

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

IN THE MATTER OF:

PREPARING THE 2020 *INTEGRATED
ENERGY POLICY REPORT UPDATE
(2020 IEPR UPDATE)*

Docket No. 20-IEPR-01

PROPOSED ORDER INSTITUTING
INFORMATIONAL PROCEEDING

I. Introduction

The California Energy Commission (CEC) is required to adopt the Integrated Energy Policy Report (IEPR) every two years and updates on alternate years. (Public Resources Code, sections 25301, 25302.) The IEPR contains an overview of major energy trends and issues facing the state, as well as a number of detailed assessments of energy supply and demand, energy reliability, efficiency, and other energy issues affecting the state's economy, public health and safety, and environment. The IEPR Update is intended to update analyses from the previously published IEPR and raise energy issues that have emerged since its release. (Pub. Resources Code, section 25302(c).) The IEPR Update requires participation of and coordination with a broad array of public and private stakeholders, including utilities, public agencies, marketers, producers, generators, importers and exporters, and others, many of whom submit detailed information to support the CEC's analytical efforts. Development of the IEPR Update is a public process, and numerous workshops and other opportunities for public participation are provided throughout the year-long proceeding. All IEPR Update events are publicly noticed, and the CEC maintains a docket of all submissions in the proceeding, which serve as the basis for the recommendations contained in the final IEPR Update.

II. Assignment of Committee and Scope

Commissioner Patty Monahan is lead commissioner for the overall *2020 IEPR Update* and will lead the transportation analysis, while Commissioner Andrew McAllister will lead the demand forecast and Chair David Hochschild will lead the assessment of microgrids. The *2020 IEPR Update* will be developed in three products (1) a report on transportation trends, challenges, and opportunities; (2) an update to the demand forecast; and (3) an assessment of microgrids. On February 24, 2020, Commissioner Patty Monahan issued the [Scoping Order for the 2020 Integrated Energy Policy Report Update](#) that details the topics that the CEC will cover in the

2020 IEPR Update. The scoping order is attached and available at <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2020-integrated-energy-policy-report-update>. The IEPR Update may address additional topics as the lead commissioner deems necessary.

III. Hearings and Workshops

Except for the first notice, which will be issued at least 14 days before the first hearing, the lead commissioner will issue notices at least ten days in advance of any hearings and workshops and will identify at that time when written comments and/or testimony will be due, as well as the manner of the filing. Any person may make oral comments on the subject of this proceeding at these hearings and workshops. The written public comment periods for this proceeding, and the manner in which they will be required to be filed, will be established by separate notice. The lead commissioner will hold the first hearing on March 18, 2020, and will hold additional workshops and hearings on the topics listed above.

IV. Authority

Pursuant to Public Resources Code section 25210 and Cal. Code Regs, tit. 20, section 1220(b), informational proceedings allow the CEC to hold hearings and take other actions to gather and assess information needed to assist it in formulating policies. This Informational Proceeding is also instituted pursuant to the authority provided under Public Resources Code section 25302(c). Instituting an Informational Proceeding with the adoption of this Order ensures that the *2020 IEPR Update* lead commissioner, who will be responsible for overseeing the preparation of the *2020 IEPR Update*, and the other assigned Commissioners, can collect the information needed to complete the required analyses and assessments.

V. Participation

Those interested in receiving notices of workshops and hearings for the *2020 IEPR Update* can subscribe to the [2020 IEPR Update page](https://www.energy.ca.gov/2019_energypolicy/), located at https://www.energy.ca.gov/2019_energypolicy/. (Scroll down the right side of the page to find “subscribe.”). Alternatively, parties may go to https://www.energy.ca.gov/listservers/index_cms.html to [sign up for the energypolicy list server](#).

The CEC’s Public Advisor’s Office provides the public with assistance in participating in CEC proceedings. For information on how to participate in this forum, or to request language services or other reasonable accommodations, please contact the Public Advisor, Noemí O. Gallardo, at PublicAdvisor@energy.ca.gov, or by phone at (916) 654-4489, or toll free at (800) 822-6228 or via fax at (916) 654-4493. Requests for language services and reasonable accommodations should be made at least five days in advance. The CEC will work diligently to accommodate late requests.

Media inquiries should be directed to the Media and Public Communications Office at MediaOffice@energy.ca.gov or (916) 654-4989.

Questions on the technical subject matter of this meeting 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.

The CEC therefore appoints the commissioners named above and orders the institution of an Informational Proceeding for the *2020 IEPR Update*, directing the Executive Director and staff to gather and assess the information needed to prepare the *2020 IEPR Update* consistent with the scope identified in section II above, under guidance of the lead commissioner and other assigned commissioners.

IT IS SO ORDERED.

CERTIFICATION

The undersigned Secretariat to the CEC 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 CEC held on March 11, 2020.

AYE:
NAY:
ABSENT:
ABSTAIN:

Cody Goldthrite
Secretariat

Attachment: *Scoping Order for the 2020 Integrated Energy Policy Report Update*

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov

**IN THE MATTER OF:****Preparation of the 2020 Integrated
Energy Policy Report Update****Docket No. 20-IEPR-01**

Scoping Order for the 2020 Integrated Energy Policy Report Update

The 2020 Integrated Energy Policy Report Update (*2020 IEPR Update*) will consist of three products (1) a report on transportation trends, challenges, and opportunities; (2) an update to the demand forecast; and (3) an assessment of microgrids. Commissioner Patty Monahan will lead the transportation analysis and is the lead commissioner for the overall *2020 IEPR Update*, while Commissioner Andrew McAllister will lead the demand forecast and Chair David Hochschild will lead the assessment of microgrids.

The California Energy Commission (CEC) develops the IEPR biennially. On odd years (for example, 2019), the IEPR is a relatively comprehensive state energy policy report, while on even years (for example, 2018), the IEPR is a shorter update on key topics. The *2020 IEPR Update* will focus on the transportation sector, the state's largest source of greenhouse gas (GHG) emissions.

Legislative Authority for the IEPR

Public Resources Code Section 25301(a) requires that, at least every two years, the CEC "conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices. The CEC shall use these assessments and forecasts to develop and evaluate energy policies and programs that conserve resources, protect the environment, ensure energy reliability, enhance the state's economy, and protect public health and safety."

Public Resources Code Section 25302(c) requires the CEC to prepare an update in alternate years to provide a progress report on issues raised in the biennial IEPR or to identify new energy issues that have arisen during the intervening year. The *2020 IEPR Update* will fulfill that requirement.

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."

Climate-Related Energy Policies

California laws and executive orders mandate that the state's energy system must quickly transition away from fossil fuel combustion and towards zero and near-zero emission fuels and technologies,

while protecting consumers and ensuring disadvantaged communities benefit from this transition. The following statutes and executive orders provide some examples of California's commitment to equitable and clean energy.

- SB 32 (Pavley, Chapter 249, Statutes of 2016) set a statewide goal of reducing California's GHG emissions 40 percent below 1990 levels by 2030.
- AB 197 (Garcia, Chapter 250, Statutes of 2016) required that the state's climate change policies be transparent and equitable, with clear benefits for disadvantaged communities.
- SB 100 (De León, Chapter 310, Statutes of 2018) established a renewable electricity goal of 60 percent by 2030 and codified the state's commitment to developing a carbon-free electricity sector by 2045.
- SB 1339 (Stern, Chapter 566, Statutes of 2018) requires the CEC, California Public Utilities Commission (CPUC), and the California Independent System Operator to help transition microgrids from a promising emerging technology solution to a commercial product that helps California meet its energy goals.
- In 2018, EO B-55-18 established a statewide goal of achieving carbon neutrality by 2045.

The transportation sector is the largest source of GHG emissions in California, and various state policies require the state to accelerate deployment of zero and near-zero emission vehicles including:

- In 2012, EO B-16-2012 set a goal of reaching 1.5 million zero-emission vehicles by 2025.
- The 2017 Scoping Plan: led by the California Air Resources Board with support from 20 additional state agencies, highlighted the importance of transitioning to zero emission cars, trucks, buses, and equipment, while increasing the use of clean, low carbon fuels where zero-emission options are not yet available.
- In 2018, EO B-48-18 called for at least 5 million zero-emission vehicles by 2030, as well as 250,000 plug-in electric vehicle chargers (including 10,000 direct fast current chargers), and 200 hydrogen refueling stations by 2025.
- In 2019, EO N-19-19 required the state to redouble efforts to reduce GHG emissions, specifically highlighting the need to reduce increased fuel consumption in the transportation sector including by reducing vehicle miles travelled and accelerating progress toward zero-emission vehicles.

Scope of the 2020 IEPR Update

Transportation

The CEC will evaluate current transportation trends, challenges, and opportunities for dramatically cutting emissions; achieving state goals for zero-emission vehicles (including battery electric vehicles and hydrogen fuel cell electric vehicles); and ensuring that the transportation sector contributes its fair share towards reaching a carbon neutral economy by 2045. The report and workshops will include a strong focus on equity and impacts to disadvantaged communities. The report will also assess near- and longer-term strategies for cutting emissions from passenger and commercial vehicles and setting a course for deep decarbonization. Topics that will be addressed in the *2020 IEPR update* include:

- An evaluation of current transportation trends and challenges, including a shift towards larger passenger vehicles and increases in vehicle miles travelled.
- How the “three revolutions” of electrification, automation, and mobility as a service could impact transportation energy demand, emissions, access, and livability.
- Discussion on the importance and opportunities of energy resilience in the context of zero-emission fuels and vehicles.
- Update on the status of the zero-emission vehicle market in California, the U.S., and globally, including battery electric vehicles and hydrogen fuel cell vehicles.

- A roadmap for intelligently integrating electric vehicles into the grid.
- An evaluation of existing charging and hydrogen refueling infrastructure and an exploration of the infrastructure needed to meet the state's 2025 and 2030 zero-emission vehicle goals, as well as the state's 2045 carbon neutrality goal.
- Discussion of the role of near-zero emission fuels and vehicles, with a focus on commercial trucks and off-road equipment.
- An assessment of current clean transportation funding programs, (including the CEC's Clean Transportation Program), workforce training investments, and trends toward an equitable economy.

Electricity and Natural Gas

The *2020 IEPR Update* will include an updated 10-year forecast of electricity consumption and peak electricity demand for California and for individual utility planning areas within the state.¹ The forecast will also examine natural gas demand, supply, and reliability. The CEC will update the 2019 California Energy Demand forecast to reflect (1) updated econometric and demographic data and another year of historical load data and (2) updated projections for photovoltaics and storage through benchmarking of new interconnection data. The CEC will also assess potential impacts of different plug-in electric vehicle charging behaviors during hours of peak electricity demand.

Microgrids

CEC research has demonstrated the value of microgrids² in providing grid resiliency during short term outages, wildfires, public safety power shutoffs and other events during which grid services are disrupted.³ The *2020 IEPR Update* will include an assessment of microgrids and put forward policy recommendations on how microgrids can best be used to increase grid reliability while supporting a clean and affordable energy future in California.

2020 Integrated Energy Policy Report Update Schedule

Commissioner Monahan directs the CEC staff to use the following general schedule:

Task/Event	Date(s)
Final Scoping Order released	February 2020
Public workshops on specific topics	March 2020 – December 2020
Release draft <i>2020 IEPR Update</i>	October 2020
Release final <i>2020 IEPR Update</i>	January 2021
Adopt <i>2020 IEPR Update</i>	February 2021

As workshop topics and dates are finalized, the CEC 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 the [2020 IEPR Update](https://www.energy.ca.gov/2020iepr), <https://www.energy.ca.gov/2020iepr>.

1 Achieving SB 100 will require both supply and demand side solutions (docket number 19-SB-100). AB 3232 (Friedman, Chapter 373, Statutes of 2018), requires the CEC to assess the potential of achieving building emission reductions of 40 percent below 1990 levels by 2030 (docket number 19-DECARB-01). These on-going efforts have significant implications for electricity and natural gas demand, and will inform critical forecasting topics, such as customer-owned resources and fuel-substitution that will be further addressed in future iterations of the CEC's energy demand forecasts.

2 Microgrids combine distributed energy resources with a controller to manage energy use. A key feature of microgrids is the ability to continue operating even if the surrounding electricity grid experiences an outage.

3 The CEC is coordinating with the CPUC on microgrid research and implementation activities.

Participation in the Integrated Energy Policy Report Proceeding

Any policy recommendations contained in the *2020 IEPR Update* will be based on the record developed during the proceeding, including data and technical analyses by the staff and stakeholders. As appropriate, the CEC will incorporate analyses and information developed in other proceedings at the CEC and by other agencies. Participants should use the IEPR docket number **20-IEPR-01** and associated dockets when submitting information:

- 20-IEPR-01 General/Scope
- 20-IEPR-02 Transportation
- 20-IEPR-03 Electricity and Natural Gas
- 20-IEPR-04 Microgrids

Public input is essential to ensure a complete and thorough record. Commissioner Monahan encourages all interested and affected participants to actively participate in this process. Commissioner Monahan will direct staff to work with relevant federal, state, local, and other agencies to identify and address energy infrastructure and related environmental challenges.

Public Advisor and Other Commission Contacts

The CEC's Public Advisor's Office provides the public with assistance in participating in CEC proceedings. For information on how to participate in this forum, or to request language services or other reasonable accommodations, please contact the Public Advisor, Noemí O. Gallardo, at Publicadvisor@energy.ca.gov, or by phone at (916) 654-4489, or toll free at (800) 822-6228 or via fax at (916) 654-4493. Requests for language services and reasonable accommodations should be made at least five days in advance. The CEC will work diligently to accommodate late requests.

Media inquiries should be directed to the Media and Public Communications Office at Mediaoffice@energy.ca.gov or (916) 654-4989.

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.

Availability of Documents

When new information is posted, an email will be sent to those on the energypolicy list serve. Those interested in receiving these notices can subscribe in the lower right corner at the *2020 IEPR Update* page, [2020 IEPR Update](https://www.energy.ca.gov/2020iepr), <https://www.energy.ca.gov/2020iepr>, or alternatively manage existing list serves or sign up for others at the [CEC List Servers](https://www.energy.ca.gov/listservers/index_cms.html), https://www.energy.ca.gov/listservers/index_cms.html.

Dated: Monday February 24, 2020, at Sacramento, California

Original signed by

Patty Monahan
Lead Commissioner
2020 IEPR Update

Mail List: energypolicy, diversity, dcag, barriers