



**California Energy Commission
04.12.2023 Business Meeting
Backup Materials for Agenda Item No. 07**

Order Instituting Informational (OI) Proceeding (Docket 23-IEPR-01)

The following backup materials for the above-referenced agenda item are available as described below:

1. Proposed Order, attached below.
2. Scoping Order for the 2023 IEPR, attached below.

For the complete record, please visit: [2023 Integrated Energy Policy Report \(ca.gov\)](https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2023-integrated-energy-policy-report), <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2023-integrated-energy-policy-report> or [Docket Log: 23-IEPR-01](#).

To stay informed about this project and receive documents as they are filed, please subscribe to the proceeding topic, which can be accessed here: [Integrated Energy Policy Report California Energy Commission webpage](https://energy.ca.gov/data-reports/integrated-energy-policy-report), <https://energy.ca.gov/data-reports/integrated-energy-policy-report>. The topic sends out email notifications and direct links when documents are filed in the proceeding docket.

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

IN THE MATTER OF:

Preparing the 2023 Integrated Energy
Policy Report (2023 IEPR)

Docket No.: 23-IEPR-01

**[PROPOSED] ORDER INSTITUTING
INFORMATIONAL PROCEEDING**

I. BACKGROUND

The California Energy Commission (CEC) is required to adopt the Integrated Energy Policy Report (IEPR) every two years. 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 requires participation from, and coordination with an 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 is a public process, and numerous workshops and other opportunities for public participation are provided throughout the year-long proceeding. All IEPR events are publicly noticed, and all submissions are received into one of several IEPR dockets maintained for the proceeding, which together serve as the basis for the recommendations in the final IEPR.

II. Assignment of the Committee and Scope

Determining the scope of the *2023 IEPR* begins with review of the applicable statutory provisions, found in Public Resources Code sections 25301 et seq, and specific sections of the Public Utilities Code and Health and Safety Code which direct the CEC to periodically report on certain information and assessments in the IEPR.

Commissioner Patty Monahan is the Lead Commissioner for the *2023 IEPR* and Vice Chair Siva Gunda is the Associate Commissioner.

On March 29, 2023, the 2023 IEPR Lead Commissioner, Patty Monahan, issued a scoping order identifying the topics that will be examined in the *2023 IEPR*. In addition to analyses specifically required by statute, the *2023 IEPR* will address four major topics as described in further detail in the attached *2023 IEPR Scoping Order*.

- Accelerated connection of clean energy.
- Electricity and natural gas forecast.
- Potential growth of hydrogen.
- Updates.

The scoping order is attached and available at [2023 Integrated Energy Policy Report](https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2023-integrated-energy-policy-report) or at <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2023-integrated-energy-policy-report>. The *2023 IEPR* may also address other topics as the Lead Commissioner deems necessary.

III. Hearings and Workshops

The first workshop for this proceeding was held on January 13, 2023. Additional hearings will be held and separately noticed. The Commissioners responsible for overseeing the *2023 IEPR* will issue notices at least ten days in advance of their respective hearings and workshops and will identify at that time when written comments and 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.

IV. Authority

Pursuant to Public Resources Code section 25210 and California Code of Regulations, Title 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. Instituting an informational proceeding with the adoption of this Order ensures that the assigned Commissioners responsible for overseeing the preparation of the *2023 IEPR* 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 [2023 IEPR](https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2023-integrated-energy-policy-report) can subscribe at <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2023-integrated-energy-policy-report>. (Scroll down the right side of the page to find “subscribe.”). Alternatively, parties may go to [CEC Subscriptions](https://www2.energy.ca.gov/listservers/index_cms.html), https://www2.energy.ca.gov/listservers/index_cms.html to sign up for the energypolicy subscription topic. There will be opportunities for providing written comments before and during these hearings, the details of which will be specified in the notice issued for each hearing. In general, the following instructions will apply, but may be modified in the hearing notice:

For the *2023 IEPR*, the CEC is using an electronic commenting system. Visit the [website](#)

At <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2023-integrated-energy-policy-report>. Please select and expand the appropriate docket (there are 7 separate dockets for the 2023 *IEPR* and more may be added as needed) and click on the “**Submit e-Comment**” link. This will take you to the page for adding comments to that docket. Please 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 CEC encourages use of its electronic commenting system, but written comments may be submitted by emailing them to the Dockets Office, or by U.S. Mail to:

California Energy Commission
Dockets Unit, MS-4
Re: Docket No. 23-IEPR-01
715 P Street
Sacramento, CA 95814

If you choose not to use the electronic filing system, please include the appropriate docket number on any emailed or written comments. Comments may alternatively be emailed to docket@energy.ca.gov, with the appropriate docket number provided in the subject line. Please note that your electronic, emailed, written and oral comments, attachments, and associated contact information (for example, address, phone number, and email address) become part of the viewable public record. Additionally, this information may become available via Google, Yahoo, and other search engines.

Any person may make oral comments on the subject of the proceeding at workshops and hearings for the 2023 *IEPR*; the notice for each workshop will identify further details and any limitations surrounding the provision of such comments. The Lead and Associate Commissioners overseeing the 2023 *IEPR* may also require the presence and participation of certain persons, consistent with the nature and purpose of the proceeding.

The CEC’s Public Advisor’s Office provides the public with assistance in participating in CEC proceedings. For information on participation or to request interpreting services or reasonable accommodations, please contact the Public Advisor, Mona Badie, at publicadviser@energy.ca.gov, by phone at (916) 654-4489, or toll free at (800) 822-6228. Requests for interpreting services and reasonable accommodations should be made at least five days in advance. The CEC will work diligently to accommodate all requests.

If you have questions about the subject matter of this order, please contact Heather Raitt, Assistant Executive Director for Policy Development, at (916) 628-2355 or by email at Heather.Raitt@energy.ca.gov.

Direct media inquiries to mediaoffice@energy.ca.gov or (916) 654-4989. The CEC therefore appoints the Lead and Associate Commissioners named above and orders the institution of an informational proceeding for the 2023 *IEPR*, directing the Executive Director and staff to gather and assess the information needed to prepare the 2023

IEPR consistent with the scope identified in section II above, under guidance of the Lead and Associate 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 April 12, 2023.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Liza Lopez
Secretariat

In the matter of:)	Docket No. 23-IEPR-01
)	
Preparation of the)	
<i>2023 Integrated Energy Policy Report</i>)	
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Scoping Order for the 2023 Integrated Energy Policy Report

The California Energy Commission (CEC) biennially develops the Integrated Energy Policy Report (IEPR) that broadly assesses California’s energy system and puts forward recommendations to advance California’s clean energy future.

California has enacted a broad portfolio of policies and programs to achieve rapid economy-wide decarbonization while maintaining energy reliability, affordability, and enhancing equity. The electric system will be foundational for achieving the state’s climate change mitigation and public health protection goals. The 2021 SB 100 Joint Agency Report concluded that construction of new renewable generation and storage must be sustained at record-setting rates to achieve zero carbon retail sales of electricity. At the same time, nearly 1.4 million chargers will need to be connected to the grid by 2030 to power millions of light-, medium-, and heavy-duty electric vehicles according to the inaugural AB 2127 Electric Vehicle Infrastructure Assessment. Building decarbonization, including the goal of installing 6 million electric heat pumps by 2030, is also driving fundamental shifts in how the state plans for and invests in its clean energy future.

The CEC and the California Public Utilities Commission (CPUC) identified multiple risks to deploying clean energy resources in the *Joint Agency Reliability Planning Assessment*,¹ including supply chain disruptions, permitting delays, and interconnection delays. Through the Tracking Energy Development Task Force,² the CPUC, CEC, California Independent System Operator (California ISO), and the Governor’s Office of Business and Economic Development are working together to help overcome barriers to new project development. Timely deployment and integration of clean energy technologies with the electric grid is critical and delays or bottlenecks may limit progress on meeting policy targets.

1 Kootstra, Mark, and Nathan Barcic (CPUC). 2023. [Joint Agency Reliability Planning Assessment](#). CEC. Publication Number: CEC-200-2023-002. <https://efiling.energy.ca.gov/GetDocument.aspx?tn=248714&DocumentContentId=83233>.

2 For more information on the [Tracking Energy Development Task Force](#) see, <https://www.cpuc.ca.gov/news-and-updates/newsroom/summer-2021-reliability/tracking-energy-development>.

Scope

Accelerated Connection of Clean Energy: The focus of the *2023 Integrated Energy Policy Report (2023 IEPR)* is to identify barriers and solutions to accelerate the connection (including interconnection, energization, and associated system upgrades) of clean energy technologies with the electric grid. The report will consider both transmission and distribution systems and the CEC will coordinate with ongoing proceedings at the CPUC and California ISO. Specifically, the report will build from the Transmission Development Forum, the Tracking Energy Development Task Force, the Transmission and Resource Planning and Implementation Memorandum of Understanding³ between the state's energy entities, and the CEC's Distributed Energy Resources OIIP.⁴ Examples of clean energy technologies that will require rapid deployment and integration include but are not limited to:

- Grid-scale low-carbon generation, storage, and community solar.
- Zero-emission vehicle fueling infrastructure.
- Distributed energy resources and microgrids.
- Decarbonized buildings and widespread load flexibility.

Electricity and Natural Gas Forecast: The 2023 IEPR will include a new 15-year electricity and gas demand forecast with the latest demographic and economic data. The new forecast will include scenarios that estimate the potential impacts of the state's decarbonization strategies on electricity and gas demand.

Potential Growth of Hydrogen: The report will include analysis of the potential growth of hydrogen and its role in decarbonizing the electricity and transportation sectors as directed by Senate Bill 1075 (Skinner, Chapter 363, Statutes of 2022).

Updates: Findings from informational proceedings such as those related to gas system decarbonization, estimation of benefits from the transition to clean transportation systems, strategies and options for the use of gas (Public Resources Code 25303.5), and implementation of energy efficiency measures will also inform the report.

Commissioner Monahan will serve as lead for the 2023 IEPR, with Vice Chair Gunda as associate.

Legislative Authority

Public Resources Code (PRC) Section 25301(a) requires the CEC 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

³ [Memorandum of Understanding](http://www.caiso.com/Documents/ISO-CEC-and-CPUC-Memorandum-of-Understanding-Dec-2022.pdf). December 2022. <http://www.caiso.com/Documents/ISO-CEC-and-CPUC-Memorandum-of-Understanding-Dec-2022.pdf>.

⁴ [Order Instituting Informational Proceeding on Distributed Energy Resources](https://www.energy.ca.gov/proceedings/energy-commission-proceedings/order-instituting-informational-proceeding-distributed). <https://www.energy.ca.gov/proceedings/energy-commission-proceedings/order-instituting-informational-proceeding-distributed>.

environment, provide reliable energy, enhance the state's economy, and protect public health and safety. The CEC includes these energy policy recommendations in its biennial Integrated Energy Policy Report that is issued in odd-numbered years.

Key Statutory and Executive Order Initiatives

The *2023 IEPR* will reflect the many key policy initiatives that shape California's energy policies, with an emphasis on:

- Assembly Bill 1279 (Muratsuchi, Chapter 337, Statutes of 2022) that requires steps to ensure California reaches net-zero GHG emissions by 2045.
- Senate Bill 1020 (Laird, Chapter 361, Statutes of 2022) that mandates steps to ensure renewable and zero-carbon sources make up 90 percent of the state's electricity by 2035.
- SB 887 (Becker, Chapter 358, Statutes of 2022) that requires the CPUC, California Independent System Operator, and CEC to coordinate on planning and approving additional transmission capacity needed to deliver renewable or zero carbon resources expected to be developed by 2035.
- SB 1075 (Skinner, Chapter 363, Statutes of 2022) that requires analysis of the potential growth of hydrogen and its role in decarbonizing the transportation and electric sectors.
- SB 846 (Dodd, Chapter 239, Statutes of 2022) that requires the CEC to (1) compare the cost of extending the operation of the Diablo Canyon nuclear power plant with the cost of a portfolio of other feasible resources; (2) develop a quarterly report on energy reliability for 5 and 10 years forward, jointly with the CPUC; (3) make a determination of whether there is a potential for reliability deficiencies if the Diablo Canyon power plant operation is not extended beyond 2025; and (4) adopt a goal for load shifting to reduce net peak electrical demand (when energy demand minus wind and solar is highest).
- SB 423 (Stern, Chapter 243, Statutes of 2022) that requires the CEC to develop a report on "firm zero-carbon resources" in consultation with the CPUC, California ISO, and California Air Resources Board by December 31, 2023.
- EO N-16-22 that requires state agency strategic plans to include, with community input, data analysis and inclusive practices to advance equity and respond to identified disparities.
- EO N-79-20 that establishes targets for 100 percent of light-duty passenger vehicle and truck sales being zero emission by 2035; all operating drayage and off-road equipment being zero emission by 2035, and all operating medium- and heavy-duty vehicle being zero emission by 2045 for all operations where feasible.
- SB 100 (De León, Chapter 312, Statutes of 2018), which accelerated the state's renewables goal to 60 percent by 2030 and put into law the state's commitment to 100 percent renewable and a zero-carbon electricity system by 2045.

- AB 3232 (Friedman, Chapter 373, Statutes of 2018), which requires CEC to provide an update on the emissions of greenhouse gases, based on existing data, associated with the supply of energy to residential and commercial buildings, by fuel type.
- SB 350 (De León, Chapter 547, Statutes of 2015), which directed the CEC to identify barriers to accessing the benefits of clean energy, including the barriers low-income customers face in accessing energy efficiency, weatherization, and photovoltaics; increased renewable procurement targets; and required a doubling of energy efficiency savings by 2030.
- AB 758 (Skinner, Chapter 470, Statutes of 2009), which requires CEC to provide a framework to reduce energy consumption in existing building stock.

2023 IEPR Schedule

The Lead Commissioner directs the CEC staff to use the following general schedule. 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 <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2023-integrated-energy-policy-report>.

Task/Event	Date(s)
Public workshops on specific topics	January 2023 – December 2023
Final Scoping Order released	March 2023
Adopt order instituting informational proceeding for 2023 IEPR	April 2023
Release draft <i>2023 IEPR</i>	October 2023
Release final <i>2023 IEPR</i>	January 2024
Adopt <i>2023 IEPR</i>	February 2024

Participation in the Integrated Energy Policy Report Proceeding

Policy recommendations contained in the *2023 IEPR* 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 CEC and by other agencies will be incorporated as appropriate. Participants should use the IEPR docket number 23-IEPR-01 and associated dockets when submitting information for the Lead Commissioner’s consideration which are as follows:

- 23-IEPR-01 - General/Scope
- 23-IEPR-02 - Electricity Resource Plans
- 23-IEPR-03 - Electricity and Gas Demand Forecast
- 23-IEPR-04 - Accelerating Bulk Grid Connection
- 23-IEPR-05 - Accelerating Distribution Grid Connection
- 23-IEPR-06 - Hydrogen
- 23-IEPR-07 - Updates

The Lead Commissioner encourages the active participation of all interested and affected participants because public input is essential to ensure a complete and thorough 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.

Contacts

The Energy Commission's Public Adviser's Office provides the public with assistance in participating in Commission proceedings. For information on how to participate in this forum, please contact the public adviser at publicadviser@energy.ca.gov, (916) 654-4489, or toll free at (800) 822-6228.

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 should be directed to Heather Raitt, Director of the Integrated Energy Policy Report, at (916) 628-2355 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 integrated energy policy report subscription. Those interested in receiving these notices can [subscribe](#) at <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2023-integrated-energy-policy-report>, or manage existing [subscriptions](#) or sign up for others at <https://www.energy.ca.gov/subscriptions>.

Dated: March 29, 2023, at Sacramento, California

Subscriptions:

Integrated Energy Policy Report; Electricity Issues; General Natural Gas and LNG Issues; General Transportation and Petroleum Issues; Clean Transportation Program; Disadvantaged Communities Advisory Group; Diversity Outreach Program; Climate Change Issues; Efficiency Topics; Energy Efficiency Program for Existing Buildings; Decarbonization Topics