

**DOCKETED**

<b>Docket Number:</b>	24-OIIP-03
<b>Project Title:</b>	Informational Proceeding on Non-Energy Benefits and Social Costs
<b>TN #:</b>	255178
<b>Document Title:</b>	Order Instituting Informational Proceeding on NEBs and Social Costs
<b>Description:</b>	N/A
<b>Filer:</b>	Chester Hong
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	3/19/2024 3:48:52 PM
<b>Docketed Date:</b>	3/19/2024

STATE OF CALIFORNIA  
STATE ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

**IN THE MATTER OF:**

**NON-ENERGY BENEFITS AND  
SOCIAL COSTS**

**DOCKET NO: 24-OIIP-03**

**ORDER INSTITUTING  
INFORMATIONAL PROCEEDING**

**I. INTRODUCTION**

On February 5, 2024, the Center for Biological Diversity, Central California Asthma Collaborative, California Environmental Justice Alliance, Asian Pacific Environmental Network, Greenlining Institute, Local Clean Energy Alliance, Sierra Club California, The Climate Center, Center on Race, Poverty and the Environment, Clean Coalition, 350 Bay Area, GRID Alternatives, The Protect Our Communities Foundation, the BEEP Coalition, the Local Government Sustainable Energy Coalition, and Environment California (Petitioners) filed with the CEC’s Executive Director a petition pursuant to California Code of Regulations, title 20, sections 1221 and 1222. Petitioners requested that the California Energy Commission (CEC) “determine methodologies to integrate [non-energy benefits (NEBs)] and social costs into the CEC’s resource planning and investment decision-making processes,” including any cost-effectiveness determinations made by the CEC.<sup>1</sup> The Petitioners requested that this proceeding inform the development of the 2025 Senate Bill (SB) 100<sup>2</sup> Joint Agency Report (2025 Report).

The Petitioners further requested that the CEC issue an Order Instituting a Rulemaking and “complete a separate and transparent rulemaking to systematically and comprehensively address” NEBs and social costs. The Petitioners sought an “iterative process that begins with certain NEBs and social costs, and over time, refines methodologies and includes other NEBs and social costs.”<sup>3</sup> Petitioners asserted that to accurately reflect the value of NEBs and social costs in the state’s energy procurement decisions, the CEC would need to “develop a methodology that also qualitatively values NEBs and social costs—as standards for resource portfolios to meet—utilizing

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<sup>1</sup> Center for Biological Diversity et al., Petition for Rulemaking to Integrate Non-Energy Benefits and Social Costs into Resource Planning and Investment Decision-Making (Feb. 5, 2024), TN #254315, Docket No. 23-SB-100 (Petition) at 1, 30.

<sup>2</sup> SB 100 requires, among other things, that the Public Utilities Commission, the CEC, and California Air Resources Board issue a joint report to the Legislature by January 1, 2021, and every 4 years thereafter, that includes specified information relating to the implementation of the policy that renewable energy and zero-carbon resources supply 100 percent of electric retail sales to end-use customers by 2045.

<sup>3</sup> Petition at 4, 6.

appropriate lifecycle analyses.”<sup>4</sup>

On February 12, 2024, the Executive Director certified the petition as complete pursuant to California Code of Regulations, title 20, section 1221. On March 6, 2024, CEC staff published a memo recommending that the CEC (1) grant the Petitioners’ underlying request that the CEC address NEBs and social costs in its planning and decision-making, (2) issue an Order Instituting an Informational Proceeding to fulfill the this request, and (3) deny the petition to the extent it asks the CEC to issue an Order Instituting a Rulemaking and adopt a regulation pursuant to Government Code sections 11340.6 and 11340.7. CEC staff’s memo asserts that adopting an Order Instituting an Informational Proceeding (OIIP) would allow for meaningful public engagement and time for the CEC to make well-informed determinations on this important topic. The CEC considered the petition at its March 13, 2024, Business Meeting.

The CEC is opening this OIIP to explore, identify and evaluate methodologies to integrate NEBs and social costs into CEC analysis and decision-making processes.

## **II. AUTHORITY AND ASSIGNMENT OF LEAD COMMISSIONER**

Pursuant to Public Resources Code section 25210 and California Code of Regulations, Title 20, sections 1220(b) and 1222(b), informational proceedings allow the CEC to hold hearings and take other actions to gather and assess information needed to assist it in formulating policies. This proceeding will provide a forum for the CEC to gather necessary information to identify appropriate and meaningful methodologies to incorporate in CEC analysis and programs, including but not limited to resource planning related analysis and investments, through a transparent public process.

The CEC takes this action pursuant to Public Resources Code sections 25213 and 25218(e), which authorize the CEC to adopt rules or regulations or take any action, as necessary, to carry out its statutory duties. California Code of Regulations, title 20, section 1222 authorizes the CEC to issue orders to institute Informational Proceedings to, among other things, gather and assess information to assist the commission in formulating policies. The CEC is further authorized to take this action pursuant to Public Resources Code sections 25000.1 and 25008.

Together, these provisions of law give the CEC authority to collect the information necessary to explore, identify, and evaluate methodologies to integrate NEBs and social costs into CEC analyses and decision-making processes.

Vice Chair Siva Gunda shall be the Lead Commissioner and Commissioner Noemí Gallardo will be the Associate Commissioner for this OIIP.

## **III. NATURE AND PURPOSE OF THIS PROCEEDING**

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<sup>4</sup> Petition at 4.

The CEC recognizes there is a need for a forum for the CEC to gather information, identify gaps in information, have a discussion, and establish a record of input from multiple perspectives, including those of environmental justice and environmental groups, California Native American tribes, consumer advocates, labor groups, industry groups, academia, the public, and others on the role of NEBs and social costs in CEC analyses, policies, and programs. The CEC may also consider how other federal, state, or local agencies incorporate NEBs and social costs into their policies, programs and analyses. The CEC can use findings from this Informational Proceeding to develop NEB and social cost methodologies for CEC analyses, policies, and programs. The length of time it will take to conduct meaningful public engagement will limit the ability of the OIIP to inform the 2025 Report, but CEC staff will consider any available information and findings from this OIIP to inform the 2025 Report. Findings and methodologies utilized in the 2025 Report can inform the OIIP.

This proceeding has the opportunity to include extensive engagement, including workshops, working groups, and other forums, as well as outreach to communities and community-based organizations with more flexible and accessible engagement options than a regulatory proceeding. This OIIP will facilitate information exchange from different perspectives. The CEC may also launch phases within the informational proceeding to further focus the proceeding's scope and to address new or emerging issues.

#### **IV. HEARINGS AND WORKSHOPS**

The Lead Commissioner will issue a notice at least 14 days before the first workshop, hearing, or other forum and 10 days in advance of any subsequent events and will identify at that time when written comments or testimony will be due, as well as the manner of filing. Time will be set aside for public comment at all public workshops and hearings. CEC will seek public input on other discussion and information gathering forums beyond workshops, hearing, and docket filings. The CEC will hold the first event in this proceeding mid-year 2024 as a hybrid workshop. Additional details will be included in the public notice, which will be published in Docket No. 24-OIIP-03. Additional events are expected to be planned to meet the goals and objectives of this proceeding.

#### **V. PUBLIC PARTICIPATION**

The CEC encourages public participation in this proceeding. Petitions to intervene will not be required to participate.

To foster public participation in this proceeding, the Executive Director, in conjunction with the Public Advisor, shall ensure that information regarding this order and notices of workshops, hearings and other events are distributed to all interested persons via email subscriptions, by posted on the CEC website, and other identified means. To stay informed about this proceeding and receive documents and notices of upcoming workshops and hearings as they are filed, interested persons may subscribe to the

DAGAG, SB 100, or Tribal Program subscriptions, which can be accessed here: [https://www.energy.ca.gov/listservers/index\\_cms.html](https://www.energy.ca.gov/listservers/index_cms.html). The subscription emails notifications and direct links when documents and notices are filed in the proceeding docket.

For additional information about how to participate in this proceeding, please contact the CEC's Office of the Public Advisor, Energy Equity, and Tribal Affairs at (916) 957-7910, or via email at [publicadvisor@energy.ca.gov](mailto:publicadvisor@energy.ca.gov). Media questions should be directed to the CEC's Media Office by email at [mediaoffice@energy.ca.gov](mailto:mediaoffice@energy.ca.gov) or by calling (916) 654-4989.

## **VI. CONCLUSION AND ORDER**

The CEC therefore institutes an informational proceeding to accomplish the purposes specified above, designates Vice Chair Siva Gunda as Lead Commissioner and Commissioner Noemí Gallardo as Associate Commissioner of this proceeding, and directs the Executive Director and staff to collect and evaluate the information needed under guidance of the Lead Commissioner.

**IT IS SO ORDERED.**

**CERTIFICATION**

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the CEC held on March 13, 2024.

AYE: Hochschild, Gunda, Monahan, Gallardo

NAY: NONE

ABSENT: McAllister

ABSTAIN: NONE

Dated: March 14, 2024

***SIGNED BY:***

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Kristine Banaag  
Secretariat