

RDT Questions re: ELCC

May 9, 2025

Question 1 from: Mary Neal <mnn@mrwassoc.com>, MRW & Associates, LLC, 5/7/2025

Question 1a: I wanted to follow up on yesterday's discussion regarding the applicability of incremental ELCCs and whether they apply by tranche or Commercial Operation Date (COD). Staff issued the following [previous guidance](#), starting at the bottom of page 2:

"Staff connects this possibility with the use of Effective Load Charging Capacity (ELCC) as follows. If a single resource is being used by a LSE to comply with multiple tranches, the LSE can count it towards the tranche it first comes online in time for, up to the LSE's obligation for that tranche, using that tranche's ELCC, and then count the remaining balance of the resource's nameplate capacity towards the next tranche using that tranche's ELCC, and so on. In this way LSEs have equal access to each tranche's ELCCs, regardless of how many resources they are using to comply, and staff expect this to result in procurement of resource types and amounts that meet the reliability need.

This same approach should be used if an LSE meets its obligations in a tranche early, regardless of how many resources it is using. In other words, the LSE should count the resources using the ELCCs for that tranche, but only up to the LSE's obligation for that tranche."

Response 1a: D. 23-02-040, p. 19, states that if an LSE is seeking to use a D.19-11-016 project to count toward a D.19-11-016 obligation, then it will be counted using the D.19-11-016 vintage of ELCC values. If an LSE contracted with a resource expected to be online in 2024 that was delayed and/or cancelled but obtained a bridge resource for that period (2024), then the ELCC for the initial period (2024) can be used if the bridge resource is online in 2024.

Question 1b and Response 1b are confidential and have been confidentially sent to the inquiring LSE.

Question 2 from Erin Pennell <epennell@sdcommunitypower.org>, SD Community Power, 5/8/2025

Question 2a: In follow-up of Tuesday's office hours, can you please confirm my understanding of the following paragraph in relation to project delays:

"LSEs are required to fulfill each tranche of their procurement obligation, regardless of delays or procurement gaps. Delayed resources (short-term and long-term) can be

counted toward the tranche the resource was originally intended for if a delay occurs, although enforcement actions may still take place. The LSE is not required to reassign a delayed resource to a later tranche if the prior tranche has not been filled. Ultimately, resource tranche selection is up to the LSE."

Response 2a: Even if there are tranche(s) for which resources were not procured, LSEs' procurement obligations do not change. For example, if an LSE is required to bring 8 MW online—three in Tranche 1; two in Tranche 2; and three in Tranche 3; and either no resources were procured or all resources that were procured were cancelled/terminated in Tranche 1 and Tranche 2, but 2 MW were procured in Tranche 3, the LSE still has a remaining 6 MW cumulative procurement obligation because only 2 MW were procured in total among Tranches 1, 2, and 3.

As stated in FAQ Version 5_1, delayed resources (short-term and long-term) can be counted toward the tranche the resource was originally intended. However, if the delayed resource is cancelled/terminated, the tranche(s) intended to be covered by the delayed resource cannot be backfilled with a future resource beyond the original resource COD.

Also as stated in FAQ, Version 5_1, LSEs are not required to reassign a delayed resource to a later tranche if the prior tranche has not been filled, as resource tranche selection is up to the LSEs.

In general, when capacity from a resource is assigned to a tranche, that capacity must be online on or before the assigned tranche's deadline. If the LSE does not wish to apply a delayed resource to a prior tranche or if a prior tranche has been filled, the delayed resource may be used to comply with future tranches based on their COD. For example, if a solar resource was initially planned to come online in 2023 to meet an LSE's 2023 compliance obligations but is now delayed to 2025, and comes online on or before the 2025 tranche deadline, it can be used to meet the 2025 procurement obligations by applying corresponding ELCC counting methodologies for 2025 for such resource. Another example is when a resource is assigned to the 2025 tranche with a COD of 2025. If the resource is delayed until 2027, an LSE can choose to assign the capacity for the 2027 resource to its 2027 procurement obligation or its 2028 obligation.

Question 2b: We have a resource that was originally supposed to be Tranche 2 but was delayed. We procured bridge resources for the period of the delay. Therefore, we can include both the long-term resource NQC and the bridge NQC under Tranche 2, up to our obligation amount. Then, the remainder would overflow into Tranche 3. Is that correct?

Response 2b: Yes, when a resource has an original COD for Tranche 2 but is delayed and a bridge resource with a COD within Tranche 2 is procured, both the long-term resource NQC

and bridge NQC can be used in Tranche 2 up to the obligation amount. Any excess NQC from the delayed resource and bridge resource can be used for Tranche 3 or any future tranches based on the COD.

Question 3 from Erin Pennell <epennell@sdcommunitypower.org, SD Community Power, 5/8/2025

Question 3: Additionally, I would like to follow up on what the Net-CONE penalty amount will be for 2023-2025?

Response 3: As stated during the RDT Office Hours on May 6, 2025, questions regarding procurement penalties are not related to the discussion of RDT requirements. Each LSE's compliance status will be discussed individually with each LSE in the near future.