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PRESS RELEASE

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CPUC ISSUES PROPOSALS TO ENSURE ELECTRIC GRID RELIABILITY AND MEET CLEAN ENERGY GOALS

SAN FRANCISCO, May 21, 2021 - The California Public Utilities Commission (CPUC), in ongoing efforts to ensure electricity reliability in the state and meet clean energy goals, today issued two proposals that would order utilities to procure 11,500 megawatts (MW) of new electricity resources to come online between the years 2023 and 2026, enough to power approximately 2.5 million homes, with almost all of the resources procured coming from zero-emitting sources.

The Proposed Decision of a CPUC Administrative Law Judge and the Alternate Proposed Decision of Commissioner Clifford Rechtschaffen, are on the CPUC’s June 24, 2021 Voting Meeting agenda for consideration. The CPUC’s five Commissioners will vote to approve one or the other.

Both proposals are designed to facilitate the integration of the high amounts of renewables required to meet the state’s renewable and clean energy goals, and are consistent with the resources needed to ensure reliability and achieve at least a 38 million metric ton (MMT) greenhouse gas (GHG) target for the electric sector by 2030.

The resources required to come online in the years 2023 through 2025 are needed to respond to more extreme weather events and replace electricity generation from more than 3,700 MW of retiring natural gas plants and 2,200 MW from Pacific Gas and Electric Company’s retiring Diablo Canyon Power Plant. Both proposals order at least 2,500 MW of zero-emitting resources to specifically replace generation from Diablo Canyon, which is in addition to capacity already procured over the past several years for the same purpose. The CPUC has been planning to replace power from Diablo Canyon for many years through modeling, workshops, extensive public input and earlier decisions.
In 2019, the CPUC ordered significant amounts of new renewables and storage, which will result in a tenfold increase in batteries coming online this summer and next summer.

The Proposed Decision requires that approximately 90 percent of procurement come from non-fossil resources with an additional 1,000 -1,500 MW from efficiency improvements, upgrades, expansions or repowering at existing or mothballed fossil-fueled generation sites as a cleaner capacity alternative to diesel backup generation or continued utilization of existing inefficient natural gas units. Projects located in a disadvantaged community are limited to projects that will reduce GHG and criteria pollutant emissions by requiring specified amounts of green hydrogen or by adding storage.

The Alternate Proposed Decision requires approximately 95 percent from non-fossil resources, with an additional 500 MW from efficiency improvements, upgrades, or expansions at existing fossil sites, and requires all fossil improvements to increase efficiency and reduce the rate of GHG emissions. The Alternate Proposed Decision precludes any fossil-fueled projects in disadvantaged communities, and also does not allow repowering at mothballed or retired sites. The Alternate Proposed Decision also authorizes but does not require the utilities to procure an additional 300 MW of fossil-fueled capacity at existing sites with a commitment to fuel with 30 percent green hydrogen by 2026 and 50 percent green hydrogen by 2031.

The procurement ordered in the two proposals is in addition to the 3,300 MW that the CPUC ordered previously to come online in 2021-2023, the 1,325 MW of energy storage required under Assembly Bill 2514 (2010), and the estimated 1,500 MW that will be procured pursuant to two recent decisions adopted to address extreme weather events and summer reliability. The procurement would also add to the 4,000 MW from resources already contracted to come online between now and August 2024 associated with other state energy programs such as the Renewables Portfolio Standard. The procurement ordered would act as a new, clean reliability foundation for California’s electric sector.

The Administrative Law Judge Proposed Decision is available at [https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M385/K026/385026493.PDF](https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M385/K026/385026493.PDF). The Alternate Proposed Decision of Commissioner Rechtschaffen is available at [https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M385/K026/385026495.PDF](https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M385/K026/385026495.PDF).
Members of the public can comment on the Proposed Decision and/or Alternate Proposed Decision, and read the comments of others, on the proceeding’s Docket Card by clicking on the “Public Comments” tab at

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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