

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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2019 Integrated Energy Policy Report Scoping Order

The California Energy Commission’s Integrated Energy Policy Report’s Lead Commissioner, Janea A. Scott, establishes the scope and general schedule for the *2019 Integrated Energy Policy Report (2019 IEPR)*. Text of the *2019 IEPR Scoping Order* follows.

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 and programs 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 (De León, SB 350, Chapter 547, Statutes of 2015) included two goals to reduce 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 suite of bills addressed climate change, including SB 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 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 California Air Resources Board's *Scoping Plan*, which describes California's approach for achieving its GHG reduction goals. The 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 roadways by 2025.
- Executive Order B-48-18 calls for at least 5 million ZEVs on California 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 will not be discussed in detail in the *2019 IEPR*, as it is before federal bankruptcy court. The California Public Utilities Commission is monitoring these proceedings.

The *2019 IEPR* will continue to expand on efforts to decarbonize California's energy system while ensuring that the benefits are equitable. 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 reap the benefits. The topics that will be addressed include:

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 infrastructure. There will also be an exploration of the charging infrastructure needed to meet the state's goals as part of implementing AB 2127 (Ting, Chapter 365, Statutes of 2018).
- Update to 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 so that low-income and disadvantaged communities share the benefits of a transformed energy sector. The analysis will include:

- Update on the implementation status of the recommendations developed in response to SB 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*.

- Assessment of whether charging station infrastructure is disproportionately deployed by population density, geographical area, and population income level as required by SB 1000 (Lara, Chapter 368, Statutes of 2018).

Energy Efficiency and Building Decarbonization - Advancements in energy efficiency and building decarbonization efforts statewide are key strategies in the state's approach to creating a clean economy. The analysis will summarize an Energy Commission report scheduled to be published this year that will include:

- Analysis of actions needed to decarbonize buildings in support of AB 3232 (Friedman, Chapter 373, Statutes of 2018).
- An update of the doubling of energy efficiency targets developed in the *2017 IEPR* as required by SB 350 and updating the *2016 Existing Building Energy Efficiency Action Plan*.
- Comparison of publicly owned utility (POU) energy efficiency targets with actual savings. (Public Utilities Code 9505, Public Resources Code [PRC] 25305.2).

Additionally, the *2019 IEPR* will:

- Consider the role of load management in minimizing renewable curtailment and facilitating the decarbonization of the electricity system in a least-cost manner. In particular, the report will examine the status of demand response.
- Evaluate the actual energy efficiency savings from negative therm interactive effects generated as a result of electricity efficiency improvements, as required in PRC 25302.2.

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 POU's progress in meeting the 2030 goals of SB 350 based on their integrated resource plans. The *2019 IEPR* will also explore the 2045 near-zero-carbon goal set by SB 100.

Electricity, Natural Gas, and Transportation Demand Forecasts - 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 in the state. The Energy Commission will further enhance its electricity and natural gas demand forecast to support the energy efficiency and renewable energy goals in SB 350. This includes providing more granularity in the temporal, locational, and sector-specific electricity and natural gas demand trends. Additionally, the Energy Commission will refine its transportation forecast with updated inputs and assumptions that reflect an evolving transportation market.

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

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

recommendation in the *2017 IEPR* to “coordinate closely with the California Public Utilities Commission to ensure California’s continued shift away from fossil fuels, including methane.

Southern California Energy Reliability – Maintaining energy reliability in Southern California requires ongoing monitoring and assessment. The *2019 IEPR* analysis will include analysis of:

- Natural gas prices as a follow up to a workshop held on January 11, 2019, as part of the *2018 IEPR Update Volume II*, on natural gas price spikes.
- Risks such as extreme weather on the reliability of the system.

Climate Adaptation - Continued actions are needed to address major climate risks to the state’s communities and energy system. These actions must recognize the unique vulnerabilities climate change poses to the natural gas and electricity sectors. The *2019 IEPR* will discuss:

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

2019 IEPR 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. The schedule will be updated at https://www.energy.ca.gov/2019_energypolicy/.

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

Participating in the IEPR Proceeding

Policy and program recommendations in the *2019 IEPR* will be based on the record developed during the proceeding, including data and technical analyses by Energy Commission 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:

- 19-IEPR-01 General/Scope
- 19-IEPR-02 Electricity Resource Plans

- 19-IEPR-03 Electricity and Natural Gas Demand Forecast
- 19-IEPR-04 Transportation
- 19-IEPR-05 Energy Equity
- 19-IEPR-06 Energy Efficiency and Building Decarbonization
- 19-IEPR-07 Electricity Sector
- 19-IEPR-08 Natural Gas Assessment
- 19-IEPR-09 Southern California Energy Reliability
- 19-IEPR-10 Climate Adaptation

Active participation is encouraged because public input is essential to ensure a complete and thorough record. 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 assists the public in participating in Commission proceedings. For information, 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.

The service list for the 2019 IEPR and associated key topic proceedings are electronic. Notices and documents for these proceedings are posted to the Energy Commission website at www.energy.ca.gov/2019_energypolicy/. When new information is posted, an email will be sent to those on the energy policy email list server. Parties can 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 Executive Director for Policy Development, at (916) 654-4735 or by email at Heather.Raitt@energy.ca.gov. Media inquiries should be directed to the Media and Public Communications Office at (916) 654-4989 or by email at mediaoffice@energy.ca.gov.

March 20, 2019

Original signed by

Janea A. Scott
Lead Commissioner
2019 Integrated Energy Policy Report

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