

Clean Energy Alliance: An Introduction to Integrated Resource Planning (IRP)

Tim Lindl – Keyes & Fox LLP

February 29, 2024

KEYES&FOX^{LLP}



IRP Overview

- Senate Bill 350 (2015) established modern IRP proceedings.
 - IRPs operate on a roughly two-year cycle.
 - The current proceeding is at the tail end of that cycle.
- The goal of IRP: Determining how CA should structure its energy portfolio to meet the state's clean energy goals, while ensuring reliability and affordability.



IRP Legal Framework

- The requirements and scope of IRP are rooted in statute.
- Section 454.51(a) requires that the Commission:
 - “Identify a diverse and balanced portfolio of resources needed to **ensure a reliable electricity supply** that provides **optimal integration of renewable energy** and resource diversity in a **cost-effective** manner.”
- Section 454.52 requires that the Commission order each LSE to file integrated resource plans:
 - Meeting CA’s emissions reduction targets.
 - Procure at least 60 percent eligible renewable energy resources by 12/31/30.
 - Fulfill the “obligation to serve its customers at just and reasonable rates.”
 - “Minimize impacts on ratepayers’ bills.”
 - Ensure reliability.
 - Address transmission and distribution related issues.



IRP Proceedings Are Critical to LSEs

- LSEs must formally plan for their procurement on rolling, multi-year timelines.
 - The Commission then approves or disapproves LSE submissions.
 - Decision is based on whether individual plan (i) includes resources matching the LSEs reliability need, (ii) meets the LSE's emissions limits.
 - LSEs must also include a narrative with their submission.
- IRP decisions may dictate resource “winners and losers.”



The Current State of Play

- In January 2024, ALJ Fitch issued a Proposed Decision adopting the latest Preferred System Portfolio.
- The Proposed Decision initially adopted an inconsistent position regarding CEA's individual submission.
 - In certain portions, CEA's submission was deemed adequate and the decision stated that CEA "provided all of the required information to an adequate degree or better[.]"
 - In other portions, the Proposed Decision listed CEA's individual submission as "Not Yet Approved or Certified."
- D.24-02-047 corrected the discrepancy; CEA's IRP is certified.



The Current State of Play

- The Decision:
 - Adopts a Preferred System Portfolio that meets a 25 MMT GHG target for the electric sector in 2035.
 - Adopts that portfolio as the base case for the Transmission Planning Process.
- The Decision picks “winners and losers.”
 - Out-of-state wind is restricted based on transmission and demand related issues.
 - Off-shore wind in some areas is increased based on anticipated transmission availability.
- Next IRP will be due after November 2024 (and perhaps later)x



Thank you

Contact Info:

Tim Lindl
tlindl@keyesfox.com
510-314-8385