

DOCKETED

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CALIFORNIA ENERGY COMMISSION

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In the matter of:) Docket No. 19-IEPR-01
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 Preparation of the)
 2019 Integrated Energy Policy Report)
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Notice of Request for Public Comments on the Draft Scoping Order for the 2019 Integrated Energy Policy Report

California Energy Commission’s Commissioner Janea A. Scott is the Lead Commissioner for the 2019 Integrated Energy Policy Report (*2019 IEPR*) and Commissioner Andrew McAllister will lead the demand forecast portion of the proceeding. Commissioner Scott is seeking comments on the proposed scope and general schedule for the *2019 IEPR*.

Legislative Authority

Public Resources Code Section 25301(a) requires the Energy Commission to “conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices.” These assessments and forecasts are used to develop recommendations for energy policies that conserve state resources, protect the environment, provide reliable energy, enhance the state’s economy, and protect public health and safety. The Energy Commission includes these energy policy recommendations in its biennial Integrated Energy Policy Report that is issued in odd-numbered years.

Pursuant to Public Resources Code Section 25300(d), “The Legislature further finds and declares that timely reporting, assessment, forecasting, and data collection activities are essential to serve the information and policy development needs of the Governor, the Legislature, public agencies, market participants, and the public.”

Background

Meeting California’s climate change goals requires focused action to quickly transform the state’s energy system away from fuels that generate greenhouse gases (GHGs). Senate Bill 32 (Pavley, Chapter 249, Statutes of 2016) set a statewide goal to reduce California’s GHG emissions 40 percent below 1990 levels by 2030. Assuring that the state’s implementation of its climate change policies is transparent and equitable, with the benefits reaching disadvantaged communities is fundamental to these efforts (Assembly Bill 197, Garcia, Chapter 250, Statutes of 2016).

The Clean Energy and Pollution Reduction Act of 2015 (Senate Bill 350, de León, Chapter 547, Statutes of 2015) included the following two goals for reducing GHG emissions by 2030: increase the requirement for renewable electricity procurement to 50 percent and double projected future energy efficiency savings for both electricity and natural gas. In 2018, a broad suite of bills addressed climate change including Senate Bill 100 (De León,

Chapter 310, Statutes of 2018) which accelerated the renewables goal to 60 percent by 2030 and codified the state's commitment to developing a near carbon-free electricity sector by 2045.

The transportation sector is the largest source of GHG emissions in California and various state policies call for speeding the transition to zero-emission vehicles (ZEVs), including:

- The *Scoping Plan* by the California Air Resources Board that describes California's approach for achieving its GHG reduction goals. (The *Scoping Plan* was developed in 2008 and updated in 2014 and 2017)
- Executive Order B-16-2012 set a goal of reaching 1.5 million ZEVs on California's roadways by 2025.
- Executive Order B-48-18 calls for at least 5 million ZEVs on California's roads by 2030 and spurs the installation of 250,000 plug-in electric vehicle chargers, including 10,000 direct fast current chargers, and 200 hydrogen refueling stations by 2025.

Executive Order B-55-18 established a statewide goal to achieve carbon neutrality by 2045. Although this order is broader than the energy sector, reducing GHG emissions from California's energy system – including transportation – is a fundamental part of the effort. Achieving carbon neutrality by 2045 is consistent with international agreements to reduce GHG emissions to levels that can avoid catastrophic climate change impacts.

Scope of the 2019 IEPR

While the Energy Commission recognizes that Pacific Gas and Electric Company's proposed reorganization has far reaching implications, it is pending before federal bankruptcy court and is being monitored by the California Public Utilities Commission and as such will not be discussed in detail in the 2019 IEPR.

The 2019 IEPR will continue and expand on previous efforts to decarbonize California's energy system while ensuring that the benefits are equitably spread. The 2019 IEPR will focus on actions needed to transform the transportation sector to dramatically reduce GHG emissions while making sure that low-income and disadvantaged communities share in the benefits. Specific topics that will be addressed in the 2019 IEPR are described below.

Transportation. Pollution from the transportation sector must be reduced significantly to help meet the state's clean air standards and climate goals. The 2019 IEPR analysis will include:

- Discussion of the success and benefits the Energy Commission's Alternative and Renewable Fuel Vehicle Technology Program and, more broadly, the state's efforts to reduce GHG emissions from the transportation sector.
- Update on the status of the zero-emission vehicle market and charging infrastructure and an exploration of the infrastructure needed to meet the state's goals (as part of implementing Assembly Bill 2127 [Ting, Chapter 365, Statutes of 2018])
- Update on the Vehicle-Grid Integration Roadmap as a follow-up to a recommendation in the 2017 IEPR.

Energy Equity. The state must continue to advance energy equity such that the benefits of a transformed energy sector are shared by low income and disadvantaged communities. The analysis will include:

- Updating the status of implementing the recommendations developed in response to Senate Bill 350 in the *Low Income Barriers Study Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities* and the *Low Income Barriers Study Part B: Overcoming Barriers to Clean Transportation Access for Low-Income Residents*.
- Assessing whether charging station infrastructure is disproportionately deployed by population density, geographical area, and population income level as required by Senate Bill 1000 (Lara, Chapter 368, Statutes of 2018).

Energy Efficiency. Advancements in energy efficiency efforts statewide are critical, and the analysis will include:

- Further analyzing actions needed to decarbonize buildings in support of Assembly Bill 3232 (Friedman, Chapter 373, Statutes of 2018).
- Revisiting the doubling of energy efficiency targets developed in the *2017 IEPR* as required by Senate Bill 350 and updating the *2016 Existing Building Energy Efficiency Action Plan*.
- Evaluating the actual energy efficiency savings from negative therm interactive effects generated as a result of electricity efficiency improvements, as required in Public Resources Code 25302.2.
- Comparing publicly owned utility (POU) energy efficiency targets with actual savings. (Public Utilities Code 9505, Public Resources Code 25305.2).

Electricity Sector. The Energy Commission will explore changes needed in the electricity sector to support California's 2030 goals for GHG reductions, zero-emission vehicles, and a 60 percent renewables portfolio standard. The analysis will include an assessment of the progress by POUs in meeting the 2030 goals of Senate Bill 350 based on their integrated resource plans. The *2019 IEPR* will also explore the 2045 goal set by Senate Bill 100 to become near-zero-carbon.

Electricity and Natural Gas Demand Forecast. The Energy Commission will prepare a new 10-year forecast of electricity consumption and peak electricity demand for California and for individual utility planning areas and forecast zones within the state. The Energy Commission will further enhance its electricity and natural gas demand forecast in support of implementation of the energy efficiency and renewable energy goals of Senate Bill 350. This includes providing more granularity in the temporal, locational, and sector-specific energy demand trends.

Natural Gas Assessment. The Energy Commission will explore the role of natural gas in a decarbonized future. The analysis will include:

- Evaluating trends in natural gas prices, supply, and demand in California and the nation.
- Updating the analysis of the strategies and options for using natural gas as called for in Assembly Bill 1257 (Bocanegra, Chapter 749, Statutes of 2013) and

ensuring that California continues to shift away from fossil fuels, including methane, as recommended in the *2017 IEPR*.

Southern California Energy Reliability. Energy reliability in Southern California requires ongoing vigilance. The *2019 IEPR* analysis will include:

- Following up on a workshop held on January 11, 2019, as part of the *2018 IEPR Update Volume 2*, to address spikes in natural gas prices.
- Considering risks such as extreme weather on the reliability of the system.

Climate Adaptation. Continued state and stakeholder actions are needed to address major climate risks to the state’s communities and energy system, recognizing differing vulnerabilities to the natural gas and electricity sectors. The *2019 IEPR* will include discussion of:

- Flexible and adaptive strategies to increase the state’s resilience to multiple stressors from climate change on the energy system, with particular attention to vulnerable populations.
- Ongoing research to improve resiliency and opportunities for research to increase resiliency as the state progresses towards its 2030 and 2045 climate goals.

2019 Integrated Energy Policy Report Schedule

The Lead Commissioner directs the Energy Commission staff to use the following general schedule. As workshop topics and dates are finalized, the Energy Commission will post notices on its website and notify stakeholders at least 10 days in advance of each workshop date. The schedule will be posted and regularly updated at https://www.energy.ca.gov/2019_energypolicy/.

Task/Event	Date(s)
Final Scoping Order released	March 2019
Public workshops on specific topics	January 2019 – December 2019
Release draft <i>2019 IEPR</i>	October 2019
IEPR workshop on draft report	October 2019
Release final <i>2019 IEPR</i>	January 2020
Adopt <i>2019 IEPR</i>	February 2020

Participation in the Integrated Energy Policy Report Proceeding

Policy recommendations contained in the *2019 IEPR* will be based on the record developed during the proceeding, including data and technical analyses by the staff and stakeholders. Analysis and information developed in other proceedings at the Energy Commission and by other agencies will be incorporated as appropriate. Participants should use the IEPR docket number 19-IEPR-01 and associated dockets when submitting information for the Lead Commissioner’s consideration.

The Lead Commissioner encourages the active participation of all interested and affected participants because public input is essential to ensure a complete and thorough record. As in previous proceedings, the Lead Commissioner recognizes that close coordination with federal, state, local, and other agencies is critical to identifying and addressing energy infrastructure and related environmental challenges. The Lead Commissioner directs staff to continue working with these agencies to ensure their participation in this proceeding.

Public Comment

Written comments: Written comments must be submitted to the Docket Unit by **5:00 p.m. on Thursday, February 28, 2019.**

Written attachments, and associated contact information (including address, phone number, email address) will become part of the public record of this proceeding with access available via any Internet search engine.

For the 2019 IEPR, the Energy Commission encourages use of its electronic commenting system.

Visit <https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=19-IEPR-01>, which links to the comment page for this docket. Select or enter a proceeding to be taken to the “Add Comment” page. Enter your contact information and a comment title describing the subject of your comment(s). Comments may be included in the “Comment Text” box or attached as a downloadable, searchable in Microsoft® Word (.doc, .docx) or Adobe® Acrobat® (.pdf) file. Maximum file size is 10 MB.

Written comments may also be submitted by email or mail if you choose not to use the electronic filing system. Include the docket number **19-IEPR-01- 2019 Scoping Order** in the subject line and send to docket@energy.ca.gov. If preferred, a paper copy may be sent to:

California Energy Commission
Docket Unit, MS-4
Re: Docket No. **19-IEPR-01**
1516 Ninth Street
Sacramento, California 95814-5512

Public Adviser and Other Commission Contacts

The Energy Commission’s Public Adviser’s Office provides the public with assistance in participating in Commission proceedings. For information on how to participate in this forum, please contact Public Adviser Alana Mathews, at PublicAdviser@energy.ca.gov, (916) 654-4489, or toll free at (800) 822-6228.

Please direct requests for reasonable accommodation to Yolanda Rushin at yolanda.rushin@energy.ca.gov or (916) 654-4310 at least five days in advance.

Media inquiries should be directed to the Media and Public Communications Office at mediaoffice@energy.ca.gov or (916) 654-4989.

Questions on the technical subject matter of this meeting should be directed to Heather Raitt, Assistant Executive Director for Policy Development, at (916) 654-4735 or by email at Heather.Raitt@energy.ca.gov.

Availability of Documents

When new information is posted, an email will be sent to those on the energypolicy listserv. Those interested in receiving these notices can subscribe in the lower right corner at http://www.energy.ca.gov/2019_energypolicy/, or alternatively manage existing listservs or sign up for others here <http://www.energy.ca.gov/listservers/index.html>.

Dated: February 14, 2019, at Sacramento, California

Original signed by

Janea A. Scott
Lead Commissioner
2019 Integrated Energy Policy Report

Mail List: energypolicy, diversity, dcag, barriers