

CALIFORNIA ENERGY COMMISSION

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**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**

DOCKET**12-IEP-1**

DATE FEB 22 2012

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In the matter of:) Docket No. 12-IEP-1
)
Preparation of the)
2012 Integrated Energy Policy Report Update)

2012 Integrated Energy Policy Report Update Scoping Order

In this order, the California Energy Commission's Integrated Energy Policy Report Lead Commissioner Carla Peterman establishes the scope and general schedule for the *2012 Integrated Energy Policy Report Update (2012 IEPR Update)*.

Background

Public Resources Code Section 25302 requires the Energy Commission to prepare an integrated energy policy report every two years (starting in November 2003) that provides an overview of major energy issues and trends facing California. The report makes energy policy recommendations based on Energy Commission assessments and forecasts that are intended to conserve resources, protect the environment, provide reliable energy, enhance the state's economy, and protect public health and safety. The Energy Commission prepares an update in alternate years that may include updates on analyses conducted in support of the biennial IEPR or discuss new energy issues that may have arisen.

Scope of the 2012 Integrated Energy Policy Report Update

The *2012 IEPR Update* will include updated information and analysis related to four topics that were included in the *2011 IEPR*. Because this is an update, the Lead Commissioner has decided to limit the scope of the document to the four topics listed below; the Lead Commissioner encourages stakeholders who wish to suggest additional topics to provide input during the scoping of the *2013 IEPR*, which is expected to occur in mid-summer 2012.

1. Renewable Strategic Plan

Governor Brown's Clean Energy Jobs Plan directed the Energy Commission to prepare a plan to expedite the highest priority renewable generation and transmission projects in the state. During the *2011 IEPR* proceeding, the Energy Commission prepared and released the *Renewable Power in California: Status and Issues* report as the foundation for a more comprehensive renewable strategic plan.

The report analyzed the challenges to renewable development and recommended five overarching strategies as the basis for that strategic plan: (1) prioritize geographic areas for renewable development; (2) evaluate costs and benefits of renewable projects; (3) minimize renewable interconnection costs and time; (4) promote incentives for renewable projects that create in-state benefits; and (5) promote and coordinate existing financing and incentive programs for critical stages in the renewable development continuum.

As part of the *2012 IEPR Update* proceeding, the Energy Commission will prepare a renewable strategic plan that identifies specific action items for each of these overarching strategies. The Energy Commission intends to hold several workshops to seek stakeholder suggestions for and input on action items intended to address barriers to renewable development and help California achieve its renewable energy goals.

2. Electricity and natural gas demand forecast

Every two years the Energy Commission prepares a 10-year forecast of electricity and natural gas demand. The forecast is used in various forums, including the IEPR, the California Public Utilities Commission's Long-Term Procurement Planning proceeding; the Air Resources Board's *AB 32 Scoping Plan*; the Renewables Portfolio Standard; estimates of energy efficiency savings potential; and the Energy Commission's infrastructure needs assessment. The forecast is also used by the CPUC and the California ISO in annual resource adequacy proceedings.

The preliminary staff forecast for 2012-2022 was released in August 2011 as part of the *2011 IEPR* proceeding. As part of the *2012 IEPR Update*, staff will finalize the *California Energy Demand Forecast 2012-2022 (CED 2011)* for adoption by the Energy Commission.

3. Natural gas assessment

In the *2011 IEPR* proceeding, Energy Commission staff developed the *2011 Natural Gas Market Assessment: Outlook*, the final version of which will be released in March 2012. The report discussed the role of natural gas in the future, findings from staff's analysis of future natural gas prices under various scenarios, and safety/reliability issues associated with California's natural gas pipeline system.

As part of the *2012 IEPR Update*, staff will publish a companion report entitled *2011 Natural Gas Market Assessment: Trends*. The report will update the natural gas trends analysis conducted during the *2009 IEPR* proceeding and provide an overview of major natural gas market trends and issues facing the state, including supply, demand, pricing, reliability, efficiency, and impacts on public health and safety, the economy, resources, and the environment.

4. Electricity infrastructure assessment

As part of the *2011 IEPR*, Energy Commission began an assessment of California's electricity infrastructure needs to support the transition to a low-carbon future while maintaining resource adequacy and reliability. The *2011 IEPR* discussed uncertainties affecting estimates of gas-fired generation needed to integrate variable energy resources over the coming decade and how those uncertainties affect electricity planning.

During the *2012 IEPR Update* proceeding, Energy Commission staff will continue its assessment of electricity infrastructure needs. As part of this effort, the Energy Commission will update past assessments of combined heat and power status and potential and develop analytic scenarios that more accurately reflect the potential contribution of combined heat and power to California's energy mix. This multi-year analysis will continue through the *2013 IEPR*, and the *2012 IEPR Update* will report on the status of analytic efforts and any conclusions reached as of the publication date of the report.

2012 Integrated Energy Policy Report Update Schedule

The Lead Commissioner directs the staff to use the following general schedule. As workshop and hearing topics and dates are finalized, the Energy Commission will post notices and supporting material on its website and notify stakeholders at least 10 days in advance of each workshop or hearing date. The schedule will be posted at [www.energy.ca.gov/2012_energypolicy/workshop_schedule.pdf] and regularly updated.

Task/Event	Date(s)
Final Scoping Order released	February 2012
Public workshops on specific topics	February 2012 – July 2012
Release draft <i>2012 IEPR Update</i>	August 2012
IEPR hearing on draft report	Late August 2012
Release proposed final <i>2012 IEPR Update</i>	October 2012
Adopt final <i>2012 IEPR Update</i>	November 2012

Participation in the Integrated Energy Policy Report Proceeding

Policy recommendations contained in the *2012 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 Energy Commission and by other agencies will be incorporated as appropriate. Participants are directed to use the IEPR docket number 12-IEP-1 and associated subdockets when submitting information for the Lead Commissioner's consideration. The Lead Commissioner encourages the active participation of all interested and

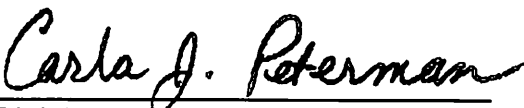
affected participants because public input is essential to ensure a complete and thorough record. As in previous proceedings, the Lead Commissioner recognizes that close coordination with federal, state, local, and other agencies is critical to identifying and addressing energy infrastructure and related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

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this proceeding, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [PublicAdviser@energy.ca.gov].

The service list for the *2012 IEPR Update* and associated key topic proceedings is handled electronically. Notices and documents for these proceedings are posted to the Energy Commission website at [www.energy.ca.gov/2012_energypolicy/]. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server. Parties interested in receiving these notices should sign up for the list server through the Energy Commission's website at [www.energy.ca.gov/listservers/index.html].

Technical questions should be directed to Suzanne Korosec, Assistant Director for Policy Development, at (916) 654-4516 or by e-mail at [Suzanne.Korosec@energy.ca.gov]. News media inquiries should be directed to the Media and Publications Office at (916) 654-4989 or by e-mail at [mediaoffice@energy.ca.gov].

Date: February 22, 2012


CARLA PETERMAN
Lead Commissioner
2012 Integrated Energy Policy Report

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