

MAY 2022

Voluntary Allocation and Market Offer (VAMO)



What is VAMO?

- In May of 2021, the CPUC issued a Decision (D.21-05-030) that proposed the allocation of products (RPS, RA, Carbon Free) to all LSEs in IOU service territories as part of the Power Charge Indifference Adjustment (PCIA) process
 - This means that because EBCE customers pay the PCIA, those customers are entitled to a proportional share of the products that they are paying for through the PCIA
 - The Voluntary Allocation and Market Offer (VAMO) is the process for PG&E to allocate a proportional share of their renewable portfolio to EBCE and other LSEs within their service territory

VAMO - Renewable Product

- EBCE would be allocated generation from PG&E's eligible renewable portfolio proportional to the amount of electricity sales that EBCE has in PG&E territory
- This is similar in design to the annual allocation that EBCE receives from PG&E large hydro resources
- Cost for product would be the Market Price Benchmark (MBP) which is an annual, established REC price determined through the PCIA process and based on market executed transactions

VAMO - Renewable Product

- The VAMO allocation is split between short-term and long-term contract allocation. Short-term reflects a 1-year term and long-term reflects PPAs with 10 years or longer remaining
- For long-term, term length would match the contract term length of the allocated long-term projects with delivery starting in 2023
- The annual volumes through 2030 available to EBCE from PG&E through the allocation:

MWh	LT	ST
2023	1,283,572	272,103
2024	1,299,909	248,135
2025	1,335,291	241,524
2026	1,330,724	197,953
2027	1,325,452	175,474
2028	1,323,801	171,652
2029	1,316,050	131,873
2030	1,311,159	129,780

VAMO - Timeline

- PG&E formally notified LSEs of VAMO allocation amounts on 5/16
- Deadline to formally respond with an attestation to accept is June 10th
- Contract execution will take place June-July '22
- VAMO allocation process is expected to be finalized by October '22
- Staff is currently evaluating the allocation amounts to determine what to accept in relation to existing portfolio hedges and compliance requirements related to SB350/RPS

SB350 and Long-Term RPS

- **SB350**: Is a Senate Bill that requires EBCE and other LSE's in the state to have 65% of their RPS generation come from contracts of 10 years or longer to be compliant with the CA Renewable Portfolio Standard (RPS)
 - The annual RPS percent is the state's renewable content target that increases annually to 60% in 2030
 - This is measured across a compliance period, the current compliance period (CP4, 2021-2024) is the first applicable CP
- Most of the renewable generation from VAMO would come from PG&E contracts of 10 years or longer and would count towards EBCE's SB350 requirement

Next Steps

- As part of VAMO EBCE must elect the amount of the allocation that would be received with deliveries starting in 2023 and anticipates accepting up to the full allocation for long-term renewable energy
- This election can be made in 10% increments of EBCE's share and is due on June 10th, 2022
- The renewable generation would count as EBCE renewable content on the PCL, and towards EBCE's RPS requirement including SB350 and not count as PG&E's renewable content

Thank You!



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