



## **MEETING of the Energy Planning & Resources Committee of the Clean Power Alliance of Southern California**

**Wednesday, January 22, 2020**

**12:15 p.m.**

**555 W. 5th Street, 35<sup>th</sup> Floor**

**Los Angeles, CA 90013**

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**PUBLIC COMMENT POLICY:** *The General Public Comment item is reserved for persons wishing to address the Committee on any Clean Power Alliance-related matters not on today's agenda. Public comments on matters on today's Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period. As with all public comment, members of the public who wish to address the Committee are requested to complete a speaker's slip and provide it to Clean Power Alliance staff at the beginning of the meeting but no later than immediately prior to the time an agenda item is called.*

*Each speaker is customarily limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five (5) minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to Clean Power Alliance Policy No. 8 – Public Comments for more information.*

*In addition, members of the Public are encouraged to submit written comments on any agenda item to [PublicComments@cleanpoweralliance.org](mailto:PublicComments@cleanpoweralliance.org). To enable an opportunity for review, written comments should be submitted at least 72 hours but no later than 24 hours in advance of the noticed Committee meeting date. Any written materials submitted thereafter will be distributed to the Committee at the Committee meeting. Any written submissions must specify the Agenda Item by number, otherwise they will be considered General Public Comment.*

Clean Power Alliance Energy Planning & Resources Committee  
January 22, 2020

*Members of the public may also participate in this meeting remotely at the following addresses:*

Arcadia Public Works Service Center  
11800 Goldring Road  
Arcadia, CA 90166

Santa Monica City Hall – Room 201  
1685 Main Street,  
Santa Monica, CA 90401

Carson City Hall  
Executive Conference Room  
701 E. Carson Street  
Carson, CA 90745

Oxnard City Hall Annex  
4th Floor, Conference Room  
300 W. Third Street, Oxnard, CA 93030

Malibu City Hall  
23825 Stuart Ranch Road  
Malibu, CA 90265

Thousand Oaks Public Works Conference Room  
2100 Thousand Oaks Boulevard,  
Thousand Oaks, CA 91362

**I. WELCOME & ROLL CALL**

**II. GENERAL PUBLIC COMMENT**

**III. CONSENT AGENDA**

1. Approve minutes from December 18, 2019 Energy Committee Meeting
2. Receive and file Risk Management Team Report

**IV. REGULAR AGENDA**

3. Approve 2019 Clean Energy RFO Utility Scale Track Shortlist
4. Update on 2020 Integrated Resource Plan Process

**V. COMMITTEE MEMBER COMMENTS**

**VI. ADJOURN**

**Public Records:** *Public records that relate to any item on the open session agenda for a Committee Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Committee. The Board has designated Clean Power Alliance, 555 W. 5th Street, 35th Floor, Los Angeles, CA 90013, as the location where those public records will be available for inspection. The documents are also available online at [www.cleanpoweralliance.org](http://www.cleanpoweralliance.org).*

MEETING of the Energy Planning & Resources Committee  
of the Clean Power Alliance of Southern California

Wednesday, December 18, 2019, 11:30 a.m.

555 W. 5th Street, 35<sup>th</sup> Floor, Los Angeles, CA 90013

**MINUTES**

Carson City Hall Executive Conference Room  
701 E. Carson Street  
Carson, CA 90745

Ventura County Government Center  
Channel Islands Conference Room, 4th Floor  
Hall of Administration  
800 South Victoria Avenue, Ventura, CA 93009

Malibu City Hall  
Council Office  
23825 Stuart Ranch Road  
Malibu, CA 90265

**I. WELCOME & ROLL CALL**

Committee Chair Ramirez called the meeting to order at 11:33 a.m. and Interim Board Secretary Christian Cruz called the roll.

ROLL CALL			
<b>Arcadia</b>	Tom Tait	Committee Member	Absent
<b>Carson</b>	Reata Kulcsar	Committee Member	Remote
<b>Malibu</b>	Skylar Peak	Committee Member	Remote
<b>Oxnard</b>	Carmen Ramirez	Committee Chair	Remote
<b>Santa Monica</b>	Kevin McKeown	Committee Member	Present
<b>Sierra Madre</b>	John Capoccia	Committee Member	Present
<b>Thousand Oaks</b>	Helen Cox	Committee Member	Remote

**II. GENERAL PUBLIC COMMENT**

There were no general public comments.

**III. CONSENT AGENDA**

1. Approved minutes from October 23, 2019 Energy Committee Meeting
2. Received and filed Risk Management Team Report

**Motion:** Committee Member Kulcsar, Carson.

**Second:** Committee Member Cox, Thousand Oaks.

**Vote:** Items 1 and 2 were approved by a roll call vote 6-0-1, with Committee Member Tait absent.

There were no public comments on this item.

#### IV. REGULAR AGENDA

3. Approved Shortlist and Waitlist of Projects as recommended by the Review Team for the 2019 Reliability Request for Offers (RFO)

Natasha Keefer, Director of Power Planning and Procurement, provided a presentation. Ms. Keefer highlighted that CPA launched two long-term RFOs in October. Ms. Keefer also highlighted the CPUC's proposed decision, which directs CPA to procure new capacity resources for 2021, 2022 and 2023 and CPA is trying to fulfill some or all of those needs from the 2019 Reliability RFO. Additionally, the decision orders CPA to meet an August 1 deadline for 2021, after that date any generation coming online would meet compliance for 2022. The additional procurement needed is a total of 155 MW by August 1, 2023. Ms. Keefer noted that battery storage does qualify as new capacity.

Ms. Keefer reviewed the role Ascend Analytics takes as the CPA RFO administrator. They were selected in part because of their battery/storage valuation experience. Committee Member Capoccia asked how RA works with storage resources. Ms. Keefer indicated that storage resources will qualify for RA as long as that storage resource maintains its performance. Committee Member Kulcsar asked about the assumptions made in the energy modeling. Ms. Keefer clarified that the modeling maps out the California grid and makes assumptions about what capacity is going online.

Ms. Keefer provided an overview of offers received and the approach the Review Team took to develop the shortlist. Ms. Keefer indicated that there was a high concentration of projects in Southern California. Additionally, CPA received limited offers for 2021 projects and even less projects for 2022. This is due, in part to, how long it takes for projects to be developed. Ted Bardacke, Executive Director, highlighted that many of the 2021 projects will likely bid into other RFOs, and thus CPA will be trying to make decisions quickly to secure projects. Ms. Keefer moved on to discuss the qualitative scores and pointed out that under environmental stewardship no projects scored low. Also, the offers for 2021 were just as competitive as 2022 and 2023, in terms of cost. A key to the process was ensuring a robust shortlist, and therefore the Review Team approved a large number of projects upfront and included a waitlist of projects, as well. It was also important to try and secure 2021 projects given the competitive nature of the projects for 2022.

Committee Member Capoccia asked about the exclusivity for 2023 projects, and if they are lower priority than 2021 and 2022 project. Committee Member Capoccia also asked what the incentive for bidders of projects would be to go into exclusivity now for 2023 projects. Ms. Keefer highlighted that 2023 projects still want to secure contracts as early as possible so they can get additional project financing to finish the project. Ms. Keefer noted that the priority was meeting the 2021 compliance obligation and obtaining at least five times the megawatt obligation in anticipation that projects will fall out. Ms. Keefer discussed the waitlist, which is a backup to the shortlist. Additionally, CPA restricted the 2022 and 2023 projects to just CPA service territory and allowed for medium development risk scores.

Committee Member Cox asked if CPA takes into account having a large number of small projects versus a small number of large projects. Ms. Keefer clarified that there was a limit for the size of each project of 100 MW, so there is a mix of large and small. Committee Member Kulcsar asked about the Development Risk Score. Ms. Keefer clarified low development scores means that they have not secured site control, are not far along with their interconnection, or have not received permitting. Committee Member Kulcsar asked about the DAC scoring. Ms. Keefer clarified that a high score is given if the projected is located in DAC and offer benefits to those communities.

**Motion:** Committee Member Capoccia, Sierra Madre

**Second:** Committee Member McKeown, Santa Monica

**Vote:** Item 3 was approved by a unanimous roll call vote 6-0-1, with Committee Member Tait absent.

There were no public comments on this item.

## **V. COMMITTEE MEMBER COMMENTS**

Committee Member McKeown commented that he is impressed with the staff putting all this together and would like to thank their effort. Ms. Keefer thanked Erik Nielsen for taking on a majority of this work.

## **VI. ADJOURN**

Committee Chair Ramirez adjourned the meeting at 12:45 p.m.



## Staff Report – Agenda Item 2

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**To:** Clean Power Alliance (CPA) Energy Planning & Resources Committee

**From:** Matthew Langer, Chief Operating Officer

**Approved by:** Ted Bardacke, Executive Director

**Subject:** Risk Management Team Report

**Date:** January 22, 2020

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### **DECEMBER 2019 RMT REPORT**

#### **Key Actions**

- Discussed recent market trends and performance for November 2019. Market prices remain low as a result of mild weather.
- Reviewed short-term energy position for December 2019 and January 2020. RMT decided to take no additional action for December balance of month. RMT approved a solicitation for January 2020 energy hedge purchases.
- Reviewed long-term energy position and approved energy hedge solicitations for 2020 – 2022.

#### **Policy Compliance**

CPA's Energy Risk Management Policy designates specific prompt-year (PY) up to prompt 5-year hedge targets for different product types. These targets are measured in December for the following year, e.g. December 2019 for calendar year 2020. RMT reviewed the end-of-year hedge targets for 2020 and beyond and identified the deviations listed below. The deviations for Resource Adequacy (RA) and environmental products (PCC2 and Carbon Free) are high due to regulatory uncertainty and constrained supply in the market, circumstances outside of CPA's control.

Policy Deviation	Required Action
The PCC2 2022 position is less than the minimum hedge target due to limited volumes available in the market 3 years ahead. CPA did not select any 2022 PCC2 offers in the November 2019 RE/CF RFO because volumes were limited, and prices were too high.	CPA will run another RE/CF RFO in the first half of 2020 to secure PCC2 supply for 2022. In addition, the RMT will consider modifying the ERMP hedge targets for PCC2 given the lack of supply in the PY+2 timeframe.
The Carbon Free 2020 and 2021 hedges are less than the minimum hedge targets due to uncertainty related to how the PCIA proceeding will allocate carbon free resources from the IOUs to CCAs.	The RMT will wait to procure carbon free until more clarity is reached in the PCIA proceeding.
The 2021 and 2024 LA Basin resource adequacy positions exceeded the maximum hedge target due to CPA needing to secure a multi-year contract in order to meet its 3-year compliance target. In addition, the 2022 LA Basin RA position is less than the minimum hedge target due to limited supply and regulatory uncertainty related to local RA procurement.	CPA will run a multi-year RA RFO in the first half of 2020 to secure 2022 local supply.
The 2021, 2022, and 2023 Big Creek Ventura resource adequacy positions exceeded the maximum hedge targets due to CPA securing a low-price RA contract that also meets Big Creek Ventura requirements.	No action to be taken.
The 2021 flex resource adequacy position is less than the minimum hedge target due to lack of available supply.	CPA will run a multi-year RA RFO in the first half of 2020 to secure 2021 flex supply.



### Staff Report – Agenda Item 3

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**To:** Clean Power Alliance (CPA) Energy Planning & Resources Committee

**From:** Natasha Keefer, Director of Power Planning & Procurement

**Approved by:** Ted Bardacke, Executive Director

**Subject:** 2019 Clean Energy RFO Utility Scale Track Shortlist

**Date:** January 22, 2020

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#### **STAFF RECOMMENDATION**

Approve the 2019 Clean Energy RFO Utility Scale Shortlist and Waitlist as recommended by the RFO Review Team.

The recommended shortlist is on Slide 23 of the attached presentation. The recommended waitlist is on Slide 25 of the attached presentation.

**Attachment:** 1) 2019 Utility Scale Shortlist RFO Presentation





# **2019 Clean Energy RFO Shortlist – Utility Scale Track**

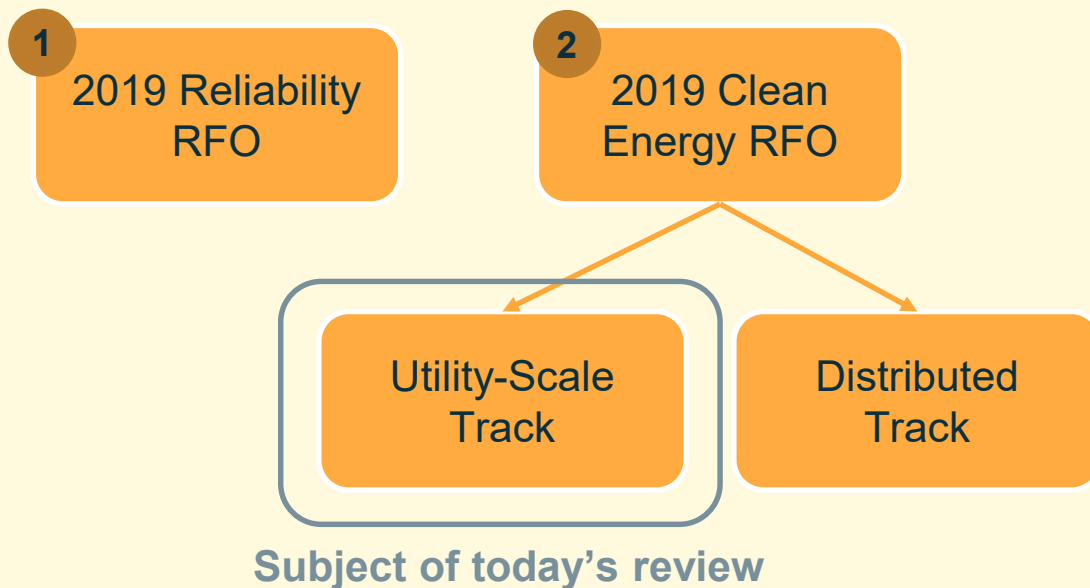
Wednesday January 22, 2020

## Executive Summary

- CPA launched its 2019 Clean Energy RFO on October 22<sup>nd</sup>, with bids due on November 22<sup>nd</sup>
- The Clean Energy RFO includes two tracks: Utility Scale and Distributed. This meeting is dedicated to the Utility Scale track shortlist
- CPA targets procurement of 1-2 million MWh annually in the Utility Scale track
- In the Utility Scale track, CPA received a robust response from bidders for renewable + storage and limited responses from wind and solar-only projects; CPA received 1 offer from a local project
- The RFO Review team met on January 13<sup>th</sup> to evaluate proposals
- The Energy Committee will consider a recommended project shortlist for the Utility Scale track for approval during today's meeting

## 2019 Long-term RFOs

- CPA launched two long-term RFO processes in October 2019:



## 2019 Clean Energy RFO – Utility Scale

- Goals:
  - Fulfill CPA's renewable energy and long-term contracting requirements under SB 350
  - Support CPA load requirements with cost effective and clean generation
    - Target 1-2 million MWh of annual generation
- Utility Track Eligibility
  - Renewable and renewable + storage projects 10-400 MW
  - Commercial operation date (COD) no later than 12/31/2023

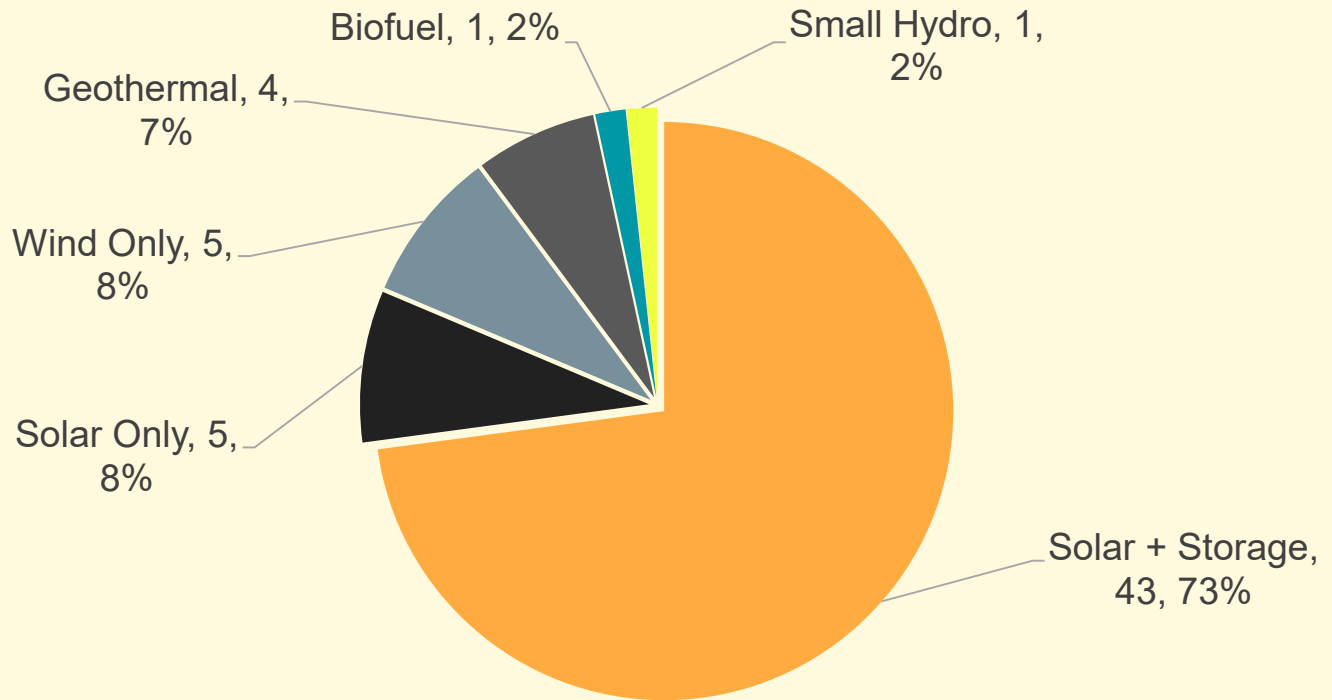
# OFFER OVERVIEW

## Offer Overview

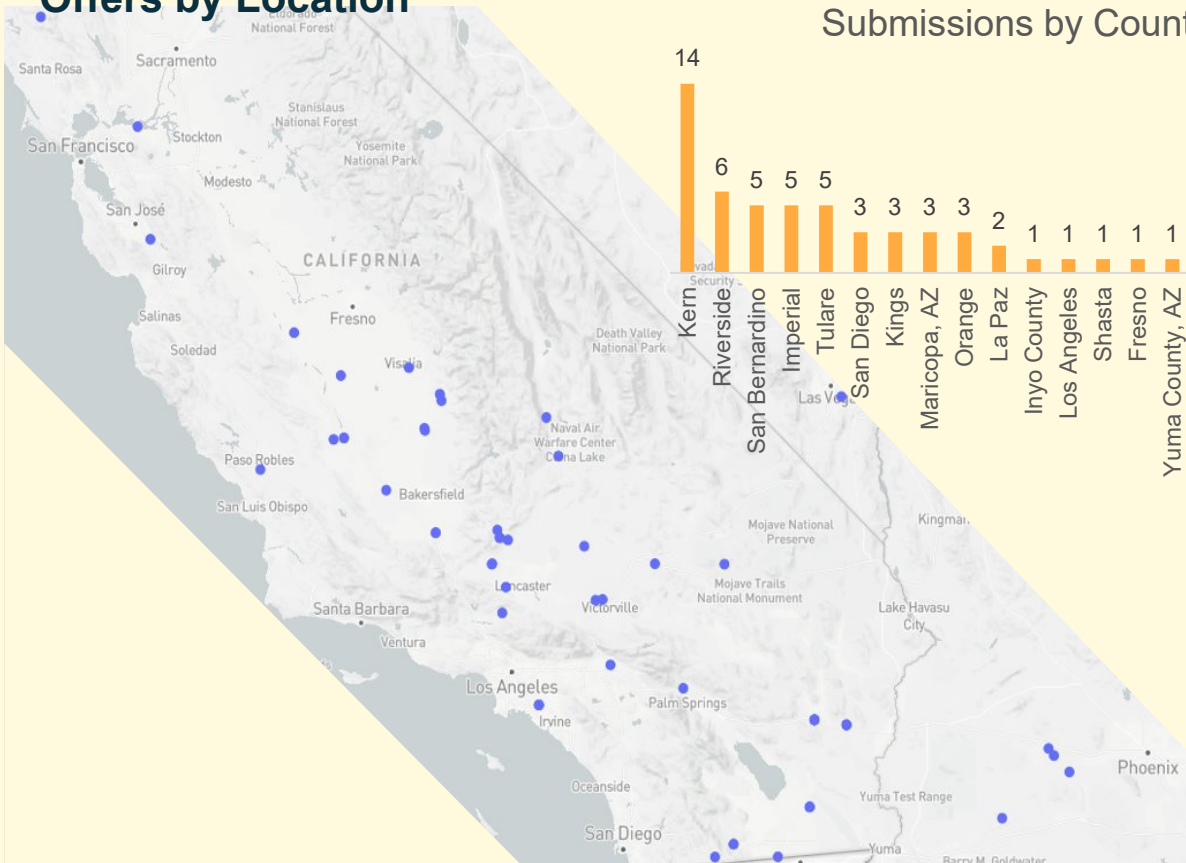
Number of conforming offers submitted <sup>1</sup>	59
Number of distinct sellers submitting offers	33
New / existing projects	54 / 5
Counties spanned by submissions	19
States spanned by submissions	4 (CA, AZ, NV, WY)
Earliest online date	3/16/2020
Latest online date	12/31/2023

(1) 2 projects did not meet the requirements for a conforming offer; some projects provided multiple offer variants

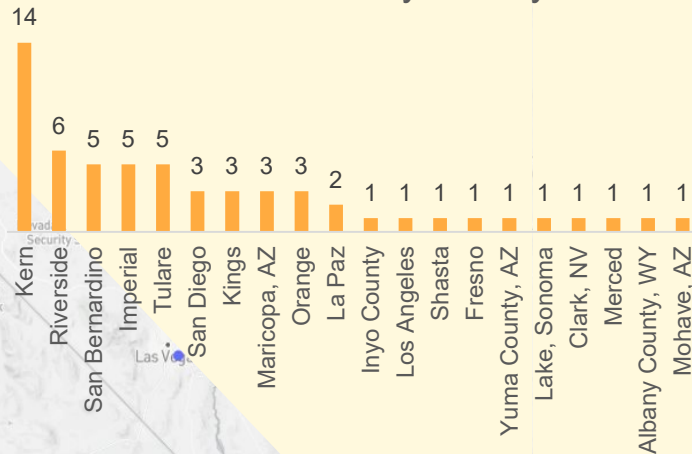
## Offers by Technology Type



# Offers by Location



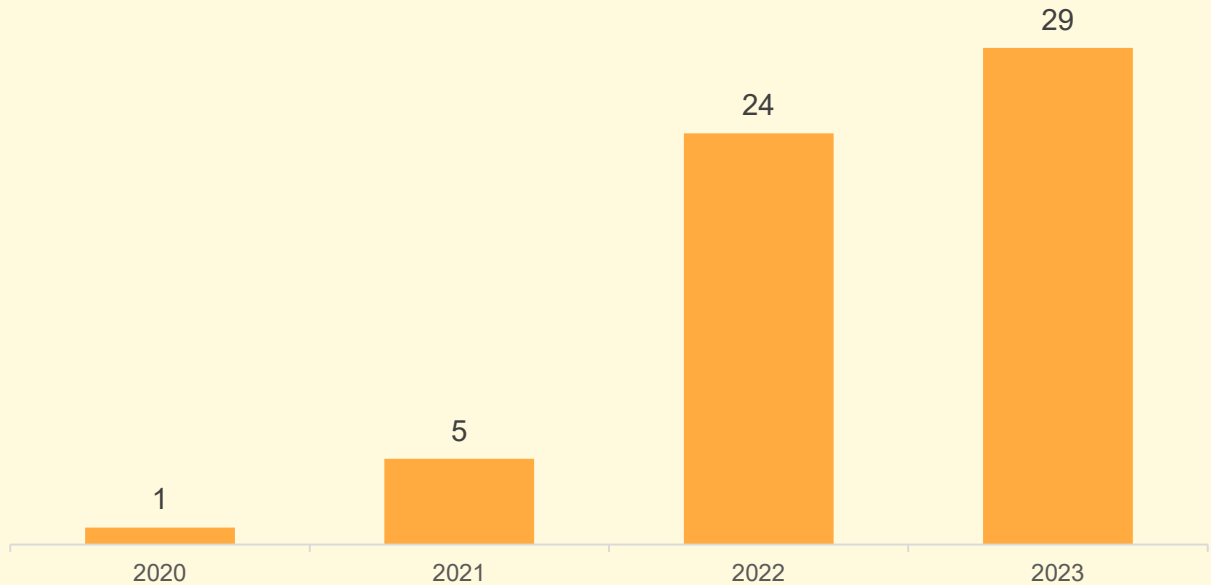
# Submissions by County





# Offers by Online Year

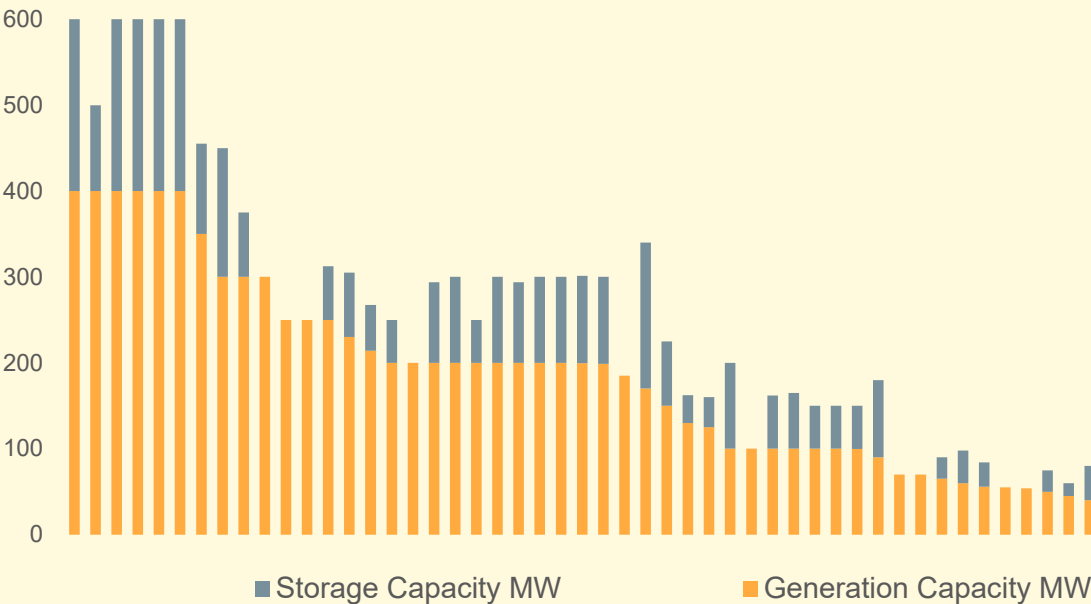
Number of Offers Online by Year



# Offers by Project Size

MW

All Offers, Ranked by Generation Capacity



## Qualitative Range of Offers

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	Environmental Stewardship	Benefits to DACS	Workforce Development	Project Location	Development Risk Score
High	11%	44%	72%	2%	54%
Medium	13%	26%	6%	81%	31%
Neutral	59%	30%	N/A	N/A	N/A
Low	17%	0%	22%	17%	15%

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\*excludes existing projects

# VALUATION

# Quantitative Valuation Approach

- Offers were valued and ranked based on their Net Present Value (NPV) per MWh. Offers were categorized into first through fourth quartiles (Q1-Q4)

## Revenue

- **Energy Revenue** (\$/kWh)  
Earnings from selling energy into CAISO market (from renewable generator and discharging energy from storage)
- **Resource Adequacy** (\$/kW-month)  
Replaces RA CPA would otherwise have to purchase
- **Ancillary Services (AS)** (\$/kWh)  
Earnings from selling ancillary services into CAISO market (applicable for storage only)

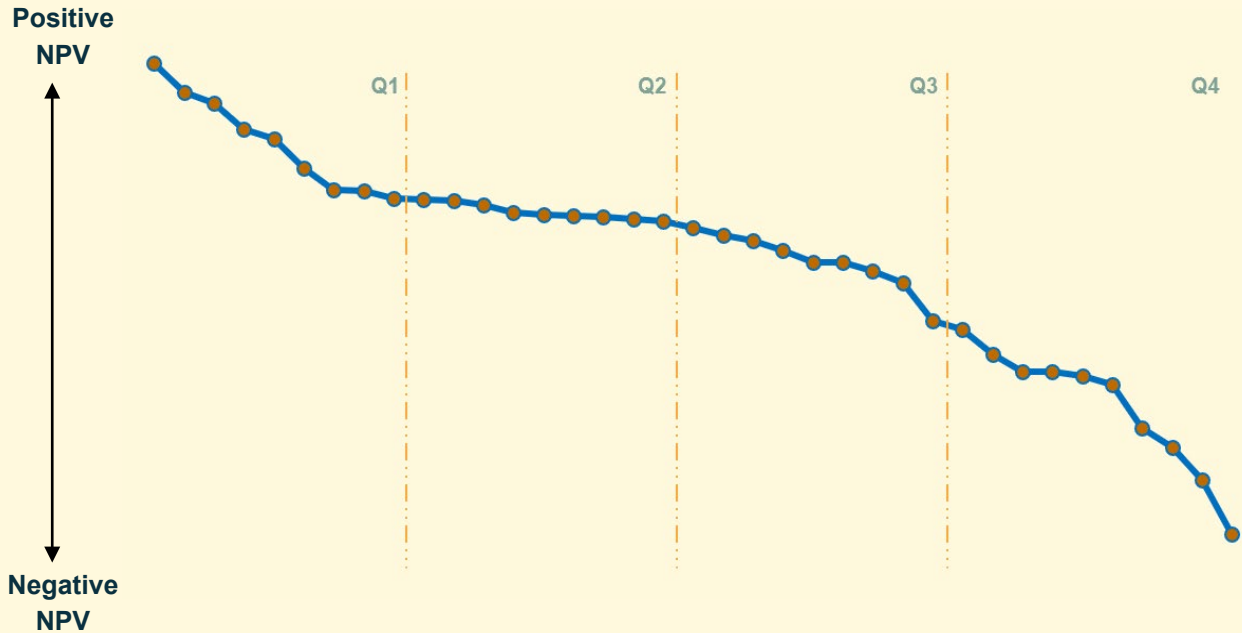
## Costs

- **PPA Energy Cost** (\$/MWh)  
Energy price CPA pays the counterparty
- **PPA Storage Cost, if applicable** (\$/kW-month)  
Capacity price CPA pays the counterparty

$$\text{Value (NPV)} = \text{Revenue} - \text{Costs}$$

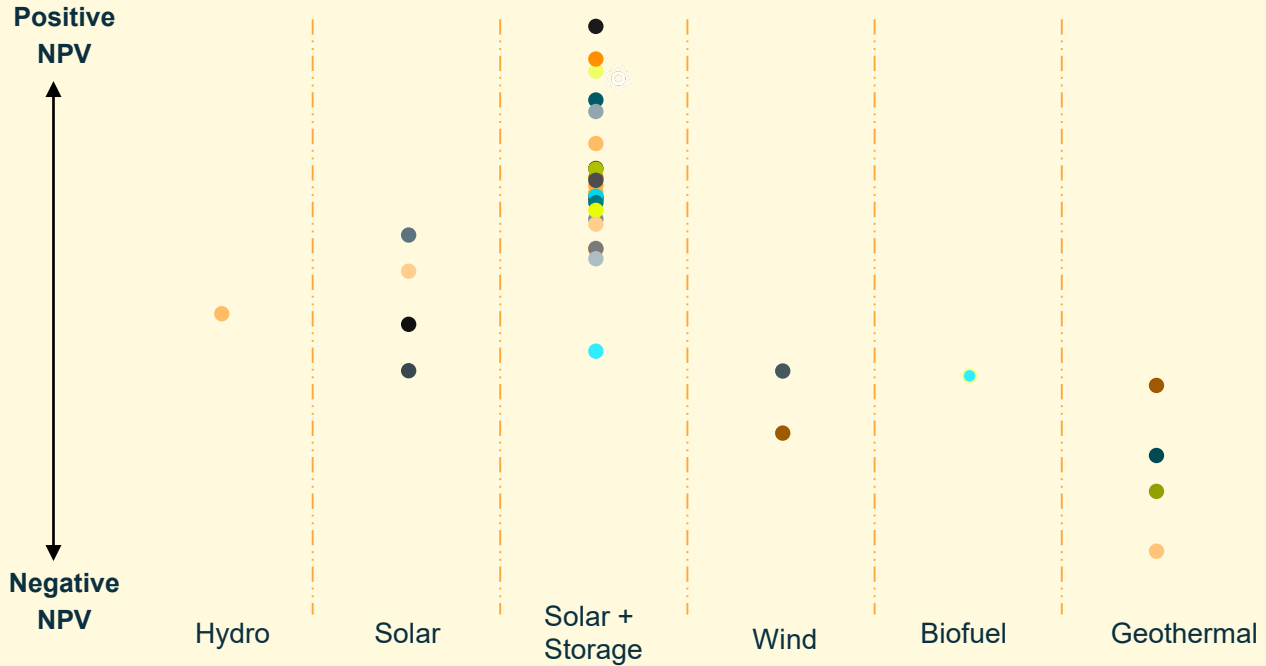
# Valuation Range

## Value Spread of Offers



# Valuation Range by Technology

## Value Spread of Offers by Technology



# SHORTLISTING APPROACH



## Expanded Shortlist

- A key takeaway from the 2018 Clean Energy RFO is that in order to meet procurement targets, CPA needs a robust (but manageable) shortlist
- Staff is recommending an expanded shortlist and waitlist approach:

### Shortlist

- Shortlist approximately **5 million MWh**
- CPA will notify bidders of a Shortlist status award
- CPA will ask for exclusivity and enter negotiations

### Waitlist

- CPA will notify bidders they are on the Waitlist
- CPA will not ask for exclusivity or enter negotiations
- If projects in the Shortlist drop out, Waitlist projects will be invited to enter the Shortlist at CPA staff discretion

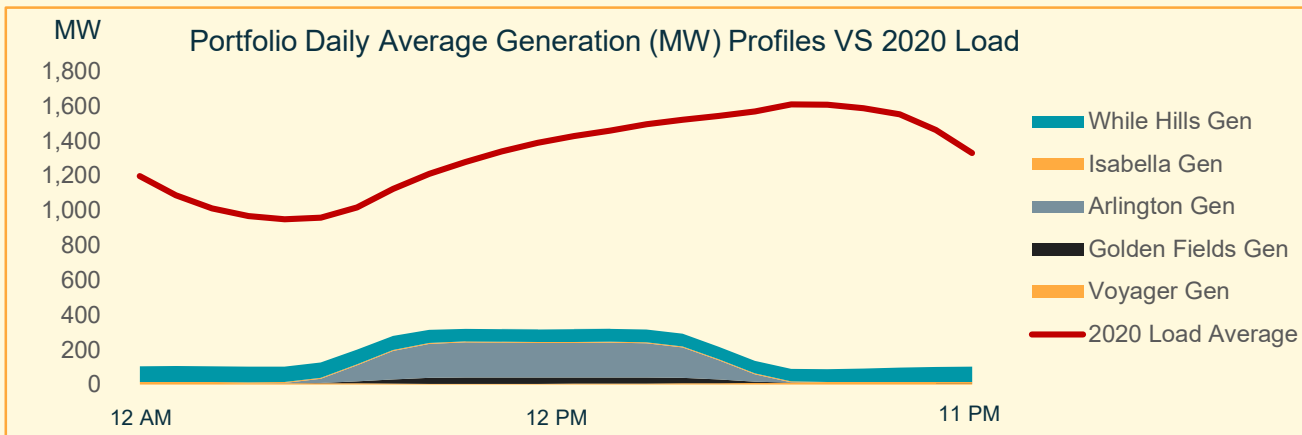
# Shortlisting Approach



(1) Resulted in removal of all out-of-state projects

## Current Long-term PPAs

Project	Type	MW	Online Date	Source
Arlington	Solar	233	12/31/2021 <sup>1</sup>	2018 Long-term RFO
White Hills	Wind	300	12/31/2020	Bilateral
Voyager	Wind	21.6	Operational	Bilateral
Golden Fields	Solar	40	3/31/2021	2018 Long-term RFO
Isabella	Hydro	11.95	Operational	Bilateral



(1) Phase 1 (100 MW) online by 12/31/2021, Phase 2 (133 MW) online by 12/31/2022

## Key Trends

- Only 1 local project bid into the Utility Scale track – opportunities for local, utility-scale generation projects is limited
- 5 wind projects bid; 2 were removed due to low Environmental Stewardship scores and none were competitive with previous wind offers
- Solar + storage resources are the highest value offers; opportunities for cost effective portfolio diversification are scarce

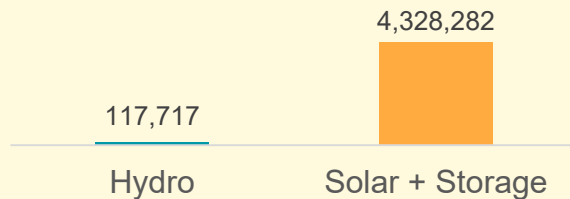
# Shortlist



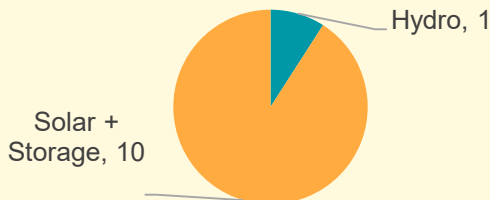
High NPV value  
High qualitative scores  
Diversity in technology, location, online date

➤ 11 projects  
4,445,999 MWh / year

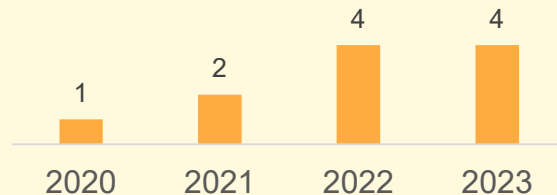
Total MWh/year by Technology



Total # Projects by Technology



Total # Projects by Online Year



# Shortlist



High NPV value  
High qualitative scores  
Diversity in technology, location, online date

	Environmental Stewardship	Benefits to DACS	Workforce Development	Project Location	Development Risk Score
High	20%	70%	90%	10%	90%
Medium	10%	20%	10%	90%	10%
Neutral	70%	10%	NA	NA	NA
Low	0%	0%	0%	0%	0%

\*excludes existing projects

# Shortlist

11 projects  
4,445,999 MWh / year

NPV Quartile	Technology			MW Gen Range	MW Storage Range	Environmental Stewardship	Benefits to DACS	Workforce Development	Project Location	Development Risk Rating	City
	Online	Type									
1	A	Q4 2021	Solar + Storage	51-100	50-100	Medium	High	High	Medium	High	El Centro
1	B	Q1 2023	Solar + Storage	51-100	50-100	High	Medium	Medium	Medium	High	Jacumba
1	C	Q4 2022	Solar + Storage	51-100	0-49	Neutral	High	High	Medium	High	Lost Hills
1	D	Q4 2022	Solar + Storage	101-200	101-200	Neutral	High	High	Medium	High	Los Banos
1	E	Q4 2023	Solar + Storage	201-400	101-200	Neutral	Neutral	High	Medium	High	Blythe
1	F	Q4 2023	Solar + Storage	51-100	0-49	Neutral	High	High	Medium	Medium	Avenal
1	G	Q4 2023	Solar + Storage	201-400	101-200	Neutral	High	High	Medium	High	Unin. Tulare County
1	H	Q4 2022	Solar + Storage	51-100	50-100	High	High	High	Medium	High	Mettler
2	I	Q3 2021	Solar + Storage	51-100	50-100	Neutral	High	High	Medium	High	Victorville
3	J	Q4 2022	Solar + Storage	51-100	0-49	Neutral	Medium	High	High	High	Unin. LA county and Rosamond
3	K	Q1 2020	Hydro	0-50	NA	Neutral	Medium	Medium	Medium	High	Lemon Cove

# Waitlist



Backup for Shortlist  
High NPV value  
High qualitative scores

➤ 3 projects  
2,369,862 MWh / year

Total MWh/year by Technology

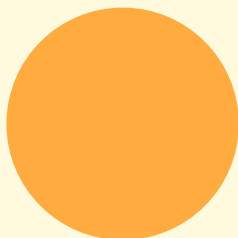
2,369,862



Solar + Storage

Total # Projects by Technology

Solar +  
Storage, 3



Total # Projects by Online Year

2



2022

1



2023



# Waitlist

3 projects  
2,369,862 MWh / year

NPV Quartile		Online	Technology Type	MW Gen Range	MW Storage Range	Environmental Stewardship	Benefits to DACS	Workforce Development	Project Location	Development Risk Rating	City
1	M	Q4 2022	Solar + Storage	101-200	101-200	Neutral	High	High	Medium	High	Buttonwillow
2	N	Q3 2023	Solar + Storage	201-400	50-100	Medium	Medium	Medium	Medium	Medium	Desert Center
2	O	Q4 2022	Solar + Storage	101-200	50-100	Neutral	High	High	Medium	High	Unin. Imperial County

## Next Steps

- Receive Energy Committee decision on Shortlist and Waitlist today
- Notify bidders of shortlist status on January 23, 2020
- Negotiate PPAs during February – May 2020
- Submit PPAs for board approval on a rolling basis

# APPENDIX

# Evaluation Criteria

CPA evaluates projects based on six criteria:

\$ Value

Environmental  
Stewardship

Workforce  
Development

Development  
Risk

Project  
Location

Benefits to  
DACs

# Development Risk Score

***Projects will be ranked from high (good) to low (bad)***

- The development risk metric is a composite rank based on a number of factors impacting project risk:
  - Site control
  - Interconnection status
  - Environmental screens
  - Land use and permits
  - Project financing
  - Developer experience

# Environmental Stewardship

***Projects are ranked high, medium, neutral, and low based on the following prioritization:***

HIGH

- Demonstrates multiple benefits (provides additional societal, health, economic, water saving, or environmental benefits beyond the climate and GHG reduction benefits of renewable energy)

MEDIUM

- Located in an area designated as a preferred renewable energy zone and received required land use entitlement permits

NEUTRAL

- Project does not demonstrate either preference or avoidance criteria

LOW

- Project is located in a high conflict area

# Workforce Development

***Projects will be ranked high, medium, and low based on the following prioritization:***

HIGH

- The project will use targeted-hire, union labor, or multi-trade project labor agreements (including requirements for state-apprenticeship graduates)

MEDIUM

- The project does not have a labor agreement, but can demonstrate prevailing wage, union labor, and targeted hire commitments

LOW

- The project does not demonstrate prevailing wage, union labor, and targeted hire commitments

# Benefits to Disadvantaged Communities (DACs)

***Projects will be ranked high, medium, and low based on the following prioritization:***

HIGH

- Located within a DAC and demonstrates DAC workforce and community development benefits

MEDIUM

- Project not located within a DAC but can demonstrate DAC benefits and has completed community outreach

NEUTRAL

- Project does not demonstrate DAC benefits

LOW

- Project is inconsistent with community priorities



# Project Location

***Projects will be ranked high, medium, and low based on the following prioritization:***

HIGH

- In Los Angeles and Ventura counties

MEDIUM

- Other counties within California

LOW

- Out of state projects



## Staff Report – Agenda Item 4

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**To:** Clean Power Alliance (CPA) Energy Planning & Resources Committee

**From:** Natasha Keefer, Director of Power Planning & Procurement

**Approved by:** Ted Bardacke, Executive Director

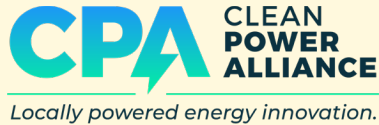
**Subject:** Update on 2020 Integrated Resource Plan Process

**Date:** January 22, 2020

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Staff will provide an update on the 2020 Integrated Resource Plan (IRP) process.

**Attachment:** 1) 2020 IRP Process Presentation



# 2020 Integrated Resource Plan – Process Update

January 22, 2020

# Background

- Under SB 350, the CPUC conducts a two-year planning cycle to consider Integrated Resource Plan (IRP) filings from all LSEs
  - In August 2018, CPA submitted its Board-approved Conforming Portfolio plan as part of the 2017-2018 IRP
- The IRP encompasses discrete planning exercises at the LSE and statewide levels to estimate reliability and environmental outcomes of hypothetical future portfolios, focusing on:
  - Transition from centralized, monopoly IOU service to a disaggregated new paradigm with the proliferation of CCAs
  - Moving from dependence on California's 30-40% natural gas resources to 100% clean energy
  - Plan for a diverse portfolio of resources that maintain overall system grid reliability

## 2019-2020 IRP

- The 2019-2020 IRP Cycle activities have begun, with LSEs' plans due on May 1, 2020
  - IRP filings must be Board-approved; CPA will be bringing its IRP for Board consideration in April
- Four CCAs<sup>1</sup>, including CPA, have banded together to conduct IRP modeling jointly for the 2019-2020 IRP Cycle (referred to as the “Joint IRP”)
- The effort is intended to minimize inefficiencies, comprehensively plan for future resource needs, and ensure that individual IRPs integrate well to achieve statewide GHG and reliability goals

(1) The Joint CCAs include CPA, East Bay Community Energy, Peninsula Clean Energy, and San Jose Clean Energy

## Conforming Plan

- The CPUC requires all LSEs to submit a Conforming Plan that must be consistent with the CPUC's Reference System Plan (RSP)
- The RSP requires CA's electric sector to meet a 46 million metric ton (MMT) greenhouse gas emissions target by 2030
  - 46 MMT is the target set for the state by the California Air Resources Board (CARB)
  - Various parties have advocated for more aggressive GHG targets, including a 38 MMT and 30 MMT case

## Conforming Plan (cont.)

- The CPUC also prescribes other portfolio assumptions:
  - Assigned load forecast, including electric vehicle and behind-the-meter generation penetration assumptions
  - Representative resources recommended to be procured and associated resource costs
  - Other financial assumptions, e.g. gas and carbon price forecasts
- The CPUC has not yet released final instructions and inputs; LSEs are seeking guidance on the ability to submit Alternative or Preferred Portfolios using alternate assumptions

## Key Modeling Objectives

- Evaluate CPA's current portfolio and a range of alternative future portfolios to meet customers' electrical energy needs in an affordable, system-wide manner
- The IRP must balance the following procurement priorities: **affordability, GHG reductions, and system reliability/operability**
- The IRP modeling effort will focus on answering the following questions:
  - What tradeoffs are associated with various GHG reduction strategies?
  - How much renewable energy and flex capacity is needed to achieve CPA's renewable targets?
  - What is the ideal mix of resources for CPA to achieve the goals of both the state and its community?



## Draft Joint IRP Schedule (subject to change)

Date	Action
Jan - Feb	Formulate Joint Conforming and Alternate IRPs
February	Consultation with internal and external stakeholders <sup>1</sup>
March	Disaggregate into individual IRPs; update Board and Community Advisory Committee on initial IRP modeling results
April	Finalize IRP submission and bring to Board for consideration
May 1	IRP submissions due

(1) Stakeholders include CPA's Community Advisory Committee and environmental advocates, environmental justice advocates, renewable energy trade groups, and community organizations that intervene in the CPUC IRP process

## Next Steps

- The Joint IRP group is awaiting CPUC final instructions and inputs to finalize modeling tools
- CPA plans to engage with internal and external stakeholders, including the Energy Committee, once initial modeling results are complete
- Key assumptions and trends will be presented to the Board in March, with the final IRP presented to the Board for consideration in April

