



ADVICE LETTER SUMMARY

ENERGY UTILITY

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

Company name/CPUC Utility No.: The Regents of the University of California ("UC")

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person: Cynthia Clark

Phone #: (510) 287-3360

E-mail: Cynthia.Clark@ucop.edu

E-mail Disposition Notice to: Cynthia.Clark@ucop.edu

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

July 11, 2024

Advice Letter (AL) #: 25-E

Tier Designation: 2

Subject of AL: Request of The Regents of the University of California to Trade Mid-Term Reliability Compliance Obligations with Desert Community Energy Pursuant to D.23-02-040

Keywords (choose from CPUC listing): Contracts, Portfolio, Procurement, Reliability, Compliance

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.23-02-040

Does AL replace a withdrawn or rejected AL?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

Summarize differences between the AL and the prior withdrawn or rejected AL: n/a

Confidential treatment requested? Yes No

If yes, specification of confidential information: Market Sensitive 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: Cynthia Clark, Cynthia.Clark@ucop.edu, (510) 287-3360

Resolution required? Yes No

Requested effective date: 08/10/24

No. of tariff sheets: n/a

Estimated system annual revenue effect (%): n/a

Estimated system average rate effect (%): n/a

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: n/a

Service affected and changes proposed¹: See Advice Letter

Pending advice letters that revise the same tariff sheets: n/a

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: Cynthia Clark
Title: Clean Power Program Director
Utility Name: The Regents of the University of California
Address: 1111 Franklin Street
City: Oakland
State: California
Zip: 94607
Telephone (xxx) xxx-xxxx: (510) 287-3360
Facsimile (xxx) xxx-xxxx: n/a
Email: Cynthia.Clark@ucop.edu

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
Curtable 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	

July 11, 2024

VIA ELECTRONIC MAIL

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

UC Advice Letter No. 25-E

RE: Request of The Regents of the University of California to Trade Mid-Term Reliability Compliance Obligations with Desert Community Energy Pursuant to D.23-02-040 [Public Version]

PURPOSE

Pursuant to Decision (“D.”) 23-02-040, The Regents of the University of California, in its role as an Electric Service Provider (“UC”), on behalf of itself and Desert Community Energy (“DCE”), submits this Tier 2 Advice Letter (“AL”) to request that Energy Division approve the trading of a limited volume of Mid-Term Reliability (“MTR”) compliance obligations between UC and DCE.

TIER DESIGNATION

Pursuant to OP 10 of D.23-02-040, UC hereby submits this AL with a Tier 2 designation.

EFFECTIVE DATE

UC requests that this Tier 2 AL becomes effective August 10, 2024, which is 30 days following submittal.

BACKGROUND

In D.23-02-040, the Commission approved a framework for the trading of compliance obligations between two load-serving entities (“LSEs”). Specifically, the Decision provides that:

Any two load serving entities (LSEs) with compliance obligations under Decision (D.) 19-11-016, D.21-06-035, and/or this order may trade compliance obligations in arrangements that may include financial remuneration, but may not result in one LSE being relieved of its entire procurement obligation under D.21-06-035 in this order. Both LSEs must trade portions of their compliance obligations under this provision. The two LSEs shall notify the Commission of a trade of compliance obligations by at least one of the LSEs filing a Tier 2 Advice Letter providing documentation of the trade arrangement.¹

¹ *Id.* at 89, OP 10.

Consistent with this Commission-approved process, UC and DCE intend to trade portions of their MTR compliance obligations as detailed below.

DISCUSSION

UC is comprised of ten campuses and six academic medical centers throughout California with approximately 300,000 graduate and undergraduate students and nearly 250,000 faculty and staff. UC's Clean Power Program, whereby The Regents of the University of California has been a registered Electric Service Provider ("ESP") since 2015, provides Direct Access service to participating UC accounts spanning all three investor owned utility service territories. Approximately 45 percent of UC's total purchased electricity load is now self-supplied with carbon-free electricity through the Clean Power Program.

DCE is a Community Choice Aggregator (CCA) whose members are the Cities of Palm Desert and Palm Springs. DCE offers customers the choice to buy cleaner electricity at competitive rates, reducing greenhouse gas through the development of robust renewable energy infrastructure. DCE has been the default electricity provider in the City of Palm Springs since it launched service in April 2020. DCE currently serves approximately 33,000 electricity customers in Palm Springs, representing approximately 83% of the total eligible customers.

UC and DCE have each independently pursued procurement to meet their respective MTR compliance obligation. However, UC and DCE had identified deficiencies in their respective MTR procurement. To address this, UC and DCE intend to trade a limited amount of their respective compliance obligations. Neither LSE is opting out of its procurement obligations under D.21-06-035 or D.23-02-040, nor is the trade a purely financial arrangement.²

As a result of the trade, the total amount of capacity ordered to be procured for MTR purposes remains the same, and overall system reliability will be unaffected. There will be no harm or adverse impact on either of the LSE's customers. Accordingly, this proposed compliance trade meets all of the requirements and furthers the intent of D.23-02-040.

Specifically, UC will take on 1.25 MW of DCE's 2025 Minimum Zero Emitting Capacity (Diablo Canyon Replacement) Obligation and DCE will take on UC's 1 MW 2028 Minimum Long Lead Time, Long Duration Storage Obligation. [REDACTED]

[REDACTED]

///

² *Id.*

The following table illustrates the proposed trade:

MTR Procurement Obligations	2025 Minimum MW Obligation	2025 Minimum Zero Emitting Capacity (Diablo Canyon Replacement) MW Obligation	2028 Minimum Long Lead Time, Long Duration Storage MW Obligation
UC Obligations prior to the trade	■	■	■
DCE Obligations prior to the trade	4	7	3
Total Obligations prior to trade	■	■■	■
UC Obligations after the trade	■■■	■■■	■
DCE Obligations after the trade	2.75	5.75	4
Total Obligations after the trade	■	■	■

This Advice Letter is accompanied by supporting declarations from an authorized representative of each LSE, which authorizes and documents the MTR compliance trade.

REQUEST FOR CONFIDENTIAL TREATMENT

This Advice Letter contains market-sensitive information regarding UC’s and DCE’s MTR procurement efforts. UC requests that the redacted information, which contains confidential, market-sensitive information in support of this Advice Letter, including information related to each LSE’s open procurement position and other information specifically protected under D.06-06-066 be kept confidential by the Commission. The basis for this request for confidential treatment is provided in the Confidentiality Declaration, included herein as Attachment C.

ATTACHMENTS

The following attachments are included as part of this AL:

- **Attachment A:** Declaration of Cynthia Clark Supporting Mid-Term Reliability Compliance Obligation Swap Between The Regents of the University of California and Desert Community Energy [Public Version]
- **Attachment B:** Declaration of Tom Kirk Supporting Mid-Term Reliability Compliance Obligation Swap Between The Regents of the University of California and Desert Community Energy [Public Version]

- **Attachment C:** Declaration of Cynthia Clark Supporting Confidentiality Claim for Submission of The Regents of the University of California’s Advice Letter 25-E, Request to Trade Mid-Term Reliability Compliance Obligations with Desert Community Energy Pursuant to D.23-02-040

CONCLUSION

UC respectfully requests that Energy Division approve the trade of the limited MTR compliance obligation between UC and DCE.

NOTICE

Anyone wishing to protest this advice letter may do so only by electronic mail. Protests must be received no later than 20 days after the date of this advice letter. Protests should be submitted to the CPUC Energy Division at:

E-mail: EDTariffUnit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this Advice Letter should be sent by electronic mail to the attention of:

Cynthia Clark, Clean Power Program Director
University of California, Office of the President
1111 Franklin Street
Oakland, California 94607
Cynthia.Clark@ucop.edu

and

David Freedman, Program Manager – Energy & Sustainability
Desert Community Energy
74-199 El Paseo, Suite 100
Palm Desert, CA 92260
dfreedman@cvag.org

and

Ryan Baron, Partner
Best Best & Krieger LLP
18101 Von Karman Ave., Suite 1000
Irvine, CA 92612
Ryan.Baron@bbklaw.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and must be received by the deadline shown above.

A copy of this advice letter is being sent by electronic mail to each party of record in the official service list for Rulemaking 20-05-003. For changes to this service list, please contact the Commission's Process Office at (415) 703-2021, or by electronic mail at Process_Office@cpuc.ca.gov.

CORRESPONDENCE

For questions, please contact Cynthia Clark at (510) 287-3360 or by electronic mail at Cynthia.Clark@ucop.edu.

Respectfully,

/s/ Cynthia Clark

Cynthia Clark
Clean Power Program Director
University of California, Office of the President
1111 Franklin Street
Oakland, California 94607
Cynthia.Clark@ucop.edu

cc via email: Service List: R.20-05-003

ATTACHMENT A:

**Declaration of Cynthia Clark Supporting Mid-Term Reliability Compliance
Obligation Swap Between The Regents of the University of California and
Desert Community Energy**

[Public Version]

Declaration of Cynthia Clark Supporting Mid-Term Reliability Compliance Obligation Swap Between The Regents of the University of California and Desert Community Energy

The undersigned declares as follows:

1. I am the Clean Power Program Director for The Regents of the University of California (“UC”). In this capacity, I have knowledge of the information provided in this declaration and am authorized to make this declaration on UC’s behalf.
2. I am responsible for procuring resources on behalf of UC to comply with the California Public Utilities Commission (“Commission”) procurement orders in the Integrated Resource Planning (“IRP”) proceeding. I have knowledge of UC’s MTR compliance obligations, resource procurement, and open market positions and am familiar with UC’s IRP compliance filings.
3. I make this declaration in support of UC’s request to trade compliance obligations with Desert Community Energy (“DCE”).
4. DCE has authorized UC to file UC AL 25-E on DCE’s behalf.
5. Pursuant to the trading mechanism outlined in D.23-02-040, UC will trade 1 MW of 2028 Minimum Long Lead Time, Long Duration Storage Obligation for 1.25 MW of DCE’s 2025 Minimum Zero Emitting Capacity (Diablo Canyon Replacement) Obligation.
6. The following table illustrates the proposed trade:

MTR Procurement Obligations	2025 Minimum MW Obligation	2025 Minimum Zero Emitting Capacity (Diablo Canyon Replacement) MW Obligation	2028 Minimum Long Lead Time, Long Duration Storage MW Obligation
UC Obligations prior the trade	■	■	■
DCE Obligations prior to the trade	4	7	3
Total Obligations prior the trade	■	■	■

UC Obligation after the trade	■	■	■
DCE Obligations after the trade	2.75	5.75	4
Total Obligations after the trade	■	■	■

7. ■
8. As a result of the trade, the total amount of capacity ordered to be procured for MTR purposes remains the same, and overall system reliability will be unaffected.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on July 11, 2024, at Oakland, California

/s/ Cynthia Clark

Cynthia Clark
Clean Power Program Director
The Regents of the University of California

ATTACHMENT B:

**Declaration of Tom Kirk Supporting Mid-Term Reliability Compliance
Obligation Swap Between The Regents of the University of California and
Desert Community Energy**

[Public Version]

**Declaration of Tom Kirk Supporting Mid-Term Reliability Compliance Obligation Swap
Between The Regents of the University of California and Desert Community Energy**

The undersigned declares as follows:

1. I am the Executive Director of Desert Community Energy (“DCE”). In this capacity, I have knowledge of the information provided in this declaration and am authorized to make this declaration on DCE’s behalf.
2. I am responsible for procuring resources on behalf of DCE to comply with the California Public Utilities Commission (“Commission”) procurement orders in the Integrated Resource Planning (“IRP”) proceeding. I have knowledge of DCE’s MTR compliance obligations, resource procurement, and open market positions and am familiar with DCE’s IRP compliance filings.
3. I make this declaration in support of DCE’s request to trade compliance obligations with The Regents of the University of California (“UC”).
4. DCE has authorized UC to file UC AL 25-E on DCE’s behalf.
5. Pursuant to the trading mechanism outlined in D.23-02-040, UC will trade 1 MW of 2028 Minimum Long Lead Time, Long Duration Storage Obligation for 1.25 MW of DCE’s 2025 Minimum Zero Emitting Capacity (Diablo Canyon Replacement) Obligation.
6. The following table illustrates the proposed trade:


MTR Procurement Obligations	2025 Minimum MW Obligation	2025 Minimum Zero Emitting Capacity (Diablo Canyon Replacement) MW Obligation	2028 Minimum Long Lead Time, Long Duration Storage MW Obligation
UC Obligations prior the trade	█	█	█
DCE Obligations prior to the trade	4	7	3
Total Obligations prior the trade	█	█	█
UC Obligation after the trade	█	█	█

DCE Obligations after the trade	2.75	5.75	4
Total Obligations after the trade	█	█	█

7. █
8. As a result of the trade, the total amount of capacity ordered to be procured for MTR purposes remains the same, and overall system reliability will be unaffected.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on July 10, 2024, at Palm Desert, California


 Tom Kirk (Jul 10, 2024 20:36 MDT)

Tom Kirk
 Executive Director
 Desert Community Energy

ATTACHMENT C:

**Declaration of Cynthia Clark Supporting Confidentiality Claim for
Submission of The Regents of the University of California's Advice Letter 25-
E, Request to Trade Mid-Term Reliability Compliance Obligations with
Desert Community Energy Pursuant to D.23-02-040**

**Declaration of Cynthia Clark Supporting Confidentiality Claim for Submission of
The Regents of the University of California’s Advice Letter 25-E, Request to Trade Mid
Term Reliability Compliance Obligations with Desert Community Energy Pursuant
to D.23-02-040**

In accordance with General Order 66-D, Decision (“D.”) 06-06-066 and D.08-04-023 for the submission of confidential information to the California Public Utilities Commission (“Commission”) in an Advice Letter filing, The Regents of the University of California, in its role as an Electric Service Provider (“UC”), submits the following declaration in support of its claim of confidentiality for the below-specified information provided in UC Advice Letter 25-E: *Request of The Regents of the University of California to Trade Mid-Term Reliability Compliance Obligations with Desert Community Energy Pursuant to D.23-02-040* (“UC 25-E”) and the supporting declarations for UC Advice Letter 25-E provided in Confidential Attachments A and B.

The undersigned declares, under penalty of perjury, as follows:

9. I am the Clean Power Program Director for UC. In this capacity, I have knowledge of the information provided in this declaration and am authorized to make this declaration on UC’s behalf.
10. In this Advice Letter Submission, UC is securely and confidentially uploading the following documents to the Energy Division through the Commission’s File Transfer Protocol (“FTP”) system:
 - a. “Confidential Version - UC Advice Letter 25-E”
 - b. “Attachment A – [Confidential Version] – Declaration of Cynthia Clark Supporting Mid-Term Reliability Compliance Obligation Swap Between The Regents of the University of California and Desert Community Energy”
 - c. “Attachment B – [Confidential Version] – Declaration of Tom Kirk Supporting Mid-Term Reliability Compliance Obligation Swap Between The Regents of the University of California and Desert Community Energy”
 - d. “Attachment C – “Declaration of Cynthia Clark Supporting Confidentiality Claim for Submission of The Regents of the University of California’s Advice Letter 25-E, Request to Trade Mid-Term Reliability Compliance Obligations with Desert Community Energy Pursuant to D.23-02-040”

11. In this Advice Letter Submission, UC is publicly submitting the following documents to the Energy Division and the service list for the current Resource Adequacy Rulemaking, R.23-10-011, via email:
 - a. “Public Version - UC Advice Letter 25-E”
 - b. “Attachment A – [Public Version] – Declaration of Cynthia Clark Supporting Mid-Term Reliability Compliance Obligation Swap Between The Regents of the University of California and Desert Community Energy”
 - c. “Attachment B – [Public Version] – Declaration of Tom Kirk Supporting Mid-Term Reliability Compliance Obligation Swap Between The Regents of the University of California and Desert Community Energy”
 - d. “Attachment C – “Declaration of Cynthia Clark Supporting Confidentiality Claim for Submission of The Regents of the University of California’s Advice Letter 25-E, Request to Trade Mid-Term Reliability Compliance Obligations with Desert Community Energy Pursuant to D.23-02-040”
12. Through this declaration, UC requests that the Confidential information redacted in the Advice Letter and in the Confidential Attachments be treated as confidential and kept under seal.
13. This request for confidentiality is being made pursuant to the requirements and authority of Commission Decisions 06-06-066 and 08-04-023, Commission General Order 66-D, and California Government Code Section 7922.000.
14. 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 granular justification for confidential treatment, and specifies the length of time that the information is to be kept confidential.
15. UC is complying with the limitations on confidentiality specified in the D.06-06-066 Matrix (as amended by subsequent decisions) for the types of data being submitted subject to a request for confidentiality.
16. To the best of my knowledge, the information being submitted subject to this request for confidentiality is not already public.

17. UC is providing a Public Version of UC 25-E and associated attachments and is separately providing confidential information in the Confidential Version of UC 25-E and associated attachments to the Commission.
18. As set forth below, the Confidential Version of UC 25-E containing supporting information for UC 25-E that is highly market-sensitive and confidential. The Confidential information cannot be further summarized, aggregated, or otherwise protected in a way that allows for partial disclosure as it consists of UC and DCE's individual procurement allocations.
19. The following person is designated as the person for the Commission to contact regarding potential release of this information by the Commission:

Cynthia Clark, Clean Power Program Director
University of California Office of the President
1111 Franklin Street
Oakland, California 94607
Cynthia.Clark@ucop.edu

Executed on July 11, 2024, at Oakland, California

/s/ Cynthia Clark

Cynthia Clark
Clean Power Program Director
The Regents of the University of California

TABLE OF CONFIDENTIAL INFORMATION

UC Advice Letter 25-E:

Request of The Regents of the University of California to Trade Mid-Term Reliability Compliance Obligations with Desert Community Energy Pursuant to D.23-02-040

Redaction Reference	Authority For Confidentiality Request	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Redactions to UC AL 25-E and Attached Supporting Declarations	<p>CCA/ESP Matrix,</p> <ul style="list-style-type: none"> • Item II(A) – Load Forecast Information and Data • Item II(B) – RA Supply Data • Item III(B) – LSE Total Peak Load Forecast • Item IV(C) – Bilateral Contracts <p>Government Code, Section 7927.705; Evidence Code, Section 1060 (see also Civil Code Section 3426.1)</p> <p>California Government Code, Section 7922.000</p>	<p>The redacted information consists of UC’s confidential allocations of Mid-Term Reliability obligations and data derived from such allocations, which are based on Year-Ahead Resource Adequacy Forecasts and peak share.³</p> <p>Additionally, the redacted information consists of data that could reveal or be used to derive UC’s net short position or otherwise qualifies as market-sensitive information, as it is not generally known and could be used by others to gain economic value from its disclosure, impact both UC’s negotiating positions and the energy and capacity market more generally. The public interest in maintaining fair and functional markets by</p>	<p>Under Item II(B), RA Supply Data is confidential for the first three years of the forecast period.</p> <p>Under Item IV(C), Bilateral Contract, “other terms” are protected for three years from the start date of deliveries or one year following expiration.</p>

³ See D.21-06-035 at 55 (“A different approach is being taken for ESPs because their 2021 energy and peak demand forecasts are both confidential, meaning that even under the hybrid peak/energy approach, individual ESP procurement obligations would have to remain confidential. Thus, the hybrid approach offers no transparency advantage for ESPs, so their requirements will be set based on peak share alone.”).

		protecting this information outweighs any negligible public interest in publicly disclosing this information.	
--	--	---	--