

PCIA Voluntary Allocation Webinar Questions & Answers

Q1: Can you distribute the slide deck when the webinar is over? Will a recording be available?

A1: Yes. Shortly after this webinar, SCE will compile the materials discussed in this presentation and other information, including a copy of this deck, a video recording of the presentation, and these written Q&As. These materials will be made available to participants on SCE.com. Webinar participants will be notified how to access the webpage when it's published.

Q2: Is this webinar only for LSEs in SoCal's territory or is this for all IOUs service territories?

A2: All IOUs (investor-owned utilities) in the state are required to conduct their own voluntary allocation processes, so each of the IOUs are doing this with respect to the LSEs within their service territory. This webinar is about SCE's process, and all the information provided here is intended for LSEs in our service territory who are eligible to participate in the PCIA voluntary allocation.

Q3: Are all of the RECs from PURPA and ReMAT with the IOUs? How does that impact the PCIA?

A3: RECs generated from PURPA and ReMAT are prohibited from sale/transfer by the Public Utilities Code.¹ Energy Division agreed that REC's generated from PURPA and ReMAT should be excluded from the voluntary allocation process and will stay in the PCIA portfolio at the applicable MPB, which is consistent with the current approach in the ERRA forecast proceeding.²

Q4: Concerning slide 10, how recent is the load data?

A4: SCE used historical 12 month (January 2021-December 2021) for calculating LSE's responsibility in each vintage.

Q5: Will the allocation be based on the load forecasts used to assign RA for 2023??

A5: The intent is to use the meet-and-confer process to get an understanding between SCE's and each LSE's RA forecast assumptions.

Q6: Can you describe the credit requirements that will be included in the VA agreement?

¹ See, Public Utilities Code Sections 399.21(a)(4)(PURPA RECs) and 399.20(h)(ReMAT RECs).

² See, Letter from Ed Randolph, Director of Energy Division, to Shinjini Menon, on Advice Letter 4569-E, dated October 25, 2021, p. 4.

A6: The agreement is not finalized and is not yet approved by the Commission. With respect to credit and collateral requirements, however, SCE anticipates the VA agreement requirements will be similar to the existing REC sales agreement.

Q7: Do all IOUs have the same VAMO contracting language or is each IOU different?

A7: The IOUs will not have the same pro forma VA agreement. Each IOU will have its own VA agreement. SCE will have a standard offer contract and will not entertain exceptions or modifications to the contract language, so it will be the same pro forma agreement for all LSEs contracting with SCE. The only differences would be those necessary to memorialize information specific to each LSE's accepted allocation.

Q8: How frequently can the short-term percentage allocations be adjusted? Is this once per compliance period as well?

A8: Short-term allocation percentages, once elected, cannot be changed until the end of the compliance period, which coincides with the end of the delivery period under the short-term allocation agreement. SCE will offer short-term RECs for the remainder of the current RPS Compliance Period (years 2023-2024). However, each month, LSEs will receive their load share of actual RECs generation from resources in the short-term portfolio, multiplied by the LSE's percentage elected during the VA election. During the next VA process, the LSE will be asked to elect a new percentage.

Q9: What are the election terms for short-term and long-term allocations?

A9: The term for long-term allocations will be through the end of the longest contract term in the particular vintage. The term for short-term allocations will be through the end of the current compliance period. The election terms will be made through a form that will be provided to LSEs through DocuSign. There will be two separate fields for LSEs to elect their percentage of short-term allocation and long-term allocation. Allocations can only be made in increments of 10% (see slide 16). Once a long-term allocation is accepted by an LSE, that LSE cannot decline its long-term allocation in future years.

Q10: Is the PCIA Pro Forma available to LSEs?

A10: No, it is not yet available. SCE will file it with an Advice Letter on February 28, 2022. At that time, SCE will release the filed version of the pro forma VA agreement to participating LSEs to review in advance of the contracting process, since it will be a public document – albeit not approved by the Commission.

Q11: If an LSE takes a long-term allocation now, will the percentage of the output the LSE gets in the next compliance period be recalculated when the next compliance period starts?

A11: LSE's long-term election percentage lasts through the end of the term of the longest contract in the PCIA vintage. Therefore, the election from the previous VA cycle remains unchanged in subsequent VA cycle, however an LSE may elect additional allocations in future VA cycle.

Q12: PCIA is based on load share. Does LSE need to provide load share by rate classes? How are the RPS contracts used in the allocation calculation?

A12: LSE are not required to provide load share by rate class. What SCE provided to each LSE is their vintage responsibility, which includes all the rate classes. Through the meet and confer process and updated historical information the calculation will be refined for the final forecast.

To get LSE's share of REC's, the generation from RPS contracts in each vintage is multiplied by LSE's load share.

Q13: Is the denominator of the calculation of the LSE's percentage of each vintage all load in the SCE territory or just the load that is PCIA eligible load?

A13: To calculate LSEs' percentage allocation, SCE used total PCIA eligible load responsible for each vintage