

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 4

TO: Valley Clean Energy Alliance Community Advisory Committee

FROM: Mitch Sears, Interim General Manager
Gordon Samuel, Assistant General Manager/Director of Power Services
Olof Bystrom, Sacramento Municipal Utility District (SMUD)

SUBJECT: Integrated Resource Plan (IRP) Update

DATE: May 28, 2020

RECOMMENDATION

Review alternative IRP resource portfolios and provide feedback on resource choices and potential Action Plan.

BACKGROUND

VCE is required by the California Public Utilities Commission (CPUC) to prepare an IRP for the supply of energy in the period from 2020 to 2030. The objective of the IRP is to provide guidance for VCEA's Board, executive management, and the public regarding the relative power supply cost impact of various long-term resource options for meeting electric demand in the 2020-2030 period and to ensure that these options are strategically aligned with VCEA's short and long-term vision. VCE filed its first IRP in August 2018. The 2020 IRP is due to the CPUC by September 1, 2020 and includes some new requirements compared to the 2018 IRP.

Staff, supported by SMUD, conducted an IRP workshop in December 2019, seeking inputs on preferable IRP resource portfolios from the CAC and the public. Following that initial workshop, SMUD developed four resource portfolios. VCE must file at least two alternative resource portfolios with the CPUC – one that meets a maximum greenhouse gas target of 156,000 tons of CO₂ per year by 2030 and one portfolio that meets a tighter emissions goal of 129,000 metric tons of CO₂ per year by 2030. The main compliance planning goal is the higher greenhouse gas goal, but in a decision in March 2020, the CPUC also required load serving entities such as VCE to also submit a second portfolio reflecting a tighter emission target.

The presentation enclosed with this report also outlines items to consider in a 1 to 3 year Action Plan which is mandated by the CPUC. Staff is seeking inputs from the CAC on what items should be considered in the Action Plan.

Between now and July, staff will be preparing a formal IRP report and Action Plan. The final report, following review and inputs from the CAC and the Board, will be adopted at the latest in August 2020 and will be submitted to the CPUC by September 1.