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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Develop an Electricity Integrated
Resource Planning Framework and to
Coordinate and Refine Long-Term
Procurement Planning Requirements.

Rulemaking 16-02-007

**ADMINISTRATIVE LAW JUDGE'S RULING FINALIZING LOAD
FORECASTS AND GREENHOUSE GAS BENCHMARKS
FOR INDIVIDUAL 2020 INTEGRATED RESOURCE
PLAN FILINGS AND ASSIGNING PROCUREMENT
OBLIGATIONS PURSUANT TO DECISION 19-11-016**

Summary

This ruling finalizes individual load-serving entity (LSE) load forecasts for 2030 and associated greenhouse gas (GHG) benchmarks for use in the 2020 individual integrated resource plan (IRP) filings due September 1, 2020, as required by Decision (D.) 20-03-028.

In addition, this ruling finalizes the procurement responsibility for reliability capacity ordered in D.19-11-016, from which certain LSEs opted out of conducting procurement on behalf of their own customers in favor of having an investor-owned utility (IOU) conduct the procurement. Additional details with respect to cost allocation for this procurement will be the subject of further process in this proceeding or a successor proceeding in the near future.

**1. Load Forecasts and GHG Benchmarks for 2020
Individual IRPs**

On January 24, 2020, and Administrative Law Judge's (ALJ's) ruling was issued in this proceeding allowing LSEs to update their load forecasts out to

2030. After an informal request for an extension of time to file the updated load forecasts, LSEs were authorized to update their load forecasts by no later than February 28, 2020, with reply comments on those updated forecasts due no later than March 13, 2020.

The following LSEs filed updated load forecasts, some along with motions to file under seal to protect confidential load forecast information:

Electric Service Providers (ESPs)

- Calpine Energy Solutions, LLC, with motion to file under seal;
- Constellation NewEnergy, Inc., with motion to file under seal;
- Direct Energy Business, LLC, with motion to file under seal;
- Pilot Power Group, Inc., with motion to file under seal; and
- Shell Energy North America (US), L.P., with motion to file under seal.

Community Choice Aggregators (CCAs)

- Desert Community Energy;
- East Bay Community Energy;
- Marin Clean Energy;
- Monterey Bay Community Power Authority;
- Redwood Coast Energy Authority;
- Silicon Valley Clean Energy Authority;
- Sonoma Clean Power Authority; and
- Valley Clean Energy Alliance.

Clean Power Alliance of Southern California and Peninsula Clean Energy Authority (PCEA) also filed comments in response to the January 24, 2020 ALJ ruling, but did not update their load forecasts. PCEA chose not to update its

forecast, but noted that its internal load forecasts are approximately one percent higher than those adopted by the California Energy Commission (CEC) in the Integrated Energy Policy Report (IEPR). They state they are not updating the forecast because they believe downward adjustments may render their conforming portfolio a less accurate reflection of the procurement they may need to engage in, and because the difference is small.

Reply comments in response to the ALJ ruling were filed by Southern California Edison (SCE), San Diego Gas & Electric (SDG&E), and Green Power Institute (GPI). SCE agreed with the updated load forecasts submitted by the CCAs within its area, and requested additional consideration of migrating load impacts due to the anticipated further increase in the direct access cap. SCE suggested that the CEC and Commission take into account anticipated future load migration in future load forecasts. SDG&E commented that they should have been allowed to submit load forecast updates in this round and not to allow them to do so was inequitable. However, it is important to note that SDG&E had the opportunity to file these comments and could have pointed out any problems with the forecasts of others in their comments, as well as updating their on forecast, should they have deemed it necessary.

Finally, GPI generally supported the load forecast changes and the opportunity for LSEs to adjust forecasts in future cycles. However, GPI noted that PCEA's decision not to update its load forecast advantages them by allowing them to avoid a portion of procurement likely necessary to serve their load. GPI also suggested taking a more comprehensive look at internal load forecasting compared to the IEPR findings, though noted that load shifting may stabilize in the future as CCAs mature.

Due to the confidential nature of ESP load forecasts as articulated by the Commission in D.06-06-066 and subsequent confidentiality-related decisions, the motions of the ESPs to file under seal are granted in this ruling.

In addition, it is important to note that the load forecasts of all of the ESPs, when aggregated together, do not reach the cap for direct access that is currently in place, forecasted at the level of 28,790 gigawatt hours (GWh) in the CEC's IEPR for the year 2030. The total aggregated load forecasts submitted by the ESPs comes to 24,588 GWh in 2030, leaving a 4,202 GWh shortfall.

This shortfall is similar to the amount by which the direct access cap was increased according to the provisions of Senate Bill (SB) 237 (Hertzberg, 2018), which the Commission implemented in D.19-05-043. These changes to the direct access cap resulted in an increase of 4,000 GWh.

To address this shortfall, this ruling directs Commission staff to first review the resource adequacy year-ahead forecasts from ESPs that did not submit load forecast updates in this proceeding. Those filings are due on April 20, 2020, and may reflect a more accurate projection of ESP load because they should incorporate the direct access cap increase. Staff will then aggregate those forecasts with the confidential forecasts submitted in this proceeding to assess their relationship to the direct access cap. To the extent there is still a gap between the aggregated forecasts of the ESPs and the direct access cap, Commission staff will allocate the shortfall across all ESPs on a proportional basis taking into account their current load shares, leaving the total direct access load in 2030 as forecasted by the CEC at 28,790 GWh. This assumes that the direct access cap is reached and not further increased. Any future increase would come after the Commission further considers this issue in a report due to the Legislature according to the requirements of SB 237.

Commission staff will confidentially communicate to each ESP its individual load forecast for purposes of their individual IRP filings, with proportional increase as described above, for planning out to 2030.

The load forecasts of the CCAs and IOUs are public. Therefore, the load forecasts of the non-ESP LSEs can be finalized in this ruling, with the direct access load aggregated and individual ESP loads communicated confidentially. Table 1 below gives the final load forecasts for 2030 to be used for purposes of developing individual IRP filings due September 1, 2020. Attachment A includes the full annual load forecasts between 2020 and 2030 for each LSE.

In addition, Table 1 includes the resulting GHG benchmarks for each LSE, for both the 46 million metric ton (MMT) scenario and the 38 MMT scenario. According to D.20-03-028, all LSEs are required to submit portfolios designed to meet their proportional share of the 46 MMT GHG target and the 38 MMT GHG target in 2030.

Table 1. Load Forecast and GHG Emissions Benchmarks by LSE

LSE	Proportion of 2030 emissions inclusive of industrial load*	2030 Load (GWh)	Proportion of 2030 Load within IOU Territory	2030 GHG emissions benchmark (MMT) -- 46 MMT scenario	2030 GHG emissions benchmark (MMT) -- 38 MMT scenario
Bear Valley Electric Service	0.06%	123	NA	0.027	0.022
Liberty Utilities	0.26%	565	NA	0.117	0.097
PacifiCorp	0.75%	746	NA	0.343	0.284
PG&E Area					
Bundled	33.84%	26,777	35.20%	5.479	4.526
Direct Access		11,400	14.99%	2.333	1.927
Butte Choice Energy		924	1.21%	0.189	0.156
CleanPowerSF		3,073	4.04%	0.629	0.520
East Bay Community Energy		6,910	9.08%	1.414	1.168
King City Community Energy		29	0.04%	0.006	0.005

LSE	Proportion of 2030 emissions inclusive of industrial load*	2030 Load (GWh)	Proportion of 2030 Load within IOU Territory	2030 GHG emissions benchmark (MMT) -- 46 MMT scenario	2030 GHG emissions benchmark (MMT) -- 38 MMT scenario
Marin Clean Energy		5,897	7.87%	1.225	1.012
Monterey Bay Community Power		4,140	5.44%	0.847	0.700
Peninsula Clean Energy Authority		3,560	4.68%	0.729	0.602
Pioneer Community Energy		1,141	1.50%	0.234	0.193
Redwood Coast Energy Authority		628	0.82%	0.128	0.106
San Jose Clean Energy		4,449	5.85%	0.910	0.752
Silicon Valley Clean Energy		3,979	5.23%	0.814	0.673
Sonoma Clean Power		2,309	3.04%	0.472	0.390
Valley Clean Energy Alliance		761	1.00%	0.156	0.129
SCE Area					
Bundled	33.17%	54,393	63.49%	9.687	8.003
Direct Access		13,450	15.70%	2.395	1.979
Apple Valley Choice Energy		238	0.28%	0.042	0.035
Baldwin Park, City of		246	0.29%	0.044	0.036
Commerce, City of		401	0.47%	0.071	0.059
Hanford, City of		0	0.00%	0.000	0.000
Palmdale, City of		223	0.26%	0.040	0.033
Pomona, City of		417	0.49%	0.074	0.061
Clean Power Alliance		11,867	13.85%	2.113	1.746
Desert Community Energy		581	0.68%	0.103	0.085
Lancaster Choice Energy		562	0.66%	0.100	0.083
Monterey Bay Community Power		674	0.79%	0.120	0.099
Pico Rivera Innovative Municipal Energy		246	0.29%	0.044	0.036
Rancho Mirage Energy Authority		269	0.31%	0.048	0.040
San Jacinto Power		162	0.19%	0.029	0.024
Santa Barbara Clean Energy		338	0.39%	0.060	0.050
Western Community Energy	1,607	1.88%	0.286	0.237	

LSE	Proportion of 2030 emissions inclusive of industrial load*	2030 Load (GWh)	Proportion of 2030 Load within IOU Territory	2030 GHG emissions benchmark (MMT) -- 46 MMT scenario	2030 GHG emissions benchmark (MMT) -- 38 MMT scenario
SDG&E Area					
Bundled	8.84%	5,366	29.46%	1.198	0.990
Direct Access		3,940	21.63%	0.880	0.727
Clean Energy Alliance		992	5.45%	0.222	0.183
Solana Energy Alliance		0	0.00%	0.000	0.000
San Diego Community Power		7,914	43.45%	1.768	1.460

* Since each LSE’s IRP should reflect its total electricity demand, the estimated 2030 GHG emissions associated with each utility’s industrial load are included in its share of total 2030 GHG emissions. More information is available here: https://ww3.arb.ca.gov/cc/sb350/staffreport_sb350_irp.pdf.

For purposes of their individual IRP submissions due September 1, 2020, each LSE shall use the assigned load forecast and GHG benchmarks included in Table 1 above.

In addition, as noted in the January 24, 2020 ALJ ruling, Commission staff and CEC staff are in ongoing discussions to identify improvements to the load forecasting process for future IRP cycles. Any process changes relevant to the IRP process will be further vetted in this proceeding or as part of the IEPR process.

2. Procurement Responsibility for Reliability Capacity from Decision 19-11-016

According to the provisions of D.19-11-016, all LSEs were required to procure their proportional share of the 3,300 MW of capacity required by the decision, unless the LSE opted-out of the required procurement in its February 18, 2020 progress report also required by the decision.

On February 18, 2020, ten LSEs filed progress reports formally opted out of conducting the required procurement in D.19-11-016. Those LSEs are as follows, including eight ESPs and two CCAs:

1. Commercial Energy of California, filed late, on February 27, 2020;
2. 3 Phases Renewables, Inc.;
3. American PowerNet Management, L.P.;
4. Just Energy Solutions, Inc.;
5. Constellation NewEnergy, Inc.;
6. EDF Industrial Power Services (CA), LLC;
7. King City Community Power;
8. Pilot Power Group, Inc.;
9. Tiger Natural Gas, Inc.; and
10. Solana Energy Alliance.

In addition, the following entities filed motions to file their progress reports under seal:

1. Apple Valley Choice Energy;
2. Calpine Energy Solutions, LLC;
3. Direct Energy Business, LLC;
4. Lancaster Choice Energy;
5. Peninsula Clean Energy Authority;
6. Pico Rivera Innovative Municipal Energy;
7. Rancho Mirage Energy Authority;
8. Redwood Coast Energy Authority;
9. Regents of the University of California;
10. San Jacinto Power;
11. San Jose Clean Energy;
12. Silicon Valley Clean Energy Authority;

13. Sonoma Clean Power Authority; and
14. SCE.

All of these motions to file under seal should be granted and the material should be kept under seal, accessible only to Commission staff.

By the terms of D.19-11-016, for those LSEs that have opted out of procuring, the incumbent IOU will take on the role of conducting the procurement on behalf of the customers of the LSEs opting out. The exact cost allocation provisions associated with payment for the associated procurement will be the subject of further deliberation in this or a successor proceeding. In the meantime, Commission staff have aggregated the additional procurement to be conducted by each IOU, in order to protect the confidential nature of the load data for individual ESPs. The additional procurement to be conducted by each IOU, in addition to its proportional share of procurement on behalf of its own customers, is as follows:

- PG&E: 48.2 MW;
- SCE: 56.6 MW; and
- SDG&E: 8.4 MW.

The above additional procurement shall follow the structure of D.19-11-016 requirements, with 50 percent to be online by August 1, 2021, 75 percent by August 1, 2022, and 100 percent by August 1, 2023, as well as all other requirements for procurement under the provisions of D.19-11-016.

All LSEs and parties should note that this additional procurement responsibility addresses only capacity for which LSEs have opted out of providing capacity for their own customer base in advance. Decision 19-11-016 also discusses the potential situation where LSEs do not opt out in advance and intend to procure the full amount of their assigned capacity, but ultimately fail to

procure the capacity for which they are responsible. This situation would result in the need for backstop procurement on behalf of the LSE failing to procure, much closer to, or possibly after, the compliance deadline. Further deliberation in this, or a successor, proceeding will also address this potential failure, timing for assessing failure and ordering backstop procurement responsibility, and cost allocation, in the event of the need for such procurement. This ruling only addresses IOU procurement on behalf of LSEs and their customers where the opt-out choice has occurred up front.

IT IS RULED that:

1. The following motions to file under seal, filed on February 28, 2020, are granted:

- (a) Calpine Energy Solutions, LLC;
- (b) Constellation NewEnergy, Inc.;
- (c) Direct Energy Business, LLC;
- (d) Pilot Power Group, Inc.; and
- (e) Shell Energy North America (US), L.P.

2. All load serving entities shall, in preparing their individual integrated resource plans due on September 1, 2020, according to the requirements of Decision 20-03-028, plan for their load forecasts and greenhouse gas benchmarks given in Table 1 and Attachment A of this ruling.

3. The following motions to file under seal, filed February 18, 2020, are granted:

- (a) Apple Valley Choice Energy;
- (b) Calpine Energy Solutions, LLC;
- (c) Direct Energy Business, LLC;
- (d) Lancaster Choice Energy;
- (e) Peninsula Clean Energy Authority;

- (f) Pico Rivera Innovative Municipal Energy;
- (g) Rancho Mirage Energy Authority;
- (h) Redwood Coast Energy Authority;
- (i) Regents of the University of California;
- (j) San Jacinto Power;
- (k) San Jose Clean Energy;
- (l) Silicon Valley Clean Energy Authority;
- (m) Sonoma Clean Power Authority; and
- (n) Southern California Edison.

4. In addition to the capacity procurement required to be undertaken by the investor-owned utilities (IOUs) included in Decision (D.) 19-11-016 for their own customers, the IOUs shall procure the following additional capacity, while complying with all other requirements of D.19-11-016:

- (a) Pacific Gas and Electric Company: 48.2 MW;
- (b) Southern California Edison Company: 56.6 MW; and
- (c) San Diego Gas & Electric Company: 8.4 MW.

Dated April 15, 2020, at San Francisco, California.

/s/ JULIE A. FITCH
Julie A. Fitch
Administrative Law Judge

ATTACHMENT A

Attachment A. Load Forecasts (in Gigawatt Hours) by Load-Serving Entity From 2020 through 2030

LSE	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Pacific Gas and Electric (PG&E) Planning Area											
PG&E (Bundled)	30,495	28,904	27,188	27,035	27,035	27,050	27,065	27,057	27,057	26,909	26,777
PG&E (Direct Access)	9,400	10,900	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400
Butte Choice Energy	-	448	922	920	922	923	924	924	924	924	924
CleanPowerSF	3,116	3,083	3,066	3,061	3,065	3,069	3,071	3,071	3,073	3,072	3,073
East Bay Community Energy	7,535	6,666	6,894	6,881	6,890	6,900	6,906	6,906	6,908	6,907	6,910
King City Community Power	30	30	29	29	29	29	29	29	29	29	29
Marin Clean Energy	5,094	5,490	5,669	5,658	5,653	5,653	5,661	5,669	5,696	5,828	5,987
Monterey Bay Community Power	4,881	4,152	4,130	4,123	4,129	4,134	4,138	4,137	4,139	4,138	4,140
Peninsula Clean Energy Authority	3,610	3,571	3,552	3,546	3,550	3,555	3,558	3,558	3,560	3,559	3,560
Pioneer Community Energy	1,157	1,145	1,139	1,137	1,138	1,140	1,141	1,140	1,141	1,141	1,141
Redwood Coast Energy Authority	638	630	627	626	627	627	628	628	628	628	628
San Jose Clean Energy	4,510	4,462	4,438	4,431	4,436	4,442	4,446	4,446	4,448	4,447	4,449
Silicon Valley Clean Energy	4,061	3,991	3,969	3,962	3,968	3,973	3,976	3,976	3,978	3,977	3,979
Sonoma Clean Power	2,377	2,360	2,312	2,312	2,311	2,309	2,307	2,306	2,306	2,307	2,309
Valley Clean Energy Alliance	706	765	761	759	760	761	761	761	761	761	761
Plumas Sierra Rural Electric Cooperative	141	139	139	138	138	139	139	139	139	139	139
Southern California Edison (SCE) Planning Area											
SCE (Bundled)	58,158	54,701	52,831	53,125	53,199	53,308	53,404	53,559	53,818	54,100	54,393
SCE (Direct Access)	11,000	11,940	13,450	13,450	13,450	13,450	13,450	13,450	13,450	13,450	13,450
Apple Valley Choice Energy	233	233	233	234	234	234	235	235	236	237	238
Baldwin Park, City of	16	241	241	242	242	242	243	243	244	245	246

LSE	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Commerce, City of	-	213	393	394	395	395	396	397	398	400	401
Hanford, City of	-	-	-	-	-	-	-	-	-	-	-
Palmdale, City of	49	218	218	219	219	220	220	220	221	222	223
Pomona, City of	43	409	409	410	411	411	412	413	414	416	417
Clean Power Alliance	11,639	11,626	11,616	11,663	11,675	11,693	11,708	11,733	11,775	11,820	11,867
Desert Community Energy	463	569	569	571	571	572	573	574	576	578	581
Lancaster Choice Energy	551	551	550	552	553	554	554	556	558	560	562
Monterey Bay Community Power	-	676	672	671	672	673	674	674	674	674	674
Pico Rivera Innovative Municipal Energy	241	241	240	241	242	242	242	243	244	245	246
Rancho Mirage Energy Authority	264	264	263	264	265	265	265	266	267	268	269
San Jacinto Power	159	159	159	159	159	160	160	160	161	161	162
Santa Barbara Clean Energy	-	211	331	332	333	333	334	334	336	337	338
Western Community Energy	1,285	1,575	1,574	1,580	1,582	1,584	1,586	1,589	1,595	1,601	1,607
Anza Electric Cooperative	57	57	57	57	57	57	57	57	57	58	58
Bear Valley Electric Service	120	120	120	121	121	121	121	121	122	122	123
San Diego Gas & Electric (SDG&E) Planning Area											
SDG&E (Bundled)	13,958	10,383	5,359	5,301	5,270	5,265	5,268	5,290	5,316	5,341	5,366
SDG&E (Direct Access	3,827	3,940	3,940	3,940	3,940	3,940	3,940	3,940	3,940	3,940	3,940
Clean Energy Alliance	-	144	929	932	938	947	955	964	974	983	992
Solana Energy Alliance	58	(expected to join Clean Energy Alliance in 2021)									
San Diego Community Power	-	3,227	7,407	7,436	7,484	7,549	7,616	7,690	7,765	7,840	7,914
Outside of California Independent System Operator (CAISO) Area											
Valley Electric Association	11	11	12	12	12	12	12	13	13	13	13

LSE	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
PacifiCorp	730	727	728	728	729	730	732	735	738	742	746
Liberty Utilities	553	551	552	552	553	554	555	557	560	562	565
Surprise Valley Electrification Corp.	96	95	96	96	96	96	96	96	97	97	98

(end of Attachment A)