The Electricity Analysis Office (EAO) is requesting approval to spend \$102,700.00 for the license renewal and customized WECC database for the PLEXOS Solutions production cost model. The renewal period is from June 16, 2011 through June 15, 2012 and is for three EAO licensees. This item was approved at the Electricity and Natural Gas Committee meeting held on June 7, 2011.

EAO needs an electricity system simulation tool to study the implications of different resource development goals and associated uncertainties. The PLEXOS model is used for electricity system studies and to evaluate multiple resource development scenarios, in support of the IEPR and for other system studies. The PLEXOS model provides staff with the flexibility necessary to evaluate a larger number of scenarios, consider stochastic variables, and characterize electricity system operations. The model uses sophisticated algorithms for pumped storage, variable energy production, and stochastic modeling.

If this request for funding is approved, EAO will allocate funds to license PLEXOS for the upcoming fiscal year and submit a Form 500 for a purchase order to pay the license invoice.