



California Public Utilities Commission
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CPUC ACTS TO ENSURE ELECTRICITY RELIABILITY THROUGH SUPPLY AND NEW TECHNOLOGIES

SAN FRANCISCO, August 27, 2020 - The California Public Utilities Commission (CPUC) today approved various measures to ensure electric reliability for California, including new procurement of clean energy generation and storage, and a 10 year renewal of investments in research and development of new technologies.

“Rolling outages recently left hundreds of thousands without power. My fellow Commissioners and I take very seriously the threat to people’s well-being that comes with the loss of power, even for a short period, and particularly during this pandemic and the record heat wave,” said CPUC President Marybel Batjer. “The CPUC and its sister energy agencies will quickly understand exactly what led to the outages and the areas we need to improve to ensure we plan for and maintain a reliable grid, but we know more clean energy, more storage, and more efficiency are part of that plan. Our Decisions today help ensure reliability for Californians through clean energy contracts, energy storage, and research and development.”

In order to ensure electricity reliability for customers of Pacific Gas and Electric Company (PG&E), the CPUC approved seven clean energy contracts. PG&E procured these resources to meet its 2021 incremental procurement requirements as required by the CPUC’s Integrated Resource Plan proceeding, which ordered PG&E to procure 716.9 megawatts of resource adequacy capacity, at least 50 percent of which must come online by August 1, 2021. The proposal voted on (Res E-5100) is available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M345/K655/345655214.pdf>.

To ensure reliability for customers of Southern California Edison, the CPUC authorized the procurement of 770 megawatts of energy storage to satisfy the procurement requirements ordered by



the CPUC in its Integrated Resource Plan proceeding, which seeks to ensure adequate and efficient resources are available to provide energy for California’s future in line with the State’s environmental goals. The proposal voted on (Res E-5101) is available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M345/K389/345389659.PDF>.

In late 2018, the CPUC identified a potential shortfall in California’s ability to meet demand starting in 2021 and asked parties such as the California Independent System Operator, the investor-owned utilities, community choice aggregators, and ratepayer advocacy groups, to comment on the analysis and proposed solutions to address the shortfall. The shortfall was the result of decreasing assumptions about the amount of electricity that was available to import into California and of reductions to the calculations on how much solar power was available to meet peak demand. After comments from parties, the CPUC ordered 3,300 megawatts of new resources to be procured. Much of that procurement will be done by community choice aggregators, which do not require CPUC authorization to procure resources. The two Decisions approved today are the first tranche of contracts with investor-owned utilities for this new reliability procurement.

“California recently experienced reliability challenges not seen in decades and we are working to identify the root causes. Our Decisions today continue to build the foundation of our resource adequacy program by securing additional contingency resources for use when needed,” said Commissioner Genevieve Shiroma.

Further, to support the research and development of new, emerging, and pre-commercial clean energy technologies in California to provide electricity ratepayer benefits in the form of increased reliability, improved safety, and/or reduced electricity costs, the CPUC renewed the Electric Program Investment Charge (EPIC) for 10 years at approximately \$1.48 billion over that period. “I am proud that today the CPUC renewed funding for California’s energy R&D program, the Electric Program Investment Charge, or EPIC,” said Commissioner Martha Guzman Aceves. “Developing new technologies and solutions that are laser focused on improving reliability, safety, and affordability attracts investment to California and keeps our clean economy growing. Several EPIC-funded microgrids even supported the grid during the recent grid crisis, demonstrating real-time value to ratepayers. Renewing our investment in energy innovation helps keep our eyes on the horizon and ensures that these hard times will not dim our future.” The proposal voted on (R.19-10-



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<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M345/K625/345625342.PDF>. To find out more about EPIC-funded clean energy research, development, and demonstration, visit www.cpuc.ca.gov/energyrdd.

“Our actions today underscore the CPUC’s long-standing commitment to ensuring a reliable grid while reducing greenhouse gas,” said Commissioner Clifford Rechtschaffen.

The CPUC regulates services and utilities, protects consumers, 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.

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