



Staff Report Item 18

TO: East Bay Community Energy Board of Directors

FROM: Howard Chang, Chief Operating Officer

SUBJECT: East Bay Community Energy Integrated Resource Plan (IRP) Scenarios
(Informational Item)

DATE: June 20, 2018

Recommendation

Discuss EBCE's Integrated Resource Plan Filing (IRP):

- A. Receive briefing on CPUC IRP Guidelines and compliance requirements; and
- B. Discuss EBCE's approach to developing CPUC IRP

Discussion

As a result of SB 350 (2015) and the California Public Utility Commission (CPUC)'s Decision issued February 13, 2018, EBCE and all other CPUC-jurisdictional load-serving entities (LSEs) are required to file an Integrated Resource Plan with the CPUC by August 1, 2018. The CPUC requires that a CCA's IRP is approved by its Board before being submitted to the CPUC. The CPUC will then conduct modeling and analysis to ensure that the aggregation of IRPs demonstrates that the planned procurement of the various LSEs will allow the state to meet its energy policy objectives, including reductions in greenhouse gases (GHG).

IRPs must include a description of how the LSE approached the process of developing its plan, including projecting load and producing a portfolio consistent with the CPUC's reference system portfolio and an LSE-specific GHG emissions benchmark or the CPUC's GHG planning price. The LSE must provide one or more portfolio(s), clearly identifying new resources that the LSE plans to invest in and existing resources that the LSE owns or contracts with. The LSE must then describe the portfolio the LSE prefers to use for planning purposes and for which the LSE seeks Commission certification.

For its preferred portfolio, the LSE must describe and provide quantitative evidence to support how it minimizes localized air pollutants and other GHG emissions with early priority on disadvantaged communities. The LSE must further describe how its preferred portfolio is expected to affect costs/rates for its customers.

Given the short time that EBCE has to develop this IRP, the fact that EBCE has only recently launched, and the fact that EBCE has not had an opportunity to conduct the level of community engagement or quantitative analysis that is necessary to develop an IRP that reflects the long-term goals of EBCE, Staff recommends developing an IRP that focuses on meeting CPUC compliance requirements. As a result, EBCE's CPUC IRP will include a procurement plan for renewable and carbon-free energy that does not fully reflect EBCE mid- or long-term procurement goals. Instead, Staff recommends developing an IRP based on EBCE's current mix of Bright Choice and Brilliant 100 that is focused on meeting CPUC minimum requirements. This means that EBCE's resource portfolio in the CPUC IRP will include renewables that are between 5%-7% higher than the RPS requirement and carbon-free energy of 90%. Based on initial modeling, Staff believes this resource portfolio will exceed the CPUC's GHG and renewable energy thresholds for IRPs.

In order to conduct a thorough assessment of what EBCE's 2023 and beyond energy portfolio should look like, Staff believes it is critical to develop a series of scenarios that can be discussed with the community. Only once these scenarios have been reviewed for their economic impact on EBCE rates and have been discussed with the community should EBCE seek to adopt accelerated medium- and long-term goals for renewable and carbon-free energy. Staff does not believe it will be able to complete the level of analysis or community engagement necessary prior to the CPUC's IRP deadline. For this reason, Staff believes it is preferable to focus on developing a CPUC IRP that is more compliance document than vision statement. Staff recognizes the importance of moving quickly to set EBCE's goals and wants to use the August and September 2018 timeframe to complete the analysis and public engagement necessary to develop a proposal for what EBCE's renewable and carbon-free goals should be.