

# Policy, Planning, Procurement A Perspective

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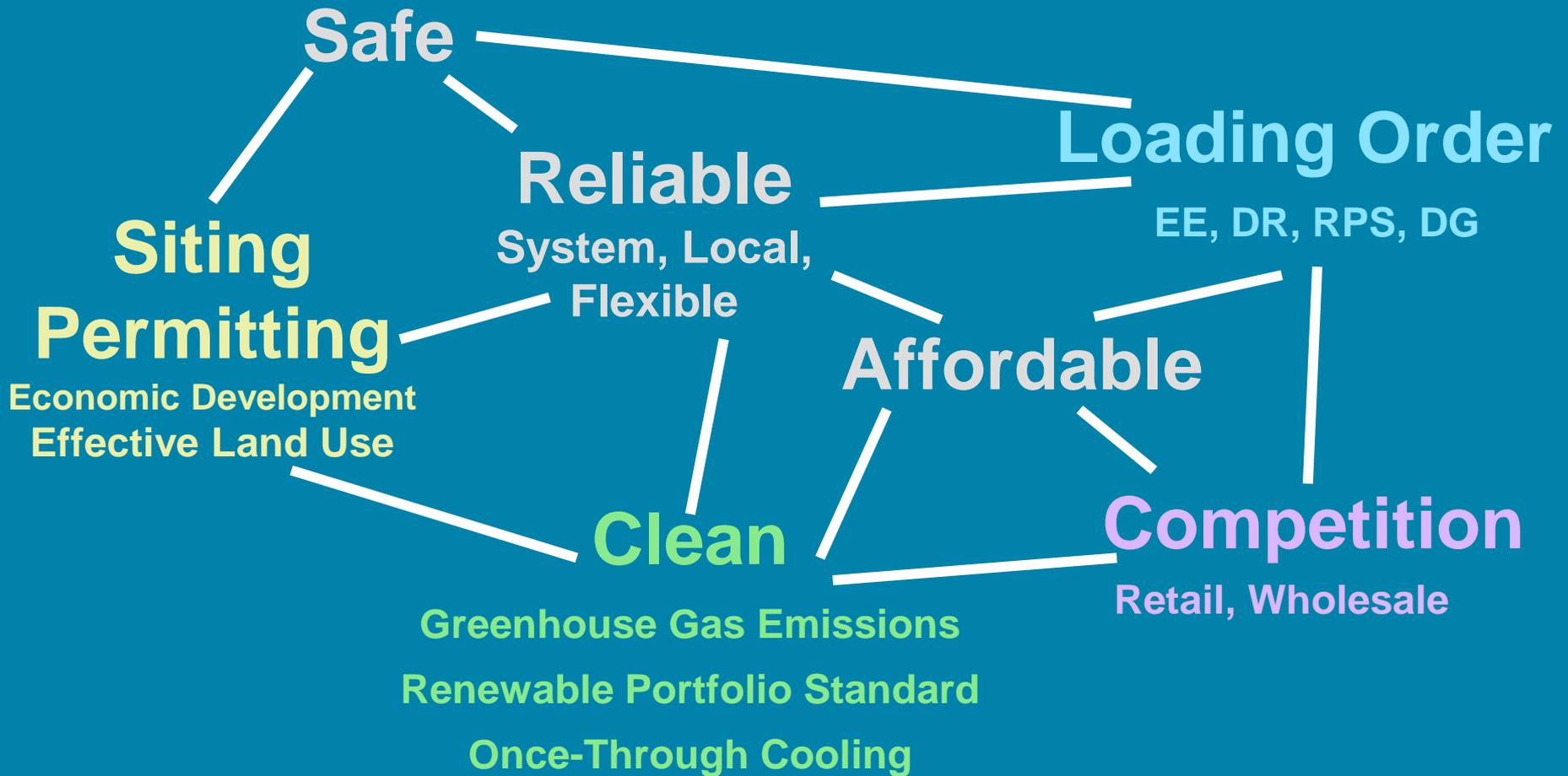
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# Policy



**California has a complex web of energy and environmental policies.**



# Planning

## Long Term Procurement Plan (LTPP) Proceeding at the CPUC

- Ensures a reserve margin
- Evaluates the need for new fossil-fired resources
- The “umbrella” proceeding to consider, in an integrated fashion, all of the Energy Action Plan loading order resource policies and programs
- Implements a long-term planning process

**LTPP Need Determination  
and Procurement Authorization  
drives entry of new resources.**



# Procurement

Long Term Procurement Plan (LTPP)  
10-Year Forward  
Need Determination  
and Procurement Authorization  
for new entry

Resource Adequacy (RA)  
1-Year Forward  
Procurement Obligation on all LSEs



Delivery Year  
Spot Markets

**The existing procurement framework  
for capacity has two parts:  
RA and LTPP**



# Procurement

Long Term Procurement Plan (LTPP)

10-Year Forward

Need Determination  
and Procurement  
Authorization  
for new entry

Missing 3 to 5 Year Forward  
Procurement Mechanism

Resource Adequacy (RA)  
1-Year Forward  
LSE Procurement Obligation



Delivery Year  
Spot Markets

**There is a gap  
in the existing procurement framework.**



# Problem Statement

**Existing procurement framework  
does not ensure  
sufficient flexible resources  
will exist in intermediate term.**