

FOR IMMEDIATE RELEASE Media Contact: Terrie Prosper, 415.703.1366, <u>news@cpuc.ca.gov</u>

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CPUC Approves Transmission Planning Portfolio to Help Meet Reliability and GHG Targets at Least Cost to Ratepayers

SACRAMENTO, February 20, 2025 - The California Public Utilities Commission (CPUC) today approved electric resource portfolios for use in transmission grid planning to meet the state's clean energy goals. The CPUC's electric resource portfolios are a key input for the California Independent System Operator (CAISO) to consider in its annual analysis of the transmission needed to bring online over 60 gigawatts of new clean energy generation and storage resources to cost-effectively achieve a 25 million metric ton greenhouse gas (GHG) emissions level by 2035, while maintaining system reliability at the lowest cost to ratepayers. The CPUC resource planning portfolios are a key driver to support the achievement of the state's GHG reduction targets.

The approved base case portfolio builds upon last year's resource planning portfolio. This year's base case portfolio incorporates all clean generation and storage resources procured or planned by load serving entities in their most recent Integrated Resource Plans, along with additional resources identified through Integrated Resource Plan modeling. The adopted base case portfolio plans for a California electric grid of the future that is expected to:

- Reduce GHG emissions by over 45 percent by 2035 compared the first modeled year in 2026, surpassing Senate Bill 1020's target of 90 percent clean energy retail sales by 2035.
- Continue the existing trend to steadily decrease use of natural gas plants in the CAISO-system, with a projected 71 percent decline in annual natural gas generation by 2035 as compared to the first modeled year. By 2040, natural gas usage would be reduced by 80 percent from modeled 2026 usage.

"This decision continues California's leadership on how to plan for a decarbonized future at the least cost to ratepayers," said CPUC President Alice Reynolds. "The portfolio of resources adopted in this decision will enable the transmission investment needed to bring online nearly 60 gigawatts of clean energy resources by 2035 as cost-effectively as possible, while driving deep reductions in natural gas usage."

In adopting this decision, the CPUC is fulfilling its critical role in transmission planning process, rooted in the 2010 Memorandum of Understanding with the CAISO and the California Energy Commission. This inter-agency coordination has set the stage for transformative infrastructure investments across the state.

More Information

- Fact Sheet
- <u>Proposal approved</u>
- Docket Card
- Integrated Resource Plan Process

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About the California Public Utilities Commission

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