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# Proposal to Revise Timing of Local RA True-Up

*February 9, 2015*

*CPUC RA Workshop*

*R.14-10-010*

# Issues With Current Process

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- Load migration occurs among LSEs from September through mid-March before LSEs provide an updated Local RA True-up forecast.
- The one-time Local RA True-up kicks in after RA procurement is largely completed by LSEs.
  - ED notice in April for mid-May filing incorporating Local RA and Flex True-ups for the July RA compliance month.
  - Limited RA market to sell excess/procure more in the summer period.
- As the Local RA True-up moves later in the year, the RA loses its local value defeating the purpose of the Local True-up.
- LSEs gaining load between October of the previous year through March of the current year are able to delay Local RA procurement later into the year and procure at prices that do not properly reflect the annual Local RA costs.

# Proposal

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- Reduce inefficiencies in RA procurement by moving date for submitting load forecast data for the Local RA True-up one month earlier (to mid-February from the current mid-March).
- Adds one more month of Local RA procurement by LSEs gaining load, thus reflecting a Local RA obligation closer to the annual cost.
- Consistent with original true-up forecast done end of January for 2011 through 2014 RA compliance years.

# Current and Proposed Process

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<b>Filing</b>	<b>D.14-06-050 As Implemented by Energy Division</b>	<b>Proposed</b>
<b>LSEs submit revised August load forecast for Local RA True-Up</b>	Mid-March	Mid- February
<b>LSEs submit first RA compliance filing using adjusted Local RA True-Ups</b>	Mid-May for July RA compliance month	Mid-April for June RA compliance month