



Item 8: Vernon Public Utilities IRP

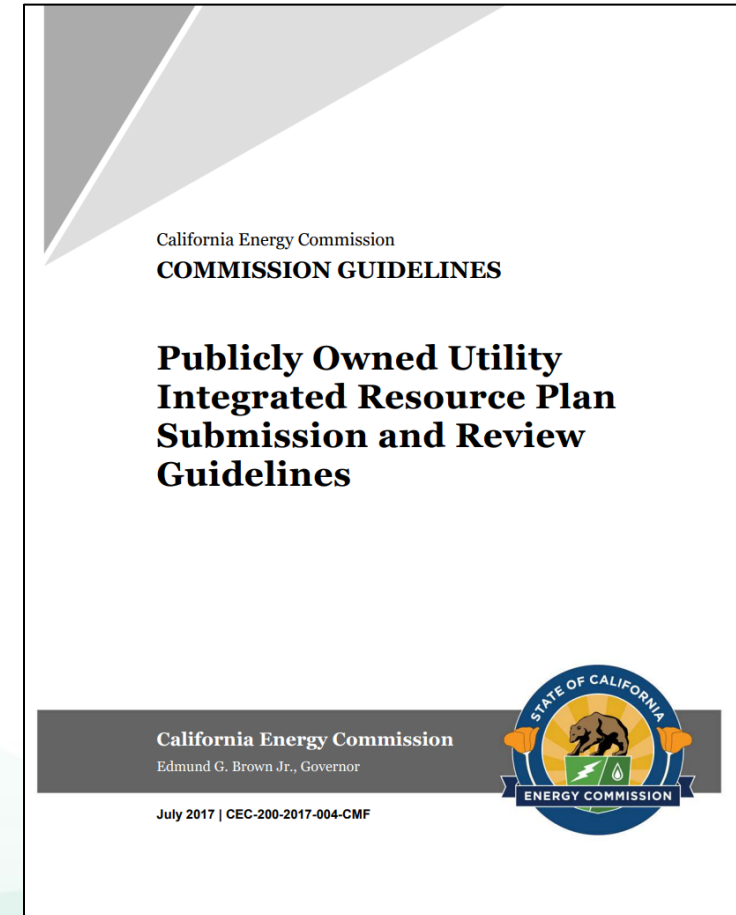
May 8, 2025 Business Meeting

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Energy Assessments Division



IRP Overview

- Comprehensive planning document describing:
 - Energy and capacity resource needs
 - Policy goals
 - Physical and operational constraints
 - Other utility priorities
- Developed and adopted by 16 largest POUs
- Submitted to CEC every five years
- CEC reviews for consistency with statutory requirements as specified in the IRP Guidelines
- CEC determination adopted at a Business Meeting





Public Utilities Code (PUC) Section 9621

An IRP must address statutory requirements in the areas of:

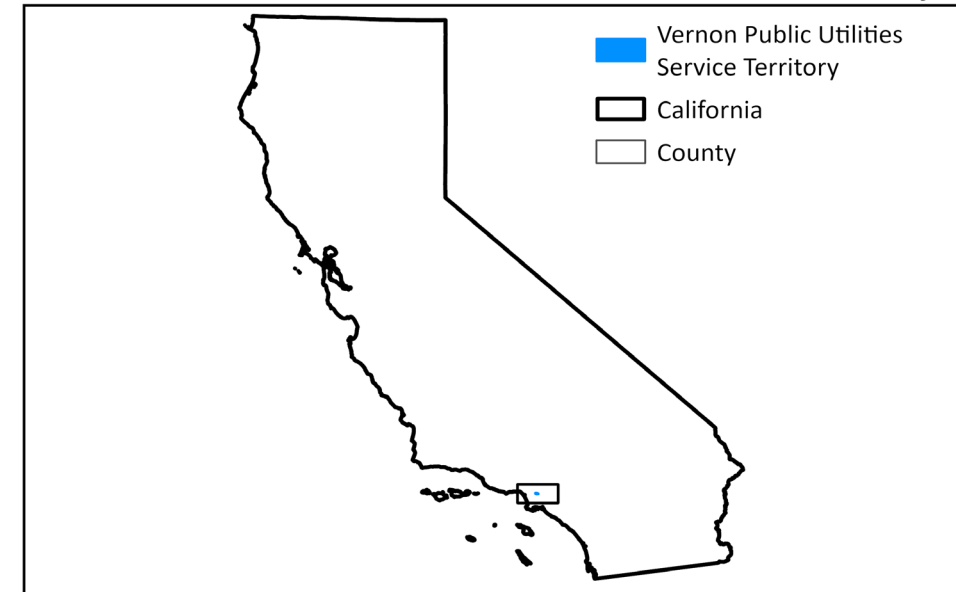
- ✓ GHG emissions targets
- ✓ Renewables Portfolio Standard
- ✓ Just and reasonable rates
- ✓ System and local reliability
- ✓ Diverse, resilient, and sustainable energy system and communities
- ✓ Localized air pollutants with priority on disadvantaged communities
- ✓ Diverse portfolio of energy resources



Vernon 2023 IRP

- Vernon Public Utilities (VPU)
- Industrial city
- VPU serves primarily commercial and industrial customers.
 - ~1,900 commercial, industrial, municipal and
 - 74 residential accounts
- IRP approved by Vernon City Council
- VPU develops and implements IRP

Vernon Public Utilities Service Territory

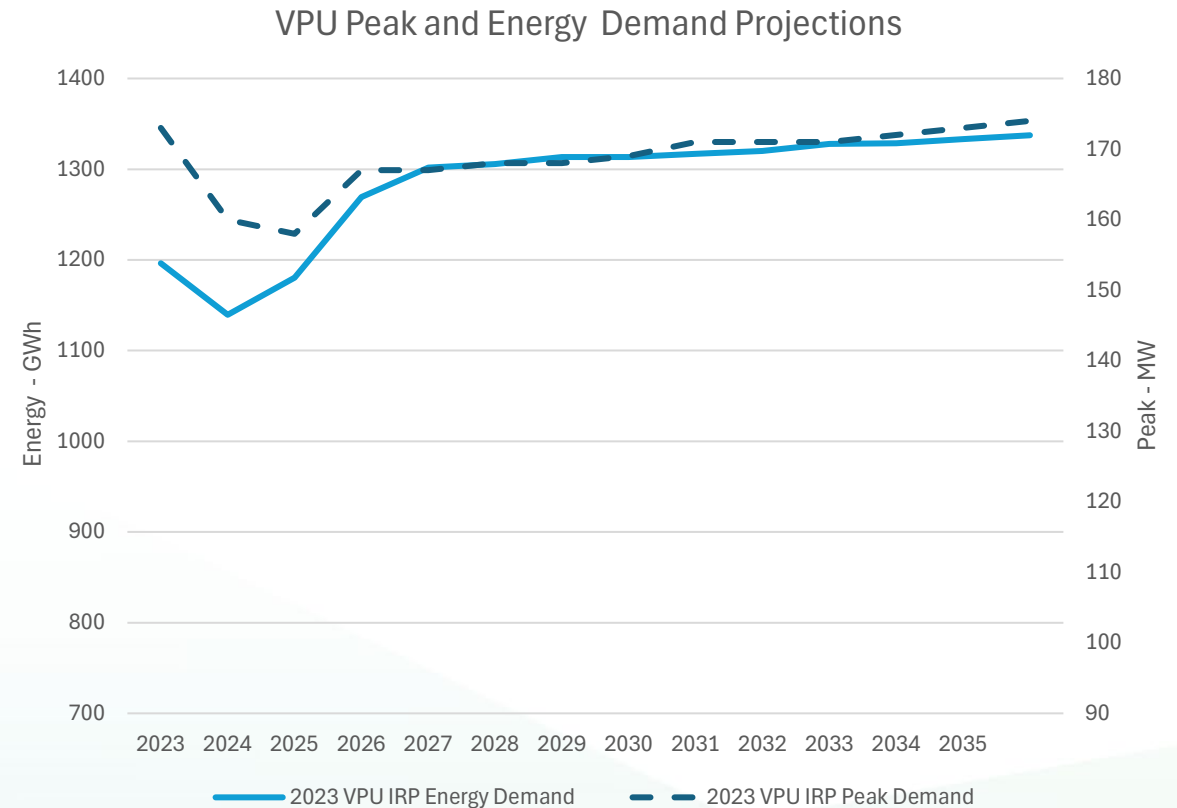


Source: CEC



2023 – 2035 Demand

- Key drivers of increased load:
 - Manufacturing
 - Electric Vehicles
- Forecast includes load reduction measures:
 - Energy efficiency
 - Distributed solar

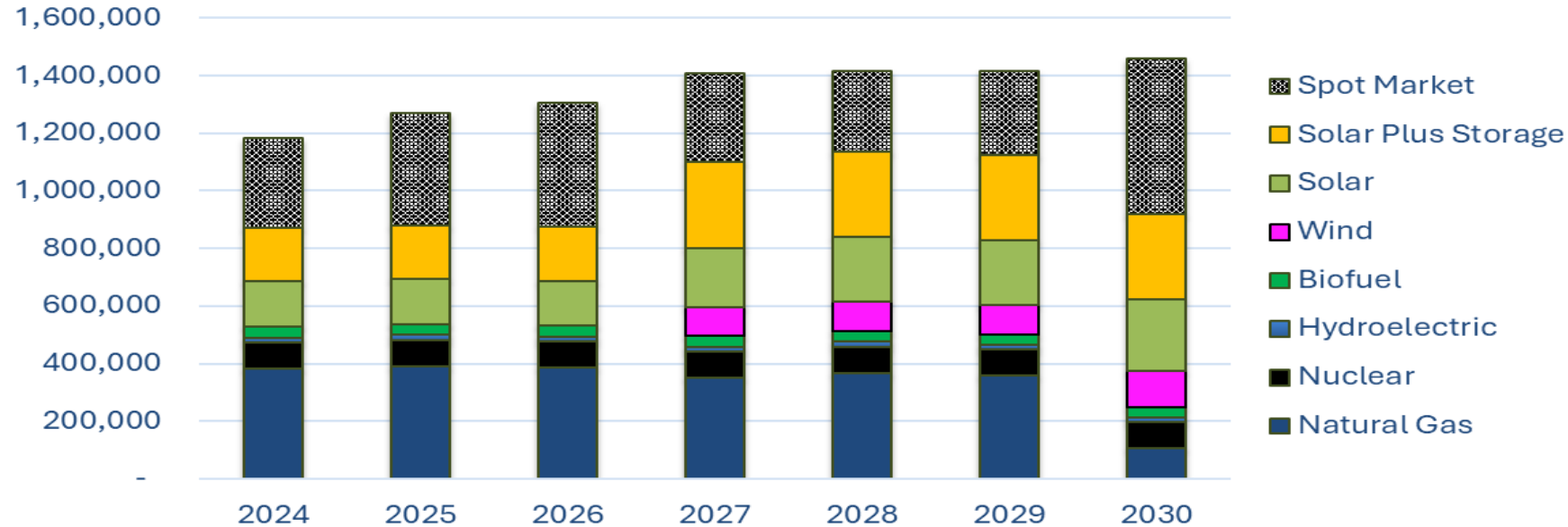


Source: CEC analysis of VPU's 2023 IRP Standardized Tables



Energy Supply 2024 - 2030

Supply to Meet Net Energy Demand (MWh)

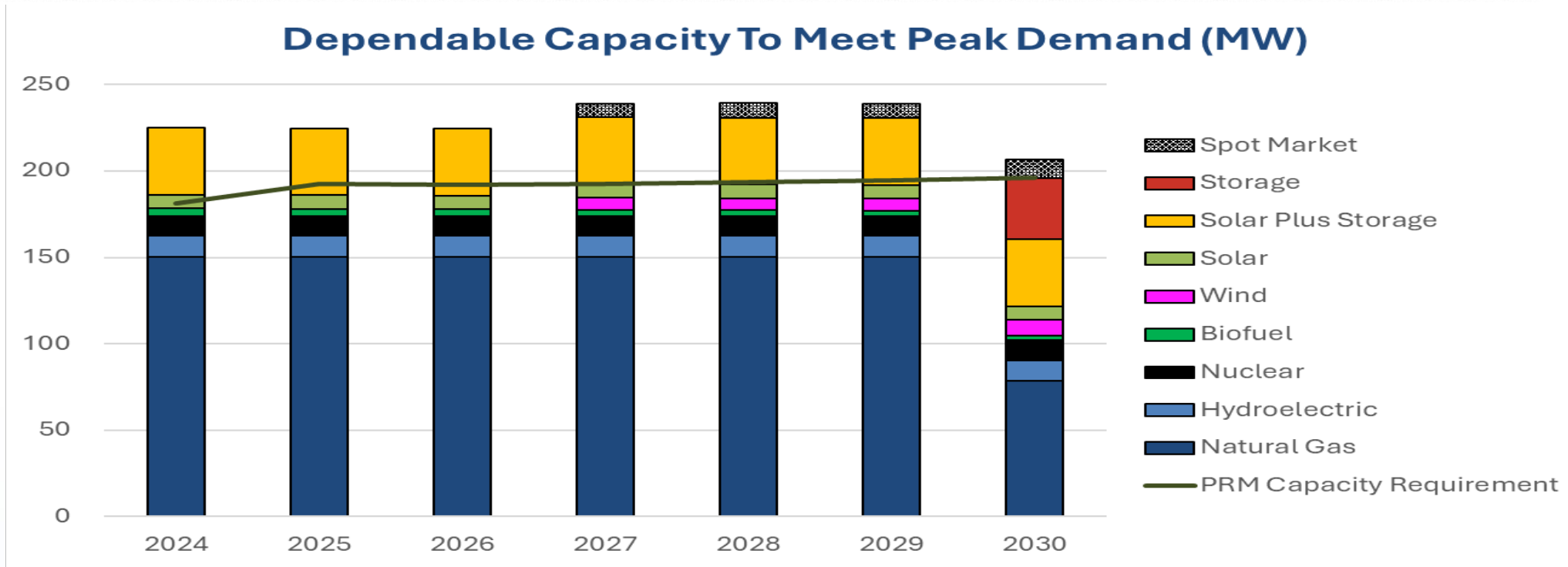


Source: CEC analysis of VPU's 2023 IRP

- New solar + storage in 2024 and 2027
- New solar and wind in 2027 and beyond
- Natural gas reconfigured in 2030 to allow flexibility
- Spot market purchase increase in 2030 to offset natural gas reconfiguration



Dependable Capacity 2024 - 2030



Source: CEC analysis of VPU's 2023 IRP

- Lean PRM in 2030 due to reconfiguration of NG generator
- Solar + battery exceed peak capacity demand starting in 2024
- Unique peak demand hours met by solar plus battery



VPU IRP Take-Aways

Vision for the Future:

- Solar + battery resources cost effective due to unique peak demand profile
- Natural gas phase out in 2030 allows time to consider emerging options
- Transmission and distribution upgrades allow for two-way flow from increased DERs

Challenges Ahead:

- Total phase out of natural gas generation by 2035
- Accelerated GHG targets
- Single annual emission intensity for spot market purchases
- Prospective rate increases



CEC Staff Determination

VPU's IRP is consistent with PUC 9621 statutory requirements in the areas of:

- ✓ GHG emissions targets
- ✓ Renewables Portfolio Standard
- ✓ Just and reasonable rates
- ✓ System and local reliability
- ✓ Diverse, resilient, and sustainable energy system and communities
- ✓ Localized air pollutants with priority on disadvantaged communities
- ✓ Diverse portfolio of energy resources



Staff Recommendation:
Approve order adopting staff's determination that Vernon Public Utilities 2023 IRP filing is consistent with requirements of Public Utilities Code Section 9621.