

CALIFORNIA ENERGY COMMISSION

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

California Energy Commission

DOCKETED**13-IEP-1A****TN 72486****JAN 15 2014**

In the Matter of:

THE *2013 INTEGRATED ENERGY
POLICY REPORT (2013 IEPR)*

) Docket No. 13-IEP-1A
) Resolution No. 14-0115-4
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WHEREAS, Senate Bill 1389 (Bowen, Chapter 568, Statutes of 2002) requires the Energy Commission to "conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices" and to "use these assessments and forecasts to develop energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the state's economy, and protect public health and safety" (Public Resources Code § 25301(a)); and

WHEREAS, the Integrated Energy Policy Report (IEPR) contains these assessments and associated policy recommendations and is adopted every two years; and

WHEREAS, on March 7, 2013, Commissioner Andrew McAllister, Lead Commissioner for the *2013 IEPR*, released a Scoping Order which identified the following topics to be included in the *2013 IEPR*: the Energy Commission's electricity and natural gas demand forecast; an assessment of natural gas markets and trends; an analysis of electricity infrastructure needs given potential retirement of power plants and the closure of San Onofre Nuclear Generating Station; energy efficiency in California's existing buildings; publicly owned utilities' progress toward achieving 10-year energy efficiency targets; the definition of zero-net-energy and its inclusion in state building standards; evaluation of geothermal heat pump/ground loop technology barriers and strategies; the use of demand response to meet California's energy needs and integrate renewable technologies; bioenergy development; challenges to procurement of biomethane; potential electricity system needs in 2030; new generation costs for utility-scale renewable and fossil-fueled generation; the need for investments in new or upgraded transmission infrastructure; utility progress in implementing past recommendations related to nuclear power plants; the Alternative and Renewable Fuel and Vehicle

Technology Program; and potential vulnerability of California's energy supply and demand infrastructure to the effects of climate change; and

WHEREAS, the Lead Commissioner conducted twenty nine public workshops between October 2012 and October 2013 in order to solicit input from stakeholders on these topics, released the *Draft Lead Commissioner 2013 IEPR* for public review and comment on October 2, 2013, and held a final workshop on the *Draft Lead Commissioner 2013 IEPR* on October 15, 2013; and

WHEREAS, after considering all comments received at and in writing after the October 15, 2013 workshop, the Lead Commissioner released the *Final Lead Commissioner 2013 IEPR* on December 20, 2013; and

WHEREAS, the *Final Lead Commissioner 2013 IEPR* contains a demand forecast with three baseline cases and five additional achievable energy efficiency scenarios, and the single or managed forecast is a combination of these two forecast components: a baseline case and an additional achievable energy efficiency scenario. The Energy Commission, California Public Utilities Commission (CPUC), and California Independent System Operator (ISO) leaderships agree that the same additional achievable energy efficiency case should, in principle, be applied to all of the analyses, but that the ability to characterize and assign the locational attributes of the demand forecast, procurement authorizations, and transmission additions is still evolving. The leadership from the Energy Commission, in consultation with the CPUC and the California ISO, considered public input in selecting a single or managed demand forecast from the adopted forecast report. The selected baseline case will be the mid demand case for the combined IOU service areas, including variants for different weather conditions used in system versus local capacity and reliability studies. This selected baseline will be combined into a single forecast set with the mid additional achievable energy efficiency scenario for system-wide and flexibility studies and the low mid additional achievable energy efficiency scenario for local studies in the 2014-2015 procurement and transmission planning cycles; and

WHEREAS, California Energy Commission has considered the application of the California Environmental Quality Act (CEQA) to the adoption of the *Final Lead Commissioner 2013 IEPR*, concluded that its adoption is not a "project" under CEQA, but that in the event that adoption were determined to be a project, that it would nonetheless be exempt from CEQA requirements pursuant to the "common sense" exemption (CEQA Guidelines, § 15061, subd. (b)(3)); and

WHEREAS, the California Energy Commission accepts and approves the *Final Lead Commissioner 2013 IEPR* with the changes identified at its January 15, 2014 Business Meeting; and

WHEREAS, judicial review of this Resolution is governed by Public Resources Code, section 25901;

THEREFORE BE IT RESOLVED, the California Energy Commission hereby adopts the *Final Lead Commissioner 2013 IEPR* and directs Commission staff prepare the *Commission Final 2013 IEPR* incorporating the changes adopted today along with any non-substantive changes such as typographical corrections, and forward the *Commission Final 2013 IEPR* to the Governor for his review pursuant to Public Resources Code section 25307, and to make the document available to the public and the Legislature.

It is so Ordered.

CERTIFICATION

The undersigned Secretariat to the Commission 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 California Energy Commission held on January 15, 2014.

AYE: Weisenmiller, Douglas, McAllister, Hochschild, Scott

NAY: None

ABSENT: None

ABSTAIN: None



Harriet Kallemeyn

Secretariat

California Energy Commission

Dated: January 15, 2014