

DOCKETED

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NRDC (Updated) Comments on IEPR Scope

See updated comments. Please ignore the previous version that had typographical errors.

Additional submitted attachment is included below.

March 22, 2022

California Energy Commission

Re: NRDC Comments on IEPR-22 Scope

The Natural Resources Defense Council (NRDC) is a non-profit membership organization with more than 95,000 California members who have an interest in receiving reliable and affordable energy services while reducing their environmental impact and combatting climate change.

The California Energy Commission's (CEC) annual Integrated Energy Policy Report (IEPR) is uniquely positioned to identify potential barriers to the clean energy transition and explore ideal solutions to overcome these barriers. These blue-print solutions are invaluable to the California Public Utilities Commission (CPUC), the legislature, and other stakeholders to determine what future policy changes are necessary.

Electric rates are increasingly being recognized as a critical piece of the clean energy transition puzzle. California's investor-owned utilities and community choice aggregators have some of the highest electric rates in the country. Managing electric rates and bills are necessary to ensure (1) affordability and equity in the clean energy transition and (2) that customers get the right signal, via electric rates, to electrify and manage their load in a manner that is best aligned with the grid and California's carbon reduction goals. The CPUC has recently held two *en-banc*, one on [electric rates](#) and one [on affordability](#), wherein both stakeholders and the CPUC started outlining the problem and discussed multiple means to address this problem.

To this end, NRDC recommends that the CEC undertake an analysis into what changes are necessary to manage utility revenue requirement and efficiency collect this revenue requirement via rates to affordably decarbonize the economy. This analysis should better define the barriers current electric rate structure presents to affordability and electrification; then identify policy solutions necessary to reform revenue requirement determination and rate design to ensure that Californian's energy bills remain affordable through the clean energy transition and that Californians get the right incentives for beneficial electrification. Beneficial electrification should put downward pressure on rates thereby being a part of the solution.

NRDC's presentations at the affordability en-banc (available [here](#)) described possible solutions to reduce total utility revenue requirement and rate design alternatives; this presentation is a good starting point for this more in-depth CEC analysis.

Sincerely,

/s/ Mohit Chhabra

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