

AMENDED IN SENATE AUGUST 4, 2014

AMENDED IN SENATE JUNE 16, 2014

AMENDED IN ASSEMBLY MAY 6, 2014

AMENDED IN ASSEMBLY APRIL 10, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2363**

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**Introduced by Assembly Member Dahle**  
**(Principal coauthor: Assembly Member Alejo)**  
**(Coauthors: Assembly Members Bonilla, Bradford, Jones, and**  
**Patterson)**

(Coauthor: Senator Galgiani)

February 21, 2014

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An act to amend Sections 399.13 and 454.5 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2363, as amended, Dahle. Electricity procurement.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined, while local publicly owned electric utilities, as defined, are under the direction of their governing board. The Public Utilities Act imposes various duties and responsibilities on the Public Utilities Commission with respect to the purchase of electricity and requires the commission to review and adopt a procurement plan and a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program.

The Public Utilities Act requires the Public Utilities Commission to review and adopt an overall procurement plan for each electrical corporation to meet electricity demand for its customers in accordance with specified elements, incentive mechanisms, and objectives. The act requires the Public Utilities Commission to review and accept, modify, or reject each electrical corporation's procurement plan and requires that each approved procurement plan accomplish specified objectives.

This bill would require the Public Utilities Commission to direct electrical corporations to include in their proposed procurement plans the costs of integrating an eligible renewable energy resource, as specified.

(2) The California Renewables Portfolio Standard Program requires a retail seller, as defined, and local publicly owned electric utilities to purchase specified minimum quantities of electricity products from eligible renewable energy resources, as defined, for specified compliance periods. The program, consistent with the goals of procuring the least-cost and best-fit eligible renewable energy resources that meet project viability principles, requires that all retail sellers procure a balanced portfolio of electricity products from eligible renewable energy resources, as specified, referred to as the portfolio content requirements. The program requires the commission to adopt, by rulemaking, a process that provides criteria for the rank ordering and selecting of least-cost and best-fit eligible renewable energy resources to comply with the program obligations on a total cost basis, taking into account specified matter.

This bill additionally would require the commission to adopt, by rulemaking, by October 1, 2015, a methodology for determining the costs of integrating an eligible renewable energy resource.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California is leading the world in adopting comprehensive
- 4 programs that reduce emissions of greenhouse gases, including
- 5 passage of the California Global Warming Solutions Act of 2006
- 6 (Division 25.5 (commencing with Section 38500) of the Health
- 7 and Safety Code) and the California Renewables Portfolio Standard

1 Program (Article 16 (commencing with Section 399.11) of Chapter  
2 2.3 of Part 1 of Division 1 of the Public Utilities Code).

3 (b) The state has an abundant supply of renewable energy  
4 resources, including geothermal, biomass, biomethane, wind, and  
5 solar, that has contributed to the state's ability to reduce its  
6 emissions of greenhouse gases and meet its renewables portfolio  
7 standard procurement targets.

8 (c) It is in the public's interest that the state continue to promote  
9 policies to ensure eligible renewable energy resources be procured  
10 and contributed to the state's ability to reduce its greenhouse gas  
11 emissions and meet the targets of the California Renewables  
12 Portfolio Standard Program (Article 16 (commencing with Section  
13 399.11) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities  
14 Code).

15 (d) There are eligible renewable energy resources in the state  
16 that, if developed and retained, would not require additional  
17 capacity to maintain the reliability of the bulk electrical system  
18 and could generate during periods in which electricity is likely to  
19 be the most valuable, prospectively.

20 (e) Procuring and retaining a diversified portfolio of eligible  
21 renewable energy resources may do all of the following:

22 (1) Assist electrical corporations in satisfying renewable energy  
23 procurement and greenhouse gas emissions reductions goals in a  
24 cost-effective manner.

25 (2) Partially meet peak load requirements with electricity  
26 generated by eligible renewable energy resources, which will have  
27 substantial benefits from reduced emissions of greenhouse gases,  
28 and cobenefits from reduced emissions of criteria pollutants.

29 (3) Maintain the reliability of the electrical grid to meet demand  
30 for electricity on a 24-hour basis.

31 (4) Contribute to local employment and economic growth  
32 throughout the state.

33 SEC. 2. Section 399.13 of the Public Utilities Code is amended  
34 to read:

35 399.13. (a) (1) The commission shall direct each electrical  
36 corporation to annually prepare a renewable energy procurement  
37 plan that includes the matter in paragraph (5), to satisfy its  
38 obligations under the renewables portfolio standard. To the extent  
39 feasible, this procurement plan shall be proposed, reviewed, and  
40 adopted by the commission as part of, and pursuant to, a general

1 procurement plan process. The commission shall require each  
2 electrical corporation to review and update its renewable energy  
3 procurement plan as it determines to be necessary.

4 (2) Every electrical corporation that owns electrical transmission  
5 facilities shall annually prepare, as part of the Federal Energy  
6 Regulatory Commission Order 890 process, and submit to the  
7 commission, a report identifying any electrical transmission  
8 facility, upgrade, or enhancement that is reasonably necessary to  
9 achieve the renewables portfolio standard procurement  
10 requirements of this article. Each report shall look forward at least  
11 five years and, to ensure that adequate investments are made in a  
12 timely manner, shall include a preliminary schedule when an  
13 application for a certificate of public convenience and necessity  
14 will be made, pursuant to Chapter 5 (commencing with Section  
15 1001), for any electrical transmission facility identified as being  
16 reasonably necessary to achieve the renewable energy resources  
17 procurement requirements of this article. Each electrical  
18 corporation that owns electrical transmission facilities shall ensure  
19 that project-specific interconnection studies are completed in a  
20 timely manner.

21 (3) The commission shall direct each retail seller to prepare and  
22 submit an annual compliance report that includes all of the  
23 following:

24 (A) The current status and progress made during the prior year  
25 toward procurement of eligible renewable energy resources as a  
26 percentage of retail sales, including, if applicable, the status of any  
27 necessary siting and permitting approvals from federal, state, and  
28 local agencies for those eligible renewable energy resources  
29 procured by the retail seller, and the current status of compliance  
30 with the portfolio content requirements of subdivision (c) of  
31 Section 399.16, including procurement of eligible renewable energy  
32 resources located outside the state and within the WECC and  
33 unbundled renewable energy credits.

34 (B) If the retail seller is an electrical corporation, the current  
35 status and progress made during the prior year toward construction  
36 of, and upgrades to, transmission and distribution facilities and  
37 other electrical system components it owns to interconnect eligible  
38 renewable energy resources and to supply the electricity generated  
39 by those resources to load, including the status of planning, siting,

1 and permitting transmission facilities by federal, state, and local  
2 agencies.

3 (C) Recommendations to remove impediments to making  
4 progress toward achieving the renewable energy resources  
5 procurement requirements established pursuant to this article.

6 (4) The commission shall adopt, by rulemaking, all of the  
7 following:

8 (A) A process that provides criteria for the rank ordering and  
9 selection of least-cost and best-fit eligible renewable energy  
10 resources to comply with the California Renewables Portfolio  
11 Standard Program obligations on a total cost basis. This process  
12 shall take into account all of the following:

13 (i) Estimates of indirect costs associated with needed  
14 transmission investments.

15 (ii) The cost impact of procuring the eligible renewable energy  
16 resources on the electrical corporation's electricity portfolio.

17 (iii) The viability of the project to construct and reliably operate  
18 the eligible renewable energy resource, including the developer's  
19 experience, the feasibility of the technology used to generate  
20 electricity, and the risk that the facility will not be built, or that  
21 construction will be delayed, with the result that electricity will  
22 not be supplied as required by the contract.

23 (iv) Workforce recruitment, training, and retention efforts,  
24 including the employment growth associated with the construction  
25 and operation of eligible renewable energy resources and goals  
26 for recruitment and training of women, minorities, and disabled  
27 veterans.

28 (v) (I) Estimates of ~~ongoing~~ electrical corporation expenses  
29 resulting from integrating and operating eligible renewable energy  
30 resources, including, but not limited to, any additional wholesale  
31 energy and capacity costs associated with integrating each eligible  
32 renewable resource.

33 (II) No later than October 1, 2015, the commission shall approve  
34 a methodology for determining the integration costs described in  
35 subclause (I).

36 (B) Rules permitting retail sellers to accumulate, beginning  
37 January 1, 2011, excess procurement in one compliance period to  
38 be applied to any subsequent compliance period. The rules shall  
39 apply equally to all retail sellers. In determining the quantity of  
40 excess procurement for the applicable compliance period, the

1 commission shall deduct from actual procurement quantities the  
2 total amount of procurement associated with contracts of less than  
3 10 years in duration. In no event shall electricity products meeting  
4 the portfolio content of paragraph (3) of subdivision (b) of Section  
5 399.16 be counted as excess procurement.

6 (C) Standard terms and conditions to be used by all electrical  
7 corporations in contracting for eligible renewable energy resources,  
8 including performance requirements for renewable generators. A  
9 contract for the purchase of electricity generated by an eligible  
10 renewable energy resource, at a minimum, shall include the  
11 renewable energy credits associated with all electricity generation  
12 specified under the contract. The standard terms and conditions  
13 shall include the requirement that, no later than six months after  
14 the commission's approval of an electricity purchase agreement  
15 entered into pursuant to this article, the following information  
16 about the agreement shall be disclosed by the commission: party  
17 names, resource type, project location, and project capacity.

18 (D) An appropriate minimum margin of procurement above the  
19 minimum procurement level necessary to comply with the  
20 renewables portfolio standard to mitigate the risk that renewable  
21 projects planned or under contract are delayed or canceled. This  
22 paragraph does not preclude an electrical corporation from  
23 voluntarily proposing a margin of procurement above the  
24 appropriate minimum margin established by the commission.

25 (5) Consistent with the goal of increasing California's reliance  
26 on eligible renewable energy resources, the renewable energy  
27 procurement plan submitted by an electrical corporation shall  
28 include all of the following:

29 (A) An assessment of annual or multiyear portfolio supplies  
30 and demand to determine the optimal mix of eligible renewable  
31 energy resources with deliverability characteristics that may include  
32 peaking, dispatchable, baseload, firm, and as-available capacity.

33 (B) Potential compliance delays related to the conditions  
34 described in paragraph (5) of subdivision (b) of Section 399.15.

35 (C) A bid solicitation setting forth the need for eligible  
36 renewable energy resources of each deliverability characteristic,  
37 required online dates, and locational preferences, if any.

38 (D) A status update on the development schedule of all eligible  
39 renewable energy resources currently under contract.

1 (E) Consideration of mechanisms for price adjustments  
2 associated with the costs of key components for eligible renewable  
3 energy resource projects with online dates more than 24 months  
4 after the date of contract execution.

5 (F) An assessment of the risk that an eligible renewable energy  
6 resource will not be built, or that construction will be delayed,  
7 with the result that electricity will not be delivered as required by  
8 the contract.

9 (6) In soliciting and procuring eligible renewable energy  
10 resources, each electrical corporation shall offer contracts of no  
11 less than 10 years duration, unless the commission approves of a  
12 contract of shorter duration.

13 (7) In soliciting and procuring eligible renewable energy  
14 resources for California-based projects, each electrical corporation  
15 shall give preference to renewable energy projects that provide  
16 environmental and economic benefits to communities afflicted  
17 with poverty or high unemployment, or that suffer from high  
18 emission levels of toxic air contaminants, criteria air pollutants,  
19 and greenhouse gases.

20 (b) A retail seller may enter into a combination of long- and  
21 short-term contracts for electricity and associated renewable energy  
22 credits. The commission may authorize a retail seller to enter into  
23 a contract of less than 10 years' duration with an eligible renewable  
24 energy resource, if the commission has established, for each retail  
25 seller, minimum quantities of eligible renewable energy resources  
26 to be procured through contracts of at least 10 years' duration.

27 (c) The commission shall review and accept, modify, or reject  
28 each electrical corporation's renewable energy resource  
29 procurement plan prior to the commencement of renewable energy  
30 procurement pursuant to this article by an electrical corporation.

31 (d) Unless previously preapproved by the commission, an  
32 electrical corporation shall submit a contract for the generation of  
33 an eligible renewable energy resource to the commission for review  
34 and approval consistent with an approved renewable energy  
35 resource procurement plan. If the commission determines that the  
36 bid prices are elevated due to a lack of effective competition among  
37 the bidders, the commission shall direct the electrical corporation  
38 to renegotiate the contracts or conduct a new solicitation.

39 (e) If an electrical corporation fails to comply with a commission  
40 order adopting a renewable energy resource procurement plan, the

1 commission shall exercise its authority pursuant to Section 2113  
2 to require compliance. The commission shall enforce comparable  
3 penalties on any retail seller that is not an electrical corporation  
4 that fails to meet the procurement targets established pursuant to  
5 Section 399.15.

6 (f) (1) The commission may authorize a procurement entity to  
7 enter into contracts on behalf of customers of a retail seller for  
8 electricity products from eligible renewable energy resources to  
9 satisfy the retail seller's renewables portfolio standard procurement  
10 requirements. The commission shall not require any person or  
11 corporation to act as a procurement entity or require any party to  
12 purchase eligible renewable energy resources from a procurement  
13 entity.

14 (2) Subject to review and approval by the commission, the  
15 procurement entity shall be permitted to recover reasonable  
16 administrative and procurement costs through the retail rates of  
17 end-use customers that are served by the procurement entity and  
18 are directly benefiting from the procurement of eligible renewable  
19 energy resources.

20 (g) Procurement and administrative costs associated with  
21 contracts entered into by an electrical corporation for eligible  
22 renewable energy resources pursuant to this article and approved  
23 by the commission are reasonable and prudent and shall be  
24 recoverable in rates.

25 (h) Construction, alteration, demolition, installation, and repair  
26 work on an eligible renewable energy resource that receives  
27 production incentives pursuant to Section 25742 of the Public  
28 Resources Code, including work performed to qualify, receive, or  
29 maintain production incentives, are "public works" for the purposes  
30 of Chapter 1 (commencing with Section 1720) of Part 7 of Division  
31 2 of the Labor Code.

32 SEC. 3. Section 454.5 of the Public Utilities Code is amended  
33 to read:

34 454.5. (a) The commission shall specify the allocation of  
35 electricity, including quantity, characteristics, and duration of  
36 electricity delivery, that the Department of Water Resources shall  
37 provide under its power purchase agreements to the customers of  
38 each electrical corporation, which shall be reflected in the electrical  
39 corporation's proposed procurement plan. Each electrical  
40 corporation shall file a proposed procurement plan with the

1 commission not later than 60 days after the commission specifies  
2 the allocation of electricity. The proposed procurement plan shall  
3 specify the date that the electrical corporation intends to resume  
4 procurement of electricity for its retail customers, consistent with  
5 its obligation to serve. After the commission's adoption of a  
6 procurement plan, the commission shall allow not less than 60  
7 days before the electrical corporation resumes procurement  
8 pursuant to this section.

9 (b) An electrical corporation's proposed procurement plan shall  
10 include, but not be limited to, all of the following:

11 (1) An assessment of the price risk associated with the electrical  
12 corporation's portfolio, including any utility-retained generation,  
13 existing power purchase and exchange contracts, and proposed  
14 contracts or purchases under which an electrical corporation will  
15 procure electricity, electricity demand reductions, and  
16 electricity-related products and the remaining open position to be  
17 served by spot market transactions.

18 (2) A definition of each electricity product, electricity-related  
19 product, and procurement related financial product, including  
20 support and justification for the product type and amount to be  
21 procured under the plan.

22 (3) The duration of the plan.

23 (4) The duration, timing, and range of quantities of each product  
24 to be procured.

25 (5) A competitive procurement process under which the  
26 electrical corporation may request bids for procurement-related  
27 services, including the format and criteria of that procurement  
28 process.

29 (6) An incentive mechanism, if any incentive mechanism is  
30 proposed, including the type of transactions to be covered by that  
31 mechanism, their respective procurement benchmarks, and other  
32 parameters needed to determine the sharing of risks and benefits.

33 (7) The upfront standards and criteria by which the acceptability  
34 and eligibility for rate recovery of a proposed procurement  
35 transaction will be known by the electrical corporation prior to  
36 execution of the transaction. This shall include an expedited  
37 approval process for the commission's review of proposed contracts  
38 and subsequent approval or rejection thereof. The electrical  
39 corporation shall propose alternative procurement choices in the  
40 event a contract is rejected.

1 (8) Procedures for updating the procurement plan.

2 (9) A showing that the procurement plan will achieve the  
3 following:

4 (A) The electrical corporation, in order to fulfill its unmet  
5 resource needs, shall procure resources from eligible renewable  
6 energy resources in an amount sufficient to meet its procurement  
7 requirements pursuant to the California Renewables Portfolio  
8 Standard Program (Article 16 (commencing with Section 399.11)  
9 of Chapter 2.3).

10 (B) The electrical corporation shall create or maintain a  
11 diversified procurement portfolio consisting of both short-term  
12 and long-term electricity and electricity-related and demand  
13 reduction products.

14 (C) The electrical corporation shall first meet its unmet resource  
15 needs through all available energy efficiency and demand reduction  
16 resources that are cost effective, reliable, and feasible.

17 (10) The electrical corporation's risk management policy,  
18 strategy, and practices, including specific measures of price  
19 stability.

20 (11) A plan to achieve appropriate increases in diversity of  
21 ownership and diversity of fuel supply of nonutility electrical  
22 generation.

23 (12) A mechanism for recovery of reasonable administrative  
24 costs related to procurement in the generation component of rates.

25 (c) The commission shall review and accept, modify, or reject  
26 each electrical corporation's procurement plan. The commission's  
27 review shall consider each electrical corporation's individual  
28 procurement situation, and shall give strong consideration to that  
29 situation in determining which one or more of the features set forth  
30 in this subdivision shall apply to that electrical corporation. A  
31 procurement plan approved by the commission shall contain one  
32 or more of the following features, provided that the commission  
33 may not approve a feature or mechanism for an electrical  
34 corporation if it finds that the feature or mechanism would impair  
35 the restoration of an electrical corporation's creditworthiness or  
36 would lead to a deterioration of an electrical corporation's  
37 creditworthiness:

38 (1) A competitive procurement process under which the  
39 electrical corporation may request bids for procurement-related  
40 services. The commission shall specify the format of that

1 procurement process, as well as criteria to ensure that the auction  
2 process is open and adequately subscribed. Any purchases made  
3 in compliance with the commission-authorized process shall be  
4 recovered in the generation component of rates.

5 (2) An incentive mechanism that establishes a procurement  
6 benchmark or benchmarks and authorizes the electrical corporation  
7 to procure from the market, subject to comparing the electrical  
8 corporation's performance to the commission-authorized  
9 benchmark or benchmarks. The incentive mechanism shall be  
10 clear, achievable, and contain quantifiable objectives and standards.  
11 The incentive mechanism shall contain balanced risk and reward  
12 incentives that limit the risk and reward of an electrical corporation.

13 (3) Upfront achievable standards and criteria by which the  
14 acceptability and eligibility for rate recovery of a proposed  
15 procurement transaction will be known by the electrical corporation  
16 prior to the execution of the bilateral contract for the transaction.  
17 The commission shall provide for expedited review and either  
18 approve or reject the individual contracts submitted by the electrical  
19 corporation to ensure compliance with its procurement plan. To  
20 the extent the commission rejects a proposed contract pursuant to  
21 this criteria, the commission shall designate alternative procurement  
22 choices obtained in the procurement plan that will be recoverable  
23 for ratemaking purposes.

24 (d) A procurement plan approved by the commission shall  
25 accomplish each of the following objectives:

26 (1) Enable the electrical corporation to fulfill its obligation to  
27 serve its customers at just and reasonable rates.

28 (2) Eliminate the need for after-the-fact reasonableness reviews  
29 of an electrical corporation's actions in compliance with an  
30 approved procurement plan, including resulting electricity  
31 procurement contracts, practices, and related expenses. However,  
32 the commission may establish a regulatory process to verify and  
33 ensure that each contract was administered in accordance with the  
34 terms of the contract, and contract disputes that may arise are  
35 reasonably resolved.

36 (3) Ensure timely recovery of prospective procurement costs  
37 incurred pursuant to an approved procurement plan. The  
38 commission shall establish rates based on forecasts of procurement  
39 costs adopted by the commission, actual procurement costs  
40 incurred, or combination thereof, as determined by the commission.

1 The commission shall establish power procurement balancing  
2 accounts to track the differences between recorded revenues and  
3 costs incurred pursuant to an approved procurement plan. The  
4 commission shall review the power procurement balancing  
5 accounts, not less than semiannually, and shall adjust rates or order  
6 refunds, as necessary, to promptly amortize a balancing account,  
7 according to a schedule determined by the commission. Until  
8 January 1, 2006, the commission shall ensure that any  
9 overcollection or undercollection in the power procurement  
10 balancing account does not exceed 5 percent of the electrical  
11 corporation's actual recorded generation revenues for the prior  
12 calendar year excluding revenues collected for the Department of  
13 Water Resources. The commission shall determine the schedule  
14 for amortizing the overcollection or undercollection in the  
15 balancing account to ensure that the 5 percent threshold is not  
16 exceeded. After January 1, 2006, this adjustment shall occur when  
17 deemed appropriate by the commission consistent with the  
18 objectives of this section.

19 (4) Moderate the price risk associated with serving its retail  
20 customers, including the price risk embedded in its long-term  
21 supply contracts, by authorizing an electrical corporation to enter  
22 into financial and other electricity-related product contracts.

23 (5) Provide for just and reasonable rates, with an appropriate  
24 balancing of price stability and price level in the electrical  
25 corporation's procurement plan.

26 (e) The commission shall provide for the periodic review and  
27 prospective modification of an electrical corporation's procurement  
28 plan.

29 (f) The commission may engage an independent consultant or  
30 advisory service to evaluate risk management and strategy. The  
31 reasonable costs of any consultant or advisory service is a  
32 reimbursable expense and eligible for funding pursuant to Section  
33 631.

34 (g) The commission shall adopt appropriate procedures to ensure  
35 the confidentiality of any market sensitive information submitted  
36 in an electrical corporation's proposed procurement plan or  
37 resulting from or related to its approved procurement plan,  
38 including, but not limited to, proposed or executed power purchase  
39 agreements, data request responses, or consultant reports, or any  
40 combination, provided that the Office of Ratepayer Advocates and

1 other consumer groups that are nonmarket participants shall be  
2 provided access to this information under confidentiality  
3 procedures authorized by the commission.

4 (h) Nothing in this section alters, modifies, or amends the  
5 commission's oversight of affiliate transactions under its rules and  
6 decisions or the commission's existing authority to investigate and  
7 penalize an electrical corporation's alleged fraudulent activities,  
8 or to disallow costs incurred as a result of gross incompetence,  
9 fraud, abuse, or similar grounds. Nothing in this section expands,  
10 modifies, or limits the State Energy Resources Conservation and  
11 Development Commission's existing authority and responsibilities  
12 as set forth in Sections 25216, 25216.5, and 25323 of the Public  
13 Resources Code.

14 (i) An electrical corporation that serves less than 500,000 electric  
15 retail customers within the state may file with the commission a  
16 request for exemption from this section, which the commission  
17 shall grant upon a showing of good cause.

18 (j) (1) Prior to its approval pursuant to Section 851 of any  
19 divestiture of generation assets owned by an electrical corporation  
20 on or after the date of enactment of the act adding this section, the  
21 commission shall determine the impact of the proposed divestiture  
22 on the electrical corporation's procurement rates and shall approve  
23 a divestiture only to the extent it finds, taking into account the  
24 effect of the divestiture on procurement rates, that the divestiture  
25 is in the public interest and will result in net ratepayer benefits.

26 (2) Any electrical corporation's procurement necessitated as a  
27 result of the divestiture of generation assets on or after the effective  
28 date of the act adding this subdivision shall be subject to the  
29 mechanisms and procedures set forth in this section only if its  
30 actual cost is less than the recent historical cost of the divested  
31 generation assets.

32 (3) Notwithstanding paragraph (2), the commission may deem  
33 proposed procurement eligible to use the procedures in this section  
34 upon its approval of asset divestiture pursuant to Section 851.

35 (k) The commission shall direct electrical corporations to include  
36 in their proposed procurement plans the integration costs described  
37 and determined pursuant to clause (v) of subparagraph (A) of  
38 paragraph (4) of subdivision (a) of Section 399.13.

O