Fact Sheet: Decision Allowing Bridge Resources for Alternative Compliance with Diablo Canyon Replacement Resource Category in Decision 21-06-035

Overview of Decision 24-09-006

On September 12, 2024, the California Public Utilities Commission (CPUC) adopted Decision (D.) 24-09-006, which allows Load-Serving Entities (LSEs) to use short-term bridge resources to meet compliance obligations related to replacing the Diablo Canyon Power Plant's attributes under D. 21-06-035. These bridge resources, which may be used for up to three years beyond the compliance deadline of June 1, 2025, address near-term reliability challenges and procurement gaps. This decision provides LSEs flexibility while maintaining progress toward replacing Diablo Canyon's capacity and energy compliance obligations.

Eligibility of Diablo Canyon Bridge Resources

Bridge resources must meet all existing requirements for Diablo Canyon replacement resources as outlined in D.21-06-035, including the requirement for incrementality.

Eligible bridge resources must:

- Have zero on-site greenhouse gas (GHG) emissions. or
- Be eligible under the Renewables Portfolio Standard (RPS) program, or
- Originate from a California Air Resources Board (CARB)-approved Asset Controlling Supplier with low emission factors, such as a hydroelectric resource

Contract terms

- Bridge contracts can be used to meet compliance for a maximum of three years from the compliance deadline of June 1, 2025. The final deadline for compliance is June 1, 2028. A non-bridge resource should meet a minimum of ten years of compliance.
- Baseline capacity resources that were planned for retirement or had expiring contracts prior to June 1, 2025, can be re-contracted for compliance, provided they meet eligibility criteria.

Exclusions

The following are not eligible for compliance as a Diablo Canyon Replacement bridge resource:

- Unspecified imports as defined by CARB's Cap-and-Trade Program Regulations, due to the inability to verify their emissions characteristics.
- Unspecified imports paired with Renewable Energy Credits (RECs), even if eligible under the RPS program, are also not eligible for compliance.

LSE Submittal Process for Bridge Resources

LSEs must submit new or re-contracted bridge resource contracts for CPUC approval, following the established submission procedures.

All submissions must include the following:

- An explanation of any delays in procuring long-term resources
- A description of the replacement capacity being pursued

For existing resources re-contracted as bridge resources, additional documentation is required:

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- A reference to the resource in the baseline
- A copy of the proposed new contract
- Evidence that the prior contract has expired or that the resource is scheduled for retirement or is at risk of retirement.

Consideration of Other Resources

Other resources that align with the principles of D.24-09-006, but do not meet the explicit eligibility criteria, may still be considered by CPUC staff. These resources require the submission of a Tier 2 advice letter for review and approval.

This guidance is provided by Energy Division Staff to facilitate LSE compliance with Commission Decisions. This guidance does not modify any Commission Decision, and where any apparent or explicit or implicit conflicts between this guidance may arise the language of Commission orders prevails.

Helpful Links to Learn More:

CPUC IRP Website: Integrated Resource Plan and Long Term Procurement Plan (IRP-LTPP) (ca.gov)

CPUC Decision: 540810133.PDF (ca.gov)

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