

## **Scope of Work: RA Slice of Day Power Pool – Strategic Assessment 2**

**Overview:** Building on a previous assessment of a RA ‘match-making service’ concept and program, which is available to CC Power members and was focused on supporting monthly RA compliance transaction efficiency, this next strategic assessment, Strategic Assessment 2, will further quantify member-specific benefits by looking at actual or likely member portfolios and will evaluate launch and operating costs.

This project will: 1) gather member-specific portfolio information for a test case year or other time frame, under confidentiality provisions, 2) calculate member specific benefits under likely design(s) of the RA Power Pool, 3) conduct relevant sensitivities (including around adding Southern California CCAs to the pool) around the analysis to highlight additional pool values through select design features or memberships, 4) capture and identify key ‘lessons-learned’ from existing or past RA Pool efforts used by CCAs and 5) loosely develop an implementation plan and (rough) cost-estimate for implementation.

The RA Power Pool, as envisioned, will enable match-making amongst members to transact RA capacity, yielding member cost-savings and a ‘collectively optimal’ approach, under the CPUC’s authorized 24-hour ‘slice-of-day’ RA compliance requirement. This RA Pool, if established, could operate 13x per year (12x monthly, and potentially an annual pool effort, if so desired). Additional features of the pool can be developed and added, such as tools for how collective pool capacity deficiencies or surpluses may be identified, which may indicate that there could be value in establishing RA procurement functionality within CCP, which could operate outside of the pool. Transactions recommended or identified through the pool would be settled in accordance with rules established by the project participants..

The primary goal of this project will be to support a ‘go/no-go’ decision by CC Power and members to actually design the pool and possibly implement it. Member-specific information on benefits, an implementation roadmap, and implementation cost-estimates will be important for this decision.

### **Scope of Work:**

- Develop a report (approx. 20 pages) that follows from the CC Power RA Power Pool Strategic Assessment 1.
- This report will include:
  - A new evaluation of the expected value of the power-pool by using actual member portfolio data (if provided)
  - Additional sensitivity analysis on values from the power pool, including:
    - If 1-2 So-Cal LSEs join the pool
    - If an additional Nor-Cal CCA joins the pool
    - Other logical sensitivities related to various power pool designs, based on findings from Strategic Assessment 1
  - If shareable by members, include findings on best-practices or key challenges, strengths, and flaws as learned from other CCA Power Pool efforts.
  - A recommended ‘implementation plan’ for the pool, which would further consider the steps to launch a pool. This should include loose cost-estimates for both 1) setting up

and activating the pool and 2) ongoing operations of the pool, including loose estimates or ideas for software requirements or costs..

- Develop a list of possible service providers and/or resourcing/staff needs from CC Power for implementing and administering the pool
  - Include pros and cons of long-term operating models for the pool with an eye towards running the pool internally vs through external consultants
- List regulatory or legal 'risks' of the pool that could stop the use of the pool or significantly disrupt the expected value of the pool, e.g. regulatory changes to slice-of-day, etc. Such matters may need legal review and, aside from being identified, are beyond the scope of this project.
- Further explore recommended pool enhancements that may be incorporated beyond the basic 'matchmaking' design, with an eye towards the incremental benefits such enhancements might theoretically provide.
- Further specify a governance and conflict-resolution model. This model may serve as the basis for an initial governance structure which members could adapt for purposes of establishing the Pool.
- Come up with potential snappy names for the RA power pool, if you can think of a few.

#### Schedule:

This project is expected to take 6-10 weeks to complete.

The project should launch in October 2024. The project should be completed before December, 2024.

Consultants who undertake this project may also be asked to meet with CC Power members at select meetings during the project window.