

February 21, 2018, California Energy Commission Business Meeting

Item 4. 2017 INTEGRATED ENERGY POLICY REPORT.

2017 IEPR Clean Version:

http://docketpublic.energy.ca.gov/PublicDocuments/17-IEPR-01/TN222377_20180126T144311_Proposed_Final_2017_Integrated_Energy_Policy_Report_Clean_Versi.pdf

2017 IEPR Track Changes Version:

http://docketpublic.energy.ca.gov/PublicDocuments/17-IEPR-01/TN222378_20180126T144445_Proposed_Final_2017_Integrated_Energy_Policy_Report_Track_Changes.pdf

CALIFORNIA ENERGY COMMISSION1516 Ninth Street
Sacramento, California 95814Main website: www.energy.ca.gov

In the matter of,)	Docket No. 17-IEPR-01
)	
Preparation of the)	NOTICE OF BUSINESS MEETING
<i>2017 Integrated Energy Policy Report</i>)	RE: Adoption of Final <i>2017 IEPR</i>
<i>(2017 IEPR)</i>)	
)	

Notice to Consider Adoption of *2017 Integrated Energy Policy Report – Final Commission Report*

The California Energy Commission will hold a Business Meeting on:

Wednesday, February 21, 2018
10:00 AM
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
First Floor, Art Rosenfeld Hearing Room
Sacramento, California
(Wheelchair Accessible)

Note: Audio from this meeting will be broadcast over the internet.
For details on listening in, please go to
www.energy.ca.gov/webcast/.

As part of the Business Meeting to be held on February 21, 2018, the Energy Commission will consider adopting the Final *2017 Integrated Energy Policy Report (2017 IEPR)*. The document is posted on the Energy Commission website at:

www.energy.ca.gov/2017_energypolicy/

To assist parties in their review, two versions of the report are available:

- 1) One shows changes to the October 2017 draft in underline/strikeout, with new text underlined and deleted text in strikeout.
- 2) The second incorporates the changes without showing them in underline/strikeout.

Background

Public Resources Code Section 25301 requires the Energy Commission to prepare an *IEPR* every two years that includes assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and price. The Energy Commission uses 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.

Senate Bill 1389 (Bowen and Sher, Chapter 568, Statutes of 2002) directs state government entities to use the information and analyses contained in the adopted *IEPR* to carry out energy-related duties and responsibilities. During this *IEPR* proceeding, the Energy Commission has coordinated closely with other agencies to ensure consistency in the underlying information used to develop this report.

The *IEPR* Lead Commissioner issued a scoping order on March 6, 2017, that identified topics that would be covered in the report. The Energy Commission held 35 public workshops between January 2017 and December 2017 on a variety of topics in the scoping order including: energy efficiency; integrated resource planning; renewable gas; distributed energy resources; reliability of the electricity system in Southern California; climate change adaptation; strategic transmission investment planning; and natural gas, transportation, and electricity demand forecasts. All workshop documents, including agendas, background material, transcripts, presentations, and public comments, are available at:

www.energy.ca.gov/2017_energypolicy/documents/index.html

The *2017 IEPR* reflects the Governor's and Legislature's commitment to transforming California's energy system to reduce greenhouse gases. In his 2015 inaugural address, Governor Edmond G. Brown called on California to meet the following goals by 2030:

- Increase from one-third to 50 percent electricity derived from renewable sources.
- 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.
- Reduce the relentless release of methane, black carbon and other potent pollutants across industries.
- Manage farm and rangelands, forests and wetlands so they can store carbon.

The *2017 IEPR* focuses on the implementation of the Clean Energy and Pollution Reduction Act of 2015 (Senate Bill 350, DeLeón, Chapter 547, Statutes of 2015) which enacted provisions to achieve the Governor's goals for reducing carbon emissions with increases in energy efficiency savings and renewable generation. The *IEPR* discusses integrated resource plan development, developing a framework for doubling projected future energy efficiency savings by 2030, developing renewable resources to serve half of California electricity needs by 2030, and advancing zero- and near-zero vehicles and infrastructure in the transportation sector.

The *2017 IEPR* also:

- Meets the requirements of Senate Bill 1383 (Lara, Chapter 395, Statutes of 2016) for the Energy Commission, in consultation with the California Air Resources Board and the California Public Utilities Commission, to "develop recommendations for the development and use of renewable gas, including biomethane and biogas as a part of its 2017 Integrated Energy Policy Report." (Section 39730.8 of the Public Health and Safety Code.)

- Puts forward a new energy demand forecast with more advanced analytical tools to better reflect California’s evolving energy system.
- Identifies ways to increase the resiliency of the electricity and natural gas systems to climate change.
- Assesses the integration of distributed energy resources to help increase the resiliency of the electricity grid while reducing greenhouse gas emissions.
- Identifies and recommends actions required to implement investments needed to ensure electricity reliability, relieve transmission congestion, and meet future growth in electric demand and electric generation.
- Identifies ways to increase the resiliency of the electricity and natural gas systems to climate change.
- Identifies ways to increase the resiliency of the electricity and natural gas systems to climate change.

Written Comments

The Energy Commission will accept written comments on the final *2017 IEPR* and requests parties to submit comments in writing by **5:00 p.m. on Wednesday, February 7, 2018** so that comments can be considered prior to the February 21, 2018 Business Meeting. All written comments will become part of the public record of this proceeding. Additionally, written comments may be posted to the Energy Commission’s website.

For the 2017 IEPR, the Energy Commission is using an electronic commenting system. Visit the website at www.energy.ca.gov/2017_energypolicy/ and click on the "**Submit e-Comment**" link in the "Proceeding Information" box. From the drop down menu, please select docket **17-IEPR-01 – General/Scope**.

This will take you to the page for adding comments to that docket. Please enter your contact information and comment title. Select “IEPR 2017 Adoption 02-21-2017 Business Meeting” under “subject(s).” 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 the use of its electronic commenting system, but written comments may also be submitted by emailing them to the Dockets Office, or by U.S. Mail to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 17-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 emailed or written comments. Comments may be emailed to

docket@energy.ca.gov. Please copy the program manager, Heather Raitt, by email at Heather.Raitt@energy.ca.gov.

Please note that your electronic, emailed, written, and oral comments, attachments, and associated contact information (e.g., address, phone, and e-mail) become part of the viewable public record. Additionally, this information may become available via Google, Yahoo, and other search engines.

Public Adviser and Other Commission Contacts

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission proceedings. If you want information on how to participate in this forum, please contact the Public Adviser, Alana Mathews, by email at PublicAdviser@energy.ca.gov or (916) 654-4489 toll free at (800) 822-6228.

If you have a disability and require assistance to participate, please contact Poneh Jones by email at Poneh.Jones@energy.ca.gov or (916) 654-5146 at least five days in advance.

Media inquiries should be sent to the Media and Public Communications Office by email at mediaoffice@energy.ca.gov or (916) 654-4989.

For technical questions about the subject matter of this notice, please contact Heather Raitt at (916) 654-4735 or by email at Heather.Raitt@energy.ca.gov. For general questions regarding the IEPR proceeding, please contact Raquel E. Kravitz, IEPR project manager, by email at Raquel.Kravitz@energy.ca.gov or at (916) 651-8836.

Date: January 29, 2017

Original Signed by:

Chair Robert B. Weisenmiller
Lead Commissioner
2017 Integrated Energy Policy Report

Mail List: energypolicy

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

IN THE MATTER OF:

Docket No. 17-IEPR-01

THE 2017 INTEGRATED ENERGY
POLICY REPORT (2017 IEPR)

ADOPTION OF THE 2017 INTEGRATED
ENERGY POLICY REPORT

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 6, 2017, Chair Robert B. Weisenmiller, Lead Commissioner for the *2017 IEPR*, released a Scoping Order which identified the following topics to be included in the *2017 IEPR*: all analyses required by statute, implementation of SB 350, climate adaptation and resiliency, renewable natural gas, reliability issues in Southern California, integration of distributed energy resources, and the strategic investment plan; and

WHEREAS, there were 35 public workshops conducted by staff, the Lead Commissioner, or jointly by the Energy Commission with one or more of the following organizations - the California Public Utilities Commission (CPUC), the California Independent System Operator (California ISO), and Los Angeles Department of Water and Power - between January 23, 2017, and December 15, 2017, in order to solicit input from stakeholders on these topics; and

WHEREAS, the Lead Commissioner released the *Draft Lead Commissioner 2017 IEPR* for public review and comment on October 16, 2017, held a workshop on the draft report on October 23, 2017; and

WHEREAS, after considering all comments received at and in writing after the October 23, 2017, workshop, the Lead Commissioner released the *Final 2017 IEPR* on January 26, 2018; and

WHEREAS, the *Final 2017 IEPR* contains a demand forecast with three baseline cases and six additional achievable energy efficiency scenarios, and four additional achievable photovoltaic adoption scenarios, and the single or managed forecast is a combination of these three forecast components: a baseline case, an additional achievable energy efficiency scenario and an additional achievable photovoltaic scenario. The Energy Commission, CPUC, and California ISO leaderships agree that the same additional achievable energy efficiency and photovoltaic cases 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, selected the mid baseline demand case for the combined investor-owned utility service areas that comprise the California ISO balancing 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-mid additional achievable energy efficiency and photovoltaic scenarios for system-wide and flexibility studies, and the mid-low additional achievable energy efficiency and photovoltaic scenarios for local studies in the 2018-2019 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 2017 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 2017 IEPR* with the changes identified at its February 21, 2018 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 2017 IEPR* and directs Commission staff prepare the *Final 2017 IEPR*, incorporating any errata adopted today along with any non-substantive changes such as typographical corrections, and forward the *Final 2017 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.

CERTIFICATION

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the California Energy Commission held on February 21, 2018.

AYE:

NAY:

ABSENT:

ABSTAIN:

Cody Goldthrite
Secretariat