

**CALIFORNIA ENERGY COMMISSION**

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

<b>DOCKET</b>	
<b>10-IEP-1</b>	
DATE	_____
RECD.	APR 14 2010

In the matter of: ) Docket No. 10-IEP-1  
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 Preparation of the )  
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2010 Integrated Energy Policy Report Update )

**COMMITTEE SCOPING ORDER**

In this order, the California Energy Commission’s Integrated Energy Policy Report Committee (Committee) establishes the general scope and schedule for the *2010 Integrated Energy Policy Report Update (2010 IEPR Update)*. Chairman Karen Douglas is the Presiding Member and Commissioner Jeffrey D. Byron is the Associate Member of the Committee.

**Background**

Senate Bill 1389 (Bowen and Sher, Chapter 568, Statutes of 2002) requires the Energy Commission to “conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices.” These assessments and forecasts are used to develop recommendations for energy policies that conserve state resources, protect the environment, provide reliable energy, enhance the state’s economy, and protect public health and safety. The Energy Commission includes these energy policy recommendations in its biennial Integrated Energy Policy Report that is issued in odd-numbered years.

SB 1389 also requires the Energy Commission to prepare an update in alternate years to provide a progress report on issues raised in the biennial IEPR or to identify new issues that have arisen during the intervening year. The *2010 IEPR Update* will fulfill that requirement.

**Scope of the 2010 Integrated Energy Policy Report Update**

The focus of the *2010 IEPR Update* will be on California’s transition to a clean energy economy and the contribution of American Recovery and Reinvestment Act of 2009 (ARRA) funding to that transition. ARRA was signed into law on February 17, 2009 to jumpstart the nation’s economy, create or save jobs, modernize the nation’s infrastructure, and enhance energy independence.

The *2010 IEPR Update* will focus on how projects in California receiving ARRA awards are creating economic benefits and new jobs, reducing California’s dependence on imported energy, and increasing California’s competitiveness in national and international energy markets. The report will also concentrate on how ARRA-related

efforts can provide the foundation for long-term achievement of California's energy and environmental policy goals and help the state transform its energy production and use in a way that will provide lasting and sustainable economic, energy, and environmental benefits.

The *2010 IEPR Update* will discuss ARRA-funded programs that are being administered by the Energy Commission and implemented through partnerships with local governments and other entities throughout the state as well as energy projects that have used technical and/or cost support from the Energy Commission (through the Public Interest Energy Research Program or Alternative and Renewable Fuel and Vehicle Technology Program) to leverage federally-administered ARRA funding. The update will also discuss efforts by state and federal agencies to streamline power plant permitting processes for renewable generation facilities and how those efforts will help generating projects seeking ARRA funding support. Finally, the update will touch on federal ARRA funding that has been directly awarded to California energy projects such as high speed rail and smart grid efforts that will also contribute to California's energy and environmental goals.

### **Programs Administered by the Energy Commission**

The Energy Commission is receiving \$314.5 million in ARRA funding for energy-related projects and rebates and is administering that funding through partnerships with cities, counties, utilities, private industry, and other state agencies through four programs designed to stimulate the economy and create or retain jobs in California. These programs are also intended to achieve lasting and measurable energy benefits and contribute to California's energy and environmental policy goals.

- **The Energy Conservation Block Grant Program** (\$49.6 million) focuses on projects that deliver lasting financial benefits to California consumers and the economy through energy efficiency investments. These investments could save consumers 61.2 million kilowatt-hours of electricity, reduce CO<sub>2</sub> emissions by more than 22,000 tons, save local jurisdictions more than \$9 million in energy costs, and create or retain community jobs. Seventy percent of the funding for this program is going to 237 small cities and 42 counties who can use the funds to concentrate on innovative and cost-effective energy efficient projects for their communities.
- **The State Energy Program** (\$226 million) which consists of five programs:
  1. **Energy Efficiency Building Retrofit and Municipal Financing Programs** (\$110 million) will promote economic vitality and jobs for the new, clean energy workforce in providing residential and commercial building retrofits for energy efficiency measures and installing on-site solar photovoltaic systems.
  2. **1% Interest Energy Efficiency Revolving Loans** (\$25 million) will provide low interest loans to local jurisdictions to invest in energy efficiency and build new jobs and industries in their communities.
  3. **Energy Efficiency State Property Revolving Loans** (\$25 million) will provide revolving loans to install energy efficiency retrofit projects on state-owned buildings and repay the loans from the resulting energy savings.

4. **Clean Energy Workforce Training** (\$20 million) will provide training for hands-on green collar jobs in green building, energy and water efficiency, installation of clean energy technologies like solar photovoltaic and distributed wind technologies, and clean transportation options like low-emission vehicle technology, biofuels production, and alternative fuel vehicle maintenance. The program targets retraining for unemployed or underemployed construction workers as well as providing entry-level skills for new workers in the clean energy economy.
5. **Clean Energy Business Financing Program** (\$30.6 million) provides low interest loans to private companies to retool, improve, modify, or expand clean energy manufacturing facilities.

The State Energy Program also includes \$15.4 million for program and technical support.

- **The Energy Efficiency Appliance Rebate Program** (\$35.2 million) provides rebates for residential appliances that can be combined with existing rebates offered by California utilities or appliance manufacturers.
- **Energy Assurance Planning** (\$3.6 million) provides money to state government agencies to improve emergency preparedness plans and ensure stability of the electricity grid on a regional basis.

### **Projects Leveraged through Energy Commission Technical/Cost Share Support**

In addition to direct administration of ARRA funding, the Energy Commission is establishing partnerships with California entities who have submitted applications for ARRA funding by providing technical and cost share support. This support will help leverage ARRA and private funding to meet California's energy and environmental goals, and comes primarily from two existing Energy Commission programs: the Alternative and Renewable Fuel and Vehicle Technology Program and the Public Interest Energy Research Program.

- **The Alternative and Renewable Fuel and Vehicle Technology Program** established by Assembly Bill 118 (Núñez, Chapter 750, Statutes of 2007) is working to develop and distribute alternative and renewable transportation fuels as well as advanced transportation technologies that will help meet the state's climate change policies. The *2009 IEPR* noted the importance of continuing to leverage AB 118 monies with federal stimulus funding to stimulate in-state production of alternative and renewable transportation fuels and to attract the investment needed for new infrastructure to support those fuels.

In April 2009, the Energy Commission released a solicitation through the Alternative and Renewable Fuel and Vehicle Technology Program offering up to \$176 million in cost share funding to applicants submitting proposals for ARRA funding through eligible U.S. Department of Energy funding opportunity notices. Eligible funding opportunity notices included those for transportation electrification, electric drive battery and component manufacturing, Clean Cities, advanced research projects,

and biorefinery operations. The 2009 *IEPR* reported that projects resulting from this solicitation include the development of 55 ethanol (E85) stations, more than 3,100 electric charging stations, 5 public access liquefied natural gas stations, and the purchase of 442 liquefied natural gas medium-duty trucks and 123 medium-duty hybrid electric trucks. Other potential projects are still in the review process.

- **Public Interest Energy Research (PIER) Program**

The Energy Commission's PIER Program is also helping projects to leverage ARRA funding. PIER has held two solicitations to award up to \$35 million in cost share funding to applicants who have obtained ARRA awards through eligible U.S. Department of Energy funding opportunity notices. Eligible funding opportunity notices cover a wide range of topic areas, including energy efficient building technologies, geothermal technologies, solar deployment, community renewable energy deployment, solid state lighting, smart grid demonstrations, and carbon capture and storage.

PIER cost-share funding is targeted toward projects that develop and bring to market energy technologies that provide increased environmental benefits, greater system reliability, and lower system costs, and that also provide tangible benefits to electric utility customers.

## **Power Plant Permitting**

There are currently 49 renewable generating projects (11,120 megawatts) proposing to operate in California that are seeking ARRA funds. Eleven of these projects (4,657 MW) fall under the Energy Commission's power plant siting jurisdiction. Because funding for these projects is contingent on their breaking ground by the end of 2010, the Energy Commission is working in partnership with other state and federal energy agencies to accelerate the processing of these green power projects so that permitted projects can meet the December 2010 start-of-construction date. These projects represent \$10 billion in investments, 5,000 construction jobs, 1,100 operational jobs, and millions of dollars in new taxes for California and will also help to achieve the state's goal of significantly increasing the amount of electricity provided by renewable sources.

This permit streamlining activity is part of a broader effort resulting from Governor Schwarzenegger's Executive Order S-14-08 which established a process to conserve natural resources while expediting the permitting of renewable energy power plants and transmission lines with the goal of achieving 33 percent renewables in California by 2020. The Executive Order established the Renewable Energy Action Team, comprised of the Energy Commission, the California Department of Fish and Game, the federal Bureau of Land Management, and the U.S. Fish and Wildlife Service, to identify and establish areas for potential renewable energy development and conservation in the Colorado and Mojave deserts to help reduce the time and uncertainty associated with licensing new renewable projects on both state and federal lands. As part of implementing the Executive Order, the agencies are developing the Desert Renewable Energy Conservation Plan, a road map for renewable energy project development that

will advance state and federal conservation goals while facilitating the timely permitting of renewable energy projects in desert regions of the state.

### **Other ARRA Efforts in California**

In addition to the ARRA funding being administered by the Energy Commission, the federal government has awarded California entities more than \$1 billion in ARRA energy funding for a variety of energy projects in California. These other activities include upgrades to the state's transmission infrastructure, development and demonstration of smart grid technologies (for example, demand response, energy storage, grid automation, enhanced security, and reliability), and installation of solar generating resources, as well as funding for transportation energy projects, high speed intercity rail systems and other public transit projects, biorefinery projects, and plug-in hybrid vehicles. The Energy Commission considers the recipients of these awards as its partners in the efforts underway to transform California to a clean energy economy.

### **2010 Integrated Energy Policy Report Update Schedule**

The Committee directs the staff to use the following general schedule:

<b>Task/Event</b>	<b>Date(s)</b>
Scoping Order released	April 2010
Public workshops on specific topics	May–July 2010
Release draft <i>2010 IEPR Update</i>	Mid- August 2010
Committee hearing on draft report	Early September 2010
Release proposed final <i>2010 IEPR Update</i>	Late October 2010
Adopt final <i>2010 IEPR Update</i>	Early November 2010

### **Participation in the Integrated Energy Policy Report Proceeding**

Any policy recommendations contained in the *2010 IEPR Update* will be based on the record developed during the proceeding, including data and technical analyses by the staff and stakeholders. Analysis and information developed in other proceedings at the Energy Commission and by other agencies will be incorporated as appropriate. Participants are directed to use the IEPR docket 10-IEP-1 and associated subdockets when submitting information for the Committee's consideration. The Committee encourages the active participation of all interested and affected participants because public input is essential to ensure a complete and thorough record.

As in previous proceedings, the Committee recognizes that close coordination with federal, state, local, and other agencies is critical to identifying and addressing energy infrastructure and related environmental challenges. The Committee directs staff to continue working with these agencies to ensure their participation in this proceeding.

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this proceeding, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [PublicAdviser@energy.state.ca.us].

The service list for the *2010 IEPR Update* and associated key topic proceedings is handled electronically. Notices and document for these proceedings are posted to the Energy Commission website at [www.energy.ca.gov/2010\_energypolicy/]. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server. We encourage those who are interested in receiving these notices to sign up for the list server through the Energy Commission's website at [www.energy.ca.gov/listservers/index.html].

Technical questions should be directed to Suzanne Korosec, Assistant Director for Policy Development, at (916) 654-4516 or by e-mail at [skorosec@energy.state.ca.us]. News media inquiries should be directed to the Media and Publications Office at (916) 654-4989 or by e-mail at [mediaoffice@energy.state.ca.us].

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KAREN DOUGLAS  
Chairman and Presiding Member  
Integrated Energy Policy Report Committee

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JEFFREY D. BYRON  
Commissioner and Associate Member  
Integrated Energy Policy Report Committee