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2003 and 2005 CA Loading Order

- 2003 Energy Action Plan I – CEC/CPUC/CPA
- 2005 Energy Action Plan II – CEC/CPUC
- Loading order established implementation priorities for meeting energy demand
  1. Energy efficiency
  2. Demand response
  3. Renewables
  4. Clean, affordable fossil fuel generation

What's Changed in 20 Years

- Rapid acceleration of climate change
- Focus on energy shifted to broader outlook on emissions
- Electrification became a large part of the solution, though not always as clear policy
- Solar capacity went from negligible in 2003 to 39,000 MW in 2022
- The duck curve was "invented", first as a projection, then as reality
- Revolutionary technology advances
  - Addressable devices
  - Battery storage
- CA EV adoption went from <4k in 2003 to 1.5M in 2023 with a goal of 5M by 2030

Modernizing the Loading Order

- Energy efficiency (EE) is good. EE during peak is especially good
  - Need policy and innovation that addresses the time value of EE
- Demand response. Conventional DR has been useful, but limiting
  - Today, load flexibility can be nimble, aligned with peak, rate responsive
- Renewables at 100%
  - Needs storage!
- Clean fossil fuel generation.
  - Secondary to a primary electrification policy
- Transportation and system reliability
  - Integration of clean transportation is key in climate policy
  - Reliability is paramount with electrification at scale.

Considerations for Change

1. Why change the loading order?

- Recognize broader climate outlook vs just energy
- Catch up with what is actually occurring already
- Provide clear direction on implementation priorities to regulators, policymakers, industry, utilities, researchers, etc
- Align key agencies

2. Overarching principles

- Reducing emissions is a policy priority (with costs and reliability as core values)
- The time value of initiatives is key
  - High value EE targeted to peak
  - Load flexibility to capture untapped potential (esp residential)
  - Renewables **PLUS** storage
- Clean, affordable electrification is a primary strategy
- Integration of transportation as part of emissions strategy