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CEC-70 (Revised 2/2021)



In the matter of:

Preparation of the
2022 Integrated Energy Policy Report Update)
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Docket No. 22–IEPR–01

Final Scoping Order

Scoping Order for the 2022 Integrated Energy Policy Report Update

The California Energy Commission’s (CEC) Vice Chair Siva Gunda is the Lead Commissioner for the 2022 Integrated Energy Policy Report Update (*2022 IEPR Update*).

Legislative Authority

Public Resources Code (PRC) Section 25301(a) requires the CEC 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 CEC includes these energy policy recommendations in its biennial Integrated Energy Policy Report that is issued in odd-numbered years.

Further, PRC Section 25302(c) requires the CEC to prepare an update in alternate years to report on issues raised in the biennial IEPR or to identify new energy issues that have arisen during the intervening year. The *2022 IEPR Update* will fulfill that requirement.

Statute also states, “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” (PRC Section 25300(d)).

Consistent with past practices, the CEC intends to open an informational proceeding for the development of the *2022 IEPR Update*. Pursuant to PRC Section 25210 and California Code of Regulations, Title 20, Section 1220, informational proceedings allow the CEC to hold hearings to gather and assess information, inform the public of CEC

actions, and obtain public comment and opinion to assist the CEC in formulating policies.

Further, PRC 25302(d) requires the CEC to consult with various entities in preparing the IEPR, including the: California Public Utilities Commission (CPUC), CPUC Public Advocates Office, California Air Resources Board (CARB), California Independent System Operator (California ISO), Department of Water Resources, Department of Transportation, and Department of Motor Vehicles, and any federal, state, and local agencies it deems necessary. The statute states that PRC 25302(e): "For the purpose of ensuring consistency in the underlying information that forms the foundation of energy policies and decisions affecting the state, those entities shall carry out their energy-related duties and responsibilities based upon the information and analyses contained in the report." Additionally, the CEC will collaborate with federal and state agencies, local governments, and tribes to meet mutual decarbonization and energy equity goals.

Background

California has enacted a suite of policies aimed at reducing the state's greenhouse gas (GHG) emissions, while maintaining energy reliability, affordability, and equity. Key legislative actions and executive orders (EOs) are listed below and build toward achieving an electricity system that is 100 percent zero carbon by 2045 and, more broadly, a statewide goal of carbon neutrality by 2045. These innovative policies, coupled with rapid market changes and the devastating effects of a changing climate, require creative and coordinated approaches to rapidly transform the state's energy system to support a clean energy future for all.

As the state decarbonizes its energy system, it must plan holistically across sectors, including buildings, industry, transportation, electric, gas, and agriculture, ensuring cost-effective, reliable, and equitable solutions that benefit all Californians. The CEC plays multiple roles in these planning efforts, including:

- Collecting and analyzing data and serving as the state's data repository.
- Providing regulatory decisions on building codes, appliance standards, and power plant siting.
- Investing in research development, demonstration, and market facilitation.
- Developing statewide modeling and planning tools and assumptions that serve as the backbone for energy policy development.
- Bringing together stakeholders to facilitate development of early-stage policy ideas and to advance established statewide goals.

The CEC has multiple goals for the *2022 IEPR Update*. The CEC has endeavored to center equity in its activities but has not yet adopted a comprehensive framework to align the CEC's policies, programs, investments, and practices with equity and environmental justice at the forefront. The *2022 IEPR Update* will help inform and develop such a framework to guide its future work. The *2022 IEPR Update* will also help to establish a comprehensive California Planning Library, to serve as an umbrella to

coordinate across the multiple analytical resources, tools, and products that exist within the CEC's purview. Lastly, the *2022 IEPR Update* will include analyses of emerging energy issues that the state is facing.

Previous comments received on IEPRs have indicated a preference for the reports to be more concise and to serve as a summary document. At the same time, other state energy agencies have expressed a need for analysis referenced in IEPRs to serve as thorough analysis on record that can be referenced to avoid duplicative work. Further still, there are often important issues that need attention and analysis that may not fit into the typical timeframe of a single IEPR. Because of these needs, the CEC intends to launch additional order instituting informational proceedings (OIIPs) in areas such as decarbonizing the gas system and distributed energy resources. These OIIPs will enable deep analyses that extend beyond an annual reporting period. The *2022 IEPR Update* will incorporate updates from those proceedings at the time of publication, while allowing the proceedings to continue and inform future IEPRs. This *2022 IEPR Update* will serve as a model for future IEPRs, compiling findings from existing and new proceedings.

Key Legislative Initiatives and Executive Orders

The 2022 IEPR Update proceeding will build on the *2021 IEPR* and reflect the many key policy initiatives that shape California's energy policies, including:

- Senate Bill (SB) 350 (De León, Chapter 547, Statutes of 2015), which directed the CEC to identify barriers to accessing the benefits of clean energy, including the barriers low-income customers face in accessing energy efficiency, weatherization, and photovoltaics; increased renewable procurement targets; and required a doubling of energy efficiency savings by 2030.
- SB 32 (Pavley, Chapter 249, Statutes of 2016) that set a statewide goal to reduce California's GHG emissions 40 percent below 1990 levels by 2030.
- Assembly Bill 197 (Garcia, Chapter 250, Statutes of 2016), which declared that the state's implementation of its climate change policies be transparent and equitable and directs CARB to achieve GHG emission reductions to protect the state's most impacted and disadvantaged communities.
- SB 100 (De León, Chapter 312, Statutes of 2018), which accelerated the state's renewables goal to 60 percent by 2030 and put into law the state's commitment to 100 percent renewable and a zero-carbon electricity system by 2045.
- EO B-30-15 that established a statewide GHG reduction target of 40 percent below 1990 levels by 2030 and prioritizes climate adaptation including, including protecting the state's most vulnerable populations.
- EO B-55-18 that established a statewide goal to achieve carbon neutrality by 2045.

Scope of the 2022 IEPR Update

The *2022 IEPR Update* will continue and build on previous analyses of the state's efforts to decarbonize California's energy system while ensuring that the benefits are equitably distributed. The *2022 IEPR Update* will address three major topics as described below:

- 1) Establishing a Framework to Center Equity and Environmental Justice Throughout CEC Efforts and Revisiting the Energy Equity Indicators
- 2) Creating a California Planning Library
- 3) Addressing Emerging Topics

The *2022 IEPR Update* will serve as a model for IEPRs going forward by incorporating the results and analyses developed in multi-year in-depth CEC proceedings and investigations into a short summary format. This will allow CEC staff, and the stakeholders they engage, to conduct in-depth analysis on important topics advanced under active CEC OIIPs and other proceedings, to coordinate the delivery of analyses and reports to support the state's other energy and environmental agencies, and to summarize findings from those efforts to be included in the *2022 IEPR Update* and future IEPRs.

1. Establishing a Framework to Center Equity and Environmental Justice Throughout CEC Efforts

Aligned with the state's commitment to a "California for All" agenda and as part of the CEC's current comprehensive effort called the Inclusion Diversity Equity and Access (IDEA) Initiative, the CEC will establish an Equity and Environmental Justice Framework to guide CEC activities. The IDEA Initiative focuses internally to improve the workplace and externally to improve programs. This framework will help the CEC continue to contribute to remove barriers and increase opportunities for all Californians to live with dignity and achieve prosperity regardless of race, income, or location. A framework will provide:

- Guidance for CEC leadership, divisions, and offices on how to prioritize equity and environmental justice in tribal and stakeholder engagement, regulatory decision-making, program development and implementation, investment decisions, policy analysis, and other practices.
- Baseline definitions for terms used by the CEC, including energy equity and the processes to be employed, along with benefits, non-energy considerations, and social costs.
- Recommendations for an outreach and engagement approach, improvements for existing efforts, and ways to create an action plan for future activities.

The Framework will be accompanied by an assessment mechanism and action plan. The assessment mechanism will enable the CEC to help ensure our work is being completed with an equity and environmental justice lens. The CEC will create an action plan after learning more from the assessment.

The CEC will also revisit the Energy Equity Indicators, a tool developed in response to recommendations from the [SB 350 Barriers Study](https://www.energy.ca.gov/rules-and-regulations/energy-suppliers-reporting/clean-energy-and-pollution-reduction-act-sb-350/sb), (<https://www.energy.ca.gov/rules-and-regulations/energy-suppliers-reporting/clean-energy-and-pollution-reduction-act-sb-350/sb>) to help identify opportunities to improve access to clean energy technologies for low-income customers and disadvantaged communities, increase clean energy investment in those communities, and improve community resilience to grid outages and extreme event. The CEC will revisit the Energy Equity Indicators to determine whether the indicators should be updated, reimagined, or kept the same.

2. Creating a California Planning Library

CEC analytical products serve as critical tools for state agencies and energy system stakeholders as they plan investments and make legislative and regulatory decisions. In the *IEPR 2022 Update*, the CEC will consolidate, integrate, and enhance the following analytical products into a California Planning Library:

- Energy demand forecasts and scenarios, including:
 - Updated end-user electricity, gas, and transportation fuel demand forecasts to 2035.
 - Energy demand scenarios to assess long-term (to 2050) decarbonization policy impacts on electricity and gas demand. These scenarios will support future SB 100 analyses as well as inform policy driven procurement and investment decisions.
- Reliability assessments
- Land-use screens
- Other analytical resources, including those developed under active CEC OIIPs and other proceedings.

3. Addressing Emerging Topics

This section of the IEPR will be used to provide situational awareness and identify possible policy questions of interest in emerging topics that have not been adequately discussed in recent IEPRs or other CEC proceedings. Topics include:

- Role for hydrogen in California’s clean energy future.
- Evolving regional energy markets.

The Lead Commissioner may also add topics as they arise during the year.

2022 IEPR Update Schedule

The Lead Commissioner directs the CEC staff to use the following general schedule. As workshop topics and dates are finalized, the CEC 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/data-reports/reports/integrated-energy-policy-report/2022-integrated-energy-policy-report-update-0>

| Task/Event | Date(s) |
|---|----------------------------|
| Final Scoping Order released | April 2022 |
| Public workshops on specific topics | April 2022 – December 2022 |
| Adopt order instituting informational proceeding for the 2022 IEPR Update | April 2022 |
| Release <i>Draft 2022 IEPR Update</i> | October 2022 |
| Release <i>Final 2022 IEPR Update</i> | January 2023 |
| Adopt <i>2022 IEPR Update</i> | February 2023 |

Participation in the Integrated Energy Policy Report Proceeding

Policy recommendations contained in the *2022 IEPR Update* 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 CEC and by other agencies will be incorporated as appropriate. Participants should use the IEPR docket number 22-IEPR-01 and associated dockets when submitting information for the Lead Commissioner’s consideration which are as follows:

- 22-IEPR-01 - General/Scope
- 22-IEPR-02 - California Planning Library
- 22-IEPR-03 - Electricity Forecast
- 22-IEPR-04 - Equity

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.

Contacts

The CEC’s Public Advisor provides the public with assistance in participating in CEC proceedings. To request interpreting services or other reasonable modification and accommodations, call (916) 957-7910 or email at publicadvisor@energy.ca.gov. The CEC will work diligently to meet all requests based on the availability of the service or resource requested.

Direct media inquiries to mediaoffice@energy.ca.gov or (916) 654-4989.

Direct technical subject inquiries to Heather Raitt, Assistant Executive Director for Policy Development, at (916) 628-2355 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. To receive these notices, subscribe in the lower right corner at the [Integrated Energy Policy Report](https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report) page, <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report>, or alternatively manage existing list serves or sign up for others at the [CEC List Servers](http://www.energy.ca.gov/listservers/index.html), <http://www.energy.ca.gov/listservers/index.html>.

Dated: April 22, 2022, at Sacramento, California

APPROVED BY:

Siva Gunda
Lead Commissioner for the 2022 IEPR Update

Subscription Topics: Integrated Energy Policy Report; Efficiency Topics; Natural Gas and LNG Topics; Joint Agency Report SB 100; Increase Access to Energy Data; Integrated Resource Plans; POU IRP Activities; Transportation Topics; Disadvantaged Communities Advisory Group