

Market Price Benchmark Calculations 2024

October 4, 2024

This document provides an addendum to the Market Price Benchmarks for the Power Charge Indifference Adjustment Forecast and True Up issued on October 2, 2024, to include the Resource Adequacy Adder to the Market Price Benchmark as defined by D.18-10-019 and revised by D.19-10-001, D.22-01-023 and D.23-06-006.

The 2024 Final MBP and 2025 Forecast MPB are used to calculate the 2025 PCIA. For informational purposes, ED included the 2024 MPB for comparison.

Table 1. 2024 Final Market Price Benchmarks Used in PCIA Calculations

		2023 Final Market Price Benchmarks			2024 Final Market Price Benchmarks		
		PG&E	SCE	SDG&E	PG&E	SCE	SDG&E
RA Adder	System RA	\$14.37			\$28.65		
	Local RA	\$8.38	\$7.79	\$9.77	\$12.22	\$10.26	\$17.21
	Flexible RA	\$7.82			\$12.89		
RPS Adder		\$30.30			\$65.63		

Table 2. 2025 Forecast Market Price Benchmarks

		2024 Forecast Market Price Benchmarks			2025 Forecast Market Price Benchmarks		
		PG&E	SCE	SDG&E	PG&E	SCE	SDG&E
Energy Index	On-Peak	\$72.88	\$68.30	\$68.30	\$55.02	\$41.54	\$41.54
	Off-Peak	\$65.77	\$62.59	\$62.59	\$53.18	\$47.84	\$47.84
RA Adder	System RA	\$15.23			\$42.54		
	Local RA	\$9.52	\$8.81	\$8.60	\$13.29	\$11.10	\$9.99
	Flexible RA	\$9.12			\$14.16		
RPS Adder		\$31.73			\$67.06		

RA Adder

The RA Adder is the MPB that reflects the estimated value of each unit of capacity in an IOU's PCIA-eligible portfolio that can be used to satisfy Resource Adequacy obligations, in dollars per kilowatt-month (\$/kW-month). The RA Adder has three subcomponents, reflecting each type of RA product required for compliance with the RA program: system, local, and flexible.¹

¹ D.19-10-001 at 7.

- **The Forecast RA Adders** for system and flexible RA were calculated using the volume-weighted average of all IOU, Community Choice Aggregator (CCA), and Electric Service Provider (ESP) RA-only market transactions executed from September of 2023 through August of 2024, for delivery in 2025.
- **The Forecast RA Adders** for local RA were calculated using the volume-weighted average of all IOU, CCA, and ESP local RA market transactions executed from December of 2021 through August of 2024, with delivery in 2025.
- **The Final RA Adders** for system and flexible RA were calculated using the volume-weighted average of all IOU, CCA, and ESP RA-only market transactions executed from December of 2022 through August of 2024, for delivery in 2024.
- **The Final RA Adders** for local RA were calculated using the volume-weighted average of all IOU, CCA, and ESP local RA market transactions executed from December of 2020 through August of 2024, with delivery in 2024.

Additional Information

We have provided additional information regarding system, flex and local resource adequacy transaction volumes for transparency purposes. We note that the system, flex, and local market price benchmarks and true-ups include transactions between affiliates as well as swap transactions. However, Energy Division’s staff preliminary analysis suggests that the swap and affiliate transactions do not materially affect the overall market price benchmark, primarily because eliminating all swaps and affiliate transactions eliminates some low and average transactions, but also eliminates some of the highest priced transactions. However, exclusion of all swap and affiliate transactions would reduce the already low transaction volumes. Finally, while we have not provided weighted average monthly prices for the system resource adequacy market price benchmark, which have increased nearly threefold over the 2024 system forecast market price benchmark, ED staff notes that the overall number is driven by the summer versus winter differential.

Table 3. Transaction Volume for Year-Ahead Market Price Benchmark Forecast for 2024 v 2025

	2024 MPB Forecast	2025 MPB Forecast
Flex Transaction Volume (MW)	~41,000 MW-months (or ~3,400 per month)	9,380 MW-months (or ~780 MW per month)
System Transaction Volume (MW)	~52,000 MW-months (or ~4,300 per month)	6,708 MW-months (or ~600 MW per month)

Additionally, we have provided RA transaction volumes by month for informational purposes.

Table 4. 2025 Forecast System, Local and Flex RA Price and Transaction Volume, by Month (9/23 - 8/24 for non-local, from 12/21-8/24 for local)

Month	System MW	Local MW	Flex MW
January	309	9,647	240
February	310	9,577	280
March	624	9,138	240
April	208	9,827	240
May	600	9,253	325
June	779	10,219	1,125
July	828	10,234	1,125
August	809	10,184	1,125
September	787	10,122	1,125
October	784	9,552	1,225
November	332	9,378	1,165
December	335	9,436	1,165
Total	6,705	116,570	9,380

Table 5. 2024 Final System, Local and Flex RA Price and Transaction Volume, by Month (9/22 - 8/24 for non-local, from 12/20-8/24 for local)

Month	System MW	Local MW	Flex MW
January	1,323	11,081	3,771
February	1,100	10,920	4,067
March	1,489	10,307	4,806
April	1,954	10,441	4,419
May	1,764	10,407	4,260
June	2,615	12,867	3,141
July	3,107	13,182	3,498
August	3,429	13,124	3,400
September	4,854	12,373	3,068
October	2,510	12,142	3,411
November	1,950	12,073	3,883

December	2,026	10,794	3,432
Total	28,120	139,711	43,157