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PRESS RELEASE Docket #: R.20-05-003

CPUC ORDERS HISTORIC CLEAN ENERGY PROCUREMENT TO ENSURE ELECTRIC GRID RELIABILITY AND MEET CLIMATE GOALS

SAN FRANCISCO, June 24, 2021 - The California Public Utilities Commission (CPUC), in ongoing efforts to ensure electricity reliability in the state and meet clean energy goals, today approved a historic decision ordering 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 all of the resources procured coming from preferred resources, such as distributed energy resources (including energy efficiency and demand response), renewables, and zero-emitting sources. This represents the largest capacity procurement ordered at a single time by the CPUC, and is the largest requiring only clean resources.

Today's decision facilitates the integration of high amounts of renewables required to meet the state's renewable and clean energy goals and ensure reliability. The decision is a foundational investment in meeting the state's goal of 100 percent clean electricity by 2045.

The resources required to come online in the years 2023 through 2026 are needed to respond to more extreme weather events, while replacing 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. At least 2,500 MW of zero-emitting resources were ordered specifically to 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.



"California leads the nation in transitioning to a clean energy economy. Already, more than 63 percent of our power comes from zero carbon resources. We are the first in many categories—solar, rooftop solar, geothermal, batteries, energy efficiency, and other clean energy resources," said CPUC President Marybel Batjer. "We are on track to meet or exceed our state's ambitious long-term targets, which call for 100 percent clean electricity by 2045."

"Today's historic decision is key to fulfilling our commitment to our clean energy and electric reliability goals," said Commissioner Clifford Rechtschaffen, who is assigned to the proceeding. "The procurement we ordered is equal to output of four large nuclear power plants or 20 natural gas plants. Included is solar, wind, geothermal, and long duration storage-pumped hydro facilities or other emerging technologies that can store energy for eight hours or longer. Our actions today will ensure that we can keep the lights on during periods of greatest demand, even as we retire Diablo Canyon and other natural gas plants."

"This Decision takes an approach that is not only bold, but dynamic and pragmatic with two stages of additional procurement. Our vote today will task the utilities to invest in clean generation necessary to address climate change with accountability," said Commissioner Genevieve Shiroma.

While California is planning for its clean energy future, the CPUC must also ensure that the state has sufficient energy resources available to meet customer demand. The procurement ordered today 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 will 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 will act as a new, clean reliability foundation for California's electric sector.

Last month the CPUC issued a proposal and an alternate proposal in this proceeding. The proposal was subsequently revised in response to comments from parties to make the procurement 100 percent greenhouse-gas-free and renewable, and the alternate proposal was then withdrawn.



The proposal voted on is available at:

https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K155/389155856.PDF.

Documents related to the proceeding are available at:

https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5 PROCEEDING SELECT:R2005003.

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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