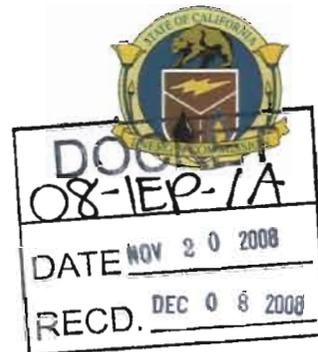


CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
 Sacramento, California 95814

WEBSITES

Main website: www.energy.ca.gov
 Children's website: www.energyquest.ca.gov
 Consumer Information: www.ConsumerEnergyCenter.org



**STATE OF CALIFORNIA
 ENERGY RESOURCES CONSERVATION
 AND DEVELOPMENT COMMISSION**

In the matter of:)	Docket No. 08-IEP-1A
)	Order No. <i>08-1120-10</i>
)	
The 2008 Integrated Energy Policy Report)	ADOPTION ORDER: 2008
Update)	INTEGRATED ENERGY POLICY
)	REPORT UPDATE

I. BACKGROUND

Public Resources Code section 25301 requires the Energy Commission to conduct "assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices" every two years. The Energy Commission uses these assessments and forecasts to develop an integrated energy policy report (IEPR) issued in odd-numbered years. Public Resources Code section 25302(d) further instructs the Energy Commission to prepare an energy policy review to update analyses or to raise issues that have emerged since the release of the IEPR.

The IEPR Committee, consisting of Commissioner Jeffrey Byron and Chairman Jackalyne Pfannenstiel, held a scoping hearing on April 28, 2008 to receive input on proposed topics for the 2008 IEPR Update. The topics ultimately chosen for the report included:

1. Achieving higher levels of renewables in California's electricity system.
2. Energy efficiency and the CEC's demand forecast
3. Improving electricity procurement
4. Nuclear plant vulnerability to seismic/aging issues
5. Evaluation of CPUC's Self-Generation Incentive Program
6. Progress report on past IEPR recommendations

From March to September 2008, the Committee held 12 public workshops on these topics. On September 25, 2008, the IEPR Committee released the *Draft 2008 IEPR Update*, followed by an IEPR Committee Hearing on the draft on October 9, 2008. Based on comments received at that hearing and during the written comment period, the Committee issued the revised *2008 IEPR Update Committee Report* on November 6, 2008.

The 2008 IEPR Update contains the Energy Commission's policy recommendations relating to the first five topics identified above. Additionally, the 2008 IEPR Update contains or incorporates by reference the following:

- An assessment of the vulnerability of the state's nuclear power plants to a major disruption due to a seismic event or plant age-related issues, as required by Assembly Bill 1632 (Blakeslee, Chapter 722, Statutes of 2006).

- An evaluation of the California Public Utilities Commission's Self-Generation Incentive Program and the costs and benefits of expanding eligibility for the program to renewable and fossil fuel "ultraclean and low-emission distributed generation," as required by Assembly Bill 2778 (Lieber, Chapter 617, Statutes of 2006).
- A progress report on the status of key recommendations from past IEPRs.

II. ACTION TAKEN

At a regularly scheduled business meeting on November 20, 2008, the Commission, after receiving comments and discussing the item, voted unanimously to approve the *2008 IEPR Update* with errata.

It is hereby ordered that a final version of this document shall be forwarded to the Governor for his review pursuant to Public Resources Code section 25307, and be made available to the public and the Legislature.

III. DELEGATION OF AUTHORITY TO THE IEPR COMMITTEE

The Commission hereby delegates to the IEPR Committee (Commissioner Jeffrey Byron, Presiding Member, and Chairman Jackalyne Pfannenstiel, Associate Member) the authority to take, on behalf of the Commission, all actions reasonably necessary to prepare the adopted IEPR for submission to the Governor, including making any corrections or clarifications necessary for the accuracy and clarity of the report.

Dated: November 20, 2008

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT
COMMISSION



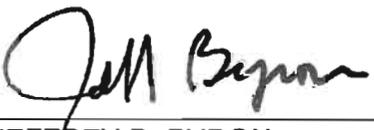
JACKALYNE PFANNENSTIEL
Chairman

ABSENT

JAMES D. BOYD
Vice Chair



ARTHUR H. ROSENFELD
Commissioner



JEFFREY D. BYRON
Commissioner



KAREN DOUGLAS
Commissioner