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CALIFORNIA ENERGY COMMISSION

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| In the matter of: |) | Docket No. 18-IEPR-01 |
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| Preparation of the |) | |
| <i>2018 Integrated Energy Policy Report Update</i> |) | |
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Notice of Request for Public Comments on the Scoping Order for the 2018 Integrated Energy Policy Report Update

The California Energy Commission’s Integrated Energy Policy Report Lead Commissioner, David Hochschild, establishes the scope and general schedule for the *2018 Integrated Energy Policy Report Update (2018 IEPR Update)*. Text of the proposed *2018 IEPR Update* Scoping Order follows.

Legislative Authority

Senate Bill 1389 (Bowen and Sher, 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.” 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.

SB 1389 also requires the Energy Commission 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 (Public Resources Code, Section 25302 d). The *2018 IEPR Update* will fulfill that requirement.

Background

California is an international leader in advancing solutions to climate change and forward-looking energy policies. On September 8, 2016, Governor Edmund G. Brown Jr. committed the state to reducing greenhouse gases by signing Senate Bill 32 (Pavley, Chapter 249, Statutes of 2016). The statute sets a statewide goal to reduce California’s greenhouse gas emissions 40 percent below 1990 levels by 2030. A companion bill, Assembly Bill 197 (Garcia, Chapter 250, Statutes of 2016), assures that the state’s implementation of its climate change policies is transparent and equitable, with the benefits reaching disadvantaged communities.

SB 32 codifies the 2030 greenhouse gas reduction goal in Governor Brown's Executive Order B-30-15 and builds on the California Global Warming Solutions Act of 2006 (Assembly Bill 32, Núñez, Chapter 488, Statutes of 2006), the landmark legislation to reduce statewide greenhouse gas emissions to 1990 levels by 2020. California is well on its way to meeting the 2020 target, but the 40 percent reduction by 2030 is much more ambitious.

In his 2015 inaugural address, Governor Brown called on California to meet the following goals by 2030:

- Increase electricity derived from renewable energy sources from one-third to 50 percent.
- Reduce today's petroleum use in cars and trucks by up to 50 percent.
- Double the efficiency of existing buildings and make heating fuels cleaner.

Further, he stated "We must also reduce the relentless release of methane, black carbon, and other potent pollutants across industries. And we must manage farm and rangelands, forests, and wetlands so they can store carbon."

The Clean Energy and Pollution Reduction Act of 2015 (Senate Bill 350, De León, Chapter 547, Statutes of 2015) (SB 350) enacted provisions to achieve two of the Governor's goals for reducing carbon emissions: increasing renewable electricity procurement to 50 percent by 2030, and doubling projected future statewide cumulative energy efficiency savings for both electricity and natural gas by 2030 as long as such savings are cost-effective, feasible, and reliable. SB 350 also emphasizes transportation electrification as a key part of California's low-carbon energy future. In 2014, Senate Bill 1275 (De León, Chapter 530, Statutes of 2014) established the goal of placing one million zero-emission and near-zero-emission vehicles in service by January 1, 2023, while providing increased access to these vehicles for disadvantaged, low-income, and moderate-income communities and consumers. Zero and near-zero electric vehicles run on electricity from plug-in electric batteries, hydrogen fuel cells, or a combination of the two.

On January 26, 2018, Governor Brown put further focus on transforming the transportation sector by setting a target of 250,000 chargers, including 10,000 fast chargers and 200 hydrogen refueling stations, to support 5 million zero-emission vehicles in California by 2030 (Executive Order B-48-18). This target builds on his Executive Order B-16-12 signed in 2012 in which he called for 1.5 million zero-emission vehicles and the infrastructure to support them on California roads by 2025.

Scope of the 2018 *Integrated Energy Policy Report Update*

The *2018 IEPR Update* will be composed of two sections. The first is a review of the implementation of energy policies under the Brown administration and the role of these policies in establishing California's leadership in clean energy. This will include a review of:

- Reductions in greenhouse gas emission and efforts to make the state more resilient to climate change.
- Increases in renewable energy, both large-scale and distributed renewable energy resources.
- Advancements in energy efficiency.

- Advancements in clean transportation, transportation electrification, and the development of the infrastructure needed to support zero-emission transportation.

The second part will also address the following issues from the *2017 IEPR* which was focused on implementing SB 350:

- Ongoing work to ensure energy reliability in Southern California areas affected by the closure of the San Onofre Nuclear Generation Station in 2013, coupled with the retirement of natural gas power plants that use once-through cooling and the massive methane leak at the Aliso Canyon natural gas storage facility in 2016.
- Updating the 2017 California energy demand forecast that was adopted as part of the *2017 IEPR* proceeding. This update will include planning for analysis needed to support SB 350 in the forecast that will be developed as part of the *2019 IEPR* proceeding.
- Advancing Governor Brown's call to expand state adaptation activities through Executive Order B-30-15, with the goal of making the consideration of climate change a routine part of planning.
- Maintaining the reliability of the electricity system while integrating increasing amounts of renewable energy.
- Continuing work on the framework developed in response to SB 350 to double energy efficiency savings by 2030. The *2018 IEPR Update* will focus on identifying and pursuing additional energy efficiency savings from the agricultural and industrial sectors.
- Working to ensure that low-income and disadvantaged communities have an opportunity to participate in and benefit from advancements and investments in energy efficiency, renewable energy, and clean transportation
- Advancing greenhouse gas reductions in California's buildings. The *2018 IEPR Update* will discuss the long-term role of natural gas in California buildings, the Pacific Coast Collaborative's thermal decarbonization regional goals, and other greenhouse gas reduction policies and strategies relevant to California's built environment. This update will also identify market barriers, data collection needs, and building performance metrics to develop recommendations that advance California's energy-related policies and programs on greenhouse gas reductions from buildings.

2018 Integrated Energy Policy Report Update Schedule

The Lead Commissioner directs 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 http://www.energy.ca.gov/2018_energypolicy/.

| Task/Event | Date(s) |
|--|----------------------------|
| Final Scoping Order released | March 2018 |
| Adopt Order Instituting Investigation for 2018 IEPR Update | April 2018 |
| Public workshops on specific topics | April 2018 – December 2018 |
| Release draft <i>2018 IEPR Update</i> | October 2018 |
| IEPR workshop on draft report | October 2018 |
| Release final <i>2018 IEPR Update</i> | January 2019 |
| Adopt <i>2018 IEPR Update</i> | February 2019 |

Participation in the Integrated Energy Policy Report Proceeding

Policy recommendations contained in the *2018 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 should use the IEPR Docket Number 18-IEPR-01 and associated dockets when submitting information for the Lead Commissioner’s consideration

The Lead Commissioner encourages the participation of all interested and affected participants because public input is essential to ensure a complete 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 would like information on how to participate in this proceeding, please contact the Public Adviser, Alana Mathews, at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by email at PublicAdviser@energy.ca.gov.

The service list for the *2018 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/2018_energypolicy/. When new information is posted, an email will be sent to those on the energy policy email 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 Heather Raitt, Assistant Director for Policy Development, at (916) 654-4735 or by email at Heather.Raitt@energy.ca.gov.

News media inquiries should be directed to the Media and Publications Office at (916) 654-4989 or by email at mediaoffice@energy.ca.gov.

Public Comment on the Draft 2018 IEPR Update Scoping Order

For the 2018 IEPR, the Energy Commission is using an electronic commenting system. Visit the website at http://www.energy.ca.gov/2018_energypolicy/ and click on the “Submit e-Comment” link in the “Proceeding Information” box. From the drop down menu, select 18-IEPR-01. This will take you to the page for adding comments to that docket at <https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=18-IEPR-01>. Enter your contact information and comment title. You may include comments in the box titled “comment text” or attach a file with your comments. Attached comments must be in a Microsoft® Word (.doc, .docx) or Adobe® Acrobat® (.pdf) formatted file.

The Energy Commission encourages use of its electronic commenting system, but written comments may also be submitted by handing them directly to the Public Adviser, by email to the Dockets Office, or by U.S. Mail to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 18-IEPR-01
1516 Ninth Street
Sacramento, CA 95814-5512

If you choose not to use the electronic filing system, please include the appropriate docket number on any email or written comments. Comments may be sent by email to docket@energy.ca.gov.

Your electronic, email, written, and oral comments, attachments, and associated contact information (for example, address, phone, and email) become part of the viewable public record. Additionally, this information may become available via Google, Yahoo, and other search engines.

Written comments should be submitted to the Dockets Office by 5:00pm on **February 26, 2018**. All written comments will become part of the public record of this proceeding.

Date: February 12, 2018

Original Signed by:

DAVID HOCHSCHILD
Lead Commissioner
2018 Integrated Energy Policy Report Update

Mail List: energypolicy