



California Public Utilities Commission
505 Van Ness Ave., San Francisco

FOR IMMEDIATE RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

PRESS RELEASE

Docket #: R.16-02-007

CPUC ACTS TO ENSURE ELECTRIC GRID RELIABILITY

SAN FRANCISCO, November 7, 2019 - The California Public Utilities Commission (CPUC), in its ongoing efforts to ensure safe and reliable electric service to Californians, today took actions to support electric service reliability for 2021-2023, while keeping the electricity sector on a path to meeting the state's clean energy goals.

Today's decision addresses CPUC staff and stakeholder analysis of impending potential electricity shortages in California. The analysis shows that current electricity supplies are tight and that reliance on imports will be increased beyond historical levels, creating uncertainty in electricity supply until more in-state generation is built by entities that serve load (utilities, community choice aggregators, and direct access providers). The tight supply is driven by several market trends in the electric sector, including time of day and time of year shifts of system peak loads; the growing penetration levels of wind and solar resources that require integration into the grid; the retirement of aging natural gas plants; and a decline in reliable imported electricity to meet peak demand as other states increase their renewable generation.

Today's decision orders procurement by California's load-serving entities to ensure electric system reliability beginning in 2021, including requiring all load-serving entities to procure 3,300 megawatts of new, non-emitting electricity resources. Load-serving entities must make 10-year, long-term investments in new in-state generation that maintains reliability and keeps California on its present trajectory toward meeting its greenhouse gas emissions reduction targets.

"The procurement ordered in this decision is an opportunity for our 40-plus load-serving entities to demonstrate their commitment to building the zero-carbon, reliable generation resources in California that our state needs now and in the long term," said Commissioner Liane M. Randolph,



who is assigned to the proceeding. “Building such resources can also have the benefit of creating local jobs, spurring further innovation in the electric sector, and providing resiliency benefits, given our very recent experiences with wildfires and Public Safety Power Shut-offs.”

Today’s decision also recommends that the State Water Resources Control Board extend the compliance dates for one to three years for some generation resources that were expected to retire at the end of 2020 in compliance with once-through-cooling policies.

“These once-through-cooling resources were identified by stakeholders as essential to reliable electricity for California between 2021 and 2023; however, I do not seek these extensions lightly,” said Commissioner Randolph. “The CPUC recognizes that once-through-cooling units are not a resource we can continue to rely on going forward. It is our full expectation that those plants will close after these extension periods.”

The need for system resource adequacy and renewable integration resources begins in 2021 and will extend through 2023 and beyond, as more renewable resources are added to meet California’s ambitious clean energy goals and as more fossil-fueled and nuclear power plants retire. The CPUC’s Integrated Resource Planning proceeding examines near- and long-term electricity resource needs and develops procurement proposals to maintain electricity supply that meets California’s environmental, reliability, and lowest ratepayer impact goals.

The proposal voted on is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M319/K337/319337006.PDF>.

Documents related to this proceeding are available at:

https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5_PROCEEDING_SELECT:R1602007.

The CPUC regulates services and utilities, safeguards the environment, and assures Californians’ access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

###

