CEA ACTION PROPOSAL

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date: 2026-06-01

2. Department: Department of Water Resources

3. Organizational Placement (Division/Branch/Office Name)

Executive Division/Statewide Energy Office

4. CEA Position Title

Executive Manager, Central Procurement and Regulatory

5. Summary of proposed position description and how it relates to the program's mission or purpose. (*2-3 sentences)*

The Executive Manager, Central Procurement and Regulatory, is responsible for implementing new central procurement authority provided to the Department of Water Resources (DWR) under Assembly Bill (AB) 1373 (Garcia, Chapter 367, Statutes of 2023). The CEA position within DWR's Statewide Energy Office (SWEO), will be responsible for developing policy and procedures to implement the state's central procurement function focused on clean energy procurement to meet California's clean energy goals. The Executive Manager will work closely with the California Public Utilities Commission and their policy determinations for eligible clean energy resources as required under AB 1373.

6. Reports to: (*Class Title/Level*)

Deputy Director / CEA B

7. Relationship with Department Director (*Select one)*

☐ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.

☑ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(*Explain*): This position will interact regularly with the Department of Water Resources (DWR) Director, Lead Deputy Directors, and Deputy Director, SWEO regarding policy formulation to implement the state's central procurement function focused on clean energy procurement to meet California's clean energy goals. The CEA reports to the Deputy Director and serves as a liaison to external interested parties at the Executive level.

8. Organizational Level *(Select one)*

☐ 1st ☐ 2nd ☑ 3rd ☐ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Statewide Energy Office CEA position is critical to meeting the legislative and program objectives of the new Central Procurement Function (CPF) within DWR. The CEA will provide strategic leadership by developing program policies to address highly complex and first-of-its-kind clean energy resource procurement for the state. This position will develop core functions, near- and long-term objectives, and new contracting practices required to successfully implement the intent outlined by legislation. The CEA will lead an interdisciplinary team charged with developing and executing this function, including oversight over all actions, and coordination related to CPF activities with the public, developers, state leaders, Tribal Nations, and federal agencies, and other interested parties.

The CEA will have duties and responsibilities across 4 major knowledge disciplines: regulatory/legal, economic/financial, electric industry/technical competency, and environmental impact/permitting. The CEA is critical to implementing new legislation which entrusts in DWR a CPF to conduct competitive solicitations on behalf of the California Public Utilities Commission (CPUC). The CPUC's request for DWR to solicit up to 10,600 MW of diverse, clean resources is a highly complex multi-year endeavor. The amount of resources requested is over ten times larger than the generating capability of the Oroville-Thermalito hydroelectric complex. In collaboration with DWR's Office of the General Counsel, the CEA is responsible for ensuring the procurement requirements and processes adhere to legislation and various state and/or DWR competitive procurement requirements. In working within the CPUC's Integrated Resource Plan (IRP) proceeding, the CEA must understand CPUC regulatory processes and decision making, develop a competitive procurement and solicitation process pursuant to the objectives and timelines determined by CPUC, and establish bidding rules and evaluation criteria while accounting for the unique attributes of each clean energy resource type. The CEA must collaborate in the development and management of a procurement group(s) subject to Bagley-Keene Open Meeting Act requirements as required by AB 1373. The legislation also directs CPUC to create new regulations overseeing the solicitations. The CEA will work closely within DWR and with CPUC to determine what new regulations are needed, how they interact with existing state laws and CPUC regulatory authority, and create a process to execute on such regulations. The CEA will be responsible for developing a memorandum after each solicitation to be filed with the CPUC providing sufficient information for CPUC to make a just and reasonable determination. The CEA will also utilize and apply knowledge of economics and finance. Fluency in economic principles is important because procurement of clean energy resources is impacted by the global economy with factors such as tariffs, supply chains, demand for clean energy resources, and inflation affecting bids that DWR will receive. Financial competency is important because the CEA will be directing the development of complex commercial terms which span 10 or 20 years of service underpinning the various competitive solicitations. All of the resources requested by CPUC will participate in the wholesale electricity market. The CEA needs to apply their knowledge of electricity markets and the technical capability of each resource to the commercial terms to be developed to ensure CA ratepayers are receiving anticipated services at fair prices. This is critical as some of the technologies requested by CPUC have never been deployed before in CA or are yet globally commercial. The CEA will require knowledge of environmental impacts and permitting related to compliance with the CA Environmental Quality Act (CEQA) and applicable National Environmental Policy Act (NEPA) requirements. This includes directing and managing technical staff, working with counter parties, and external consultants, as needed, to support tracking and compliance and coordination with state and local agencies, Tribal Nations, and other parties as required.

The CEA is needed for public engagement due to the political and highly sensitive nature of large-scale clean energy procurement and its significant impact across CA. The CEA will act as the CPF representative and develop relationships with local, state, and federal agencies, communities, and Tribal Nations, and others on a variety of technical, environmental, permitting, community benefit, and other pertinent central procurement issues. These duties can include calling and attending public convenings, outreach through meetings and presentations, and other high-level engagement as needed throughout the state. The CEA will oversee and direct central procurement reporting, meetings, and coordination efforts across DWR and external teams such as closely coordinating with CPUC staff and leadership, and other entities such as the CEC, CA Natural Resources Agency, other governmental agencies, CAISO, Load Serving Entities (LSEs), Publicly-Owned Utilities (POUs), etc. These activities include the development of communication strategies and coordination with DWR's Public Affairs Office and overseeing public announcements, responses to media inquiries, and any communications related requests.

The CEA is responsible for ensuring near- and long-term program development and objectives are met by managing an interdisciplinary team to implement DWR's CPF and energy-related programs and activities. The CEA will create, review and edit program policy and procuring, hiring, and training program resources. The CEA is expected to provide regular briefings and strategic recommendations and escalate issues as needed to the Director, Deputy Director, and Executive management. The CEA will be the main point of contact for policy and strategic discussion with CPUC senior management and commissioners, as appropriate.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☑ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description:

The Department of Water Resources' mission is to sustainably manage the water resources of California, in cooperation with other agencies, to benefit the state's people and protect, restore, and enhance the natural and human environments. The Department's State Water Project (SWP), operated by DWR, is both a major producer and consumer of electricity. Since 2021, DWR has been tasked with assisting the state in backstop activities in the electricity sector, outside of its core water-focused mission. These backstop activities included the emergency procurement of temporary resources under the State Power Augmentation Program (SPAP) in response to Governor Newsom's July 2021 Emergency Proclamation following the devastating Bootleg Fire, the creation of the Electricity Supply Strategic Reliability Reserve Program (ESSRRP) in June 2022 under Assembly Bill (AB) 205 (Committee on Budget, Chapter 61, Statutes of 2022), AB 178 (Ting, Chapter 56, Statutes of 2022), and AB 180 (Ting, Chapter 44, Statutes of 2021), and the management the Diablo Canyon Extension Fund enacted under Senate Bill (SB) 846 (Dodd, Chapter 239, Statutes of 2022) to extend the operations of the state's last nuclear power plant for electric reliability. To oversee these energy-related activities outside of its core mission, DWR created SWEO and a Deputy Director position with direct-report staff. SWEO is separate and distinct from other offices and divisions within DWR, such as the State Water Project, with separate authority and funding.

Senate Bill 100 (De Leon, Chapter 312, Statutes of 2018) (SB 100) sets an ambitious target of powering all retail electricity sold in California with renewable and zero-carbon resources by 2045 to reduce GHG emissions and improve air quality and public health. In 2023, the state recognized that in order to achieve its long-term greenhouse gas (GHG) emission reduction goals, while maintaining a reliable electricity system, the state must establish a new, limited central procurement function that enables the development of a more diverse portfolio of renewable and zero-carbon energy resources. Consequently, AB 1373 was enacted and empowered the CPUC to determine whether centralized procurement of clean energy resources was needed. If such procurement is needed, CPUC could request DWR to use its new authority provided by AB 1373 to develop a central procurement function to conduct competitive solicitations for these resources. Since the passage of AB 1373, the CPUC has adopted Decision (D.24-08-064) seeking procurement of up to 10,600 MW via DWR SWEO's central procurement authority for a set of diverse long lead-time (LLT) resources. The CPUC came to the conclusion that there is a need to solicit for such LLT resources because "they are technologies that present opportunities to help California achieve our greenhouse gas (GHG) emissions reduction goals for 2045 and beyond, they represent emerging technologies that need to achieve economies of scale to bring costs down, and/or they are not currently being procured by individual LSEs in significant enough amounts to achieve cost reductions, meet long-term environmental goals, or increase resource diversity." This amount of procurement is approximately the size of the portfolio needed to serve bundled load for existing, and well-established utilities with decades of procurement experience. For example, the current bundled load portfolio for Pacific Gas & Electric is approximately 12,000 MW and for Southern California Edison is 14,000 MW. Moreover, the procurement spans across existing, large-scale resources and new resource types never deployed before in California such as offshore wind on floating platforms that are not yet widely available in the industry worldwide. The CPUC may also add additional requests for procurement or modifications through subsequent decisions.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

To achieve the goals of 100 percent clean electricity goal and economy wide net-zero GHG emission reduction target by 2045, California currently relies on over 40 LSEs to plan for, solicit, and execute contracts with clean energy developers LSEs are required to submit conforming long-term plans (i.e., individual IRPs) as part of the IRP process, but there are no statutory compliance and enforcement provisions associated with implementing their plans. Without safeguards, there is a risk that California may be unable to achieve its 2045 goals, at least cost, while maintaining electric system reliability. Additionally, although there has been unprecedented amounts of contracting for new clean energy resources with many already online, challenges remain for procurement of other resources that will likely be needed to achieve clean energy goals and control costs, such as eligible clean energy resources, such as geothermal and offshore wind resources. These features include a high level of development risk, economies of scale, new energy resource types in California, need for significant new transmission to access key resource areas, federal/state permitting processes, and federal/state siting processes—extensive needs for state-level inter-agency coordination. Under AB 1373, the CPUC has determined to request DWR use its central procurement authority to support the procurement of these LLT clean energy resources.

In partnership with the CPUC, DWR would lead the design, development, and issuance of competitive solicitations, develop voluntary solicitation participation processes as required by statute, establish and engage with a new procurement group for interested parties focused on central procurement while adhering to open meeting requirements, establish and direct cost recovery and financial management for energy resource development, address environmental permitting, and oversee the review and evaluation of energy resource developer proposals. If a bid is deemed just and reasonable by the CPUC, DWR would manage full implementation of the procured energy resource contracts, including payment of invoices, negotiating and executing any necessary amendments, monitoring operations, regulatory compliance, and coordinating with developers on state permitting. To support the development and oversight of this new role and function, DWR SWEO established a Central Procurement and Regulatory Branch to recruit and develop a team of skilled staff to standup the necessary functions to carry out its new role as a central procurement entity.

DWR may need to issue revenue bonds to further fund the program and support project development, where appropriate. These bonds, along with any other costs that DWR may incur would be supported by a non-bypassable charge assessed on benefiting electric ratepayers bills.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

This position will be the principal policy maker for the Central Procurement and Regulatory Branch. The CEA will lead the creation of a central procurement function (CPF) within DWR SWEO, to be exercised in accordance with the CPUC determination and procurement requests. The CPF is a new function within DWR and has never been done before by a state entity. This new responsibility supports California to achieve its long-term greenhouse gas emission reduction goals, while maintaining a reliable electrical system and providing customers with greater choice in electricity retail providers, the state must establish a new, limited central procurement function within the department that enables the development of a more diverse portfolio of renewable and zero-carbon energy resources. The CEA will lead all DWR SWEO developments and implement processes to support the goals set by the CPUC Decision, including the aggressive timeline to begin solicitations in late 2025.

This position will establish and direct the implementation of policies determining the solicitations of various energy resources, including those with a wide range of technologies. DWR SWEO is responsible for the design, development, and issuance of competitive solicitations. The CEA will develop policy around the local, state, and federal laws, including industry specific norms and standards. The CEA must also develop additional voluntary solicitation participation processes as required by statute, establish and engage with a new procurement group for interested parties focused solely on central procurement. The CEA will lead an interdisciplinary team and work with CPUC to develop a procurement group to provide engagement and advise the actions of DWR SWEO's solicitations. As the principal policy maker, the CEA will ensure transparency and compliance are met for each round of solicitations conducted by DWR SWEO.

Pursuant to Section 80820 of the Water Code, DWR SWEO is required to collaborate with the CPUC to establish a procurement group to advise the department on procurement(s) undertaken through the CPF. This position is responsible for DWR's compliance with all Bagley-Keene Open Meeting Act requirements applicable to the development, leadership, and management of procurement group(s), including ex parte rules, and filing requirements, in collaboration with the CPUC and DWR Office General Counsel. The CEA serves as the representative of DWR SWEO for legislative hearings, working groups, public workshops, open meetings, tribal consultation and related AB 1373 public engagement and other broad outreach. This position will focus on the development of guidelines to ensure outreach and accessibility, to maintain the integrity of the public meeting process, accountability, and participation in decision-making.
The CEA will oversee the creation and oversight of CEQA compliance for each procurement solicitation completed under DWR SWEO's central procurement function. This position is responsible for determining if the procurement triggers CEQA compliance, including the development of addressing CEQA compliance in the procurement process where applicable. The CEA will determine scoring criteria based on information from the procurement group, public meetings, and by developing specific clauses that ensure compliance with CEQA.

As noted above, this is the state's first attempt to centrally procure clean energy resources to achieve its 2045 goals. The scale of procurement is unprecedented and spans across existing, large-scale resources and new resource types never deployed before in California such as offshore wind on floating platforms that are not yet widely available in the energy generation industry worldwide.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

This CEA will serve as the DWR Representative, decision maker, and policy development lead for all central procurement activities, such as: environmental permitting, open meeting requirements, public working groups, Executive-level collaboration with other state and federal leadership positions. The CEA will have principal authority of the development of the new DWR central procurement function. The CEA will have the decision-making authority on policy implementation, revisions, and as the policy interpreter for the Deputy Director.

This position will oversee all activities of DWR SWEO's central procurement, including administrative direction, strategic visioning, and interpretation of risks and impacts statewide. The CEA will have decision making authority on the establishment of solicitations, transparency practices, regulatory compliance, and ensure policy decisions are aligned with DWR SWEO's central procurement objectives. This position must actively collaborate with DWR legal, technology and industry experts, interested parties, and the CPUC to form policy and program development while ensuring compliance with AB1373. This position will be responsible for forming partnerships with interested parties and other state agencies to align clean energy procurement matters with DWR's central procurement authority, including the mitigation of risks and proper allocation of resources. The CEA will be responsible for the development of internal procurement knowledge and establishing strong relationships with the CPUC Executive-level leaders, private industry entities, and others, such as tribal nations.

The CEA will direct day-to-day operations of the program, direct and manage contractors, review and assess budget plans, and formulate policy for revenue requirements and assessments, as required by AB1373. The CEA will direct and review subordinates evaluating complex processes for CEQA compliance, such as validating applicable environmental documents, state, federal, and local agency processes, and serve as the primary representative for public interface.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CEA will lead the creation of the central procurement function at DWR by understanding and interpreting legislative authorization in collaboration with the CPUC and pursuant to the CPUC's Integrated Resource Plan proceeding. The new policies and processes that must be developed to address procurement at a large scale for long-lead time resources will cover public engagement, including Tribal Nations, environmental studies, energy procurement, open meeting requirements, and many functions that do not exist within DWR. These areas of work require the collaborative policy review with the CPUC and CEC, including development of interagency collaboration, approval protocols, and technical expertise. This position will also be responsible for the policy development of a voluntary process for POUs and LSEs to participate for procurement above the CPUC's targets. Any CPUC-approved procurement will be recovered through non-bypassable charges (NBCs) imposed by the CPUC for its jurisdictional LSEs with similar treatment by POUs that opt-into and accept the central procurement.