



**CAC Item C6**  
**Staff Report Item 8**

<b>To:</b>	Ava Community Energy Authority
<b>From:</b>	Marie Fontenot
<b>Subject:</b>	Updating the board on the upcoming 2026 Integrated Resource Planning Proceeding compliance analysis and filing.
<b>Date:</b>	January 21, 2026

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**Summary/Recommendation**

This Staff Report describes the purpose of the 2026 Integrated Resource Planning (IRP) Proceeding analysis and compliance filing; this is informational and no action is required.

**Financial Impact**

N/A

**Analysis and Context**

All California Public Utilities Commission (CPUC) jurisdictional load serving entities, including Ava, are required to comply with regulatory requirements. One of the CPUC's regulatory proceedings is the Integrated Resource Planning (IRP) Proceeding. The IRP has two distinct tracts: track 1, a bi-annual compliance analysis and filing; and track 2, procurement mandates and resource sufficiency demonstrations.

The 2026 bi-annual compliance analysis and filing is *currently* scheduled to be submitted to the CPUC by May 5, 2026. Ava must perform a long-term resource planning analysis that looks out into the 2040s and evaluates what resources are the best fit for Ava's portfolio going into the future. The analysis will evaluate potential portfolio costs and how effectively the future, hypothetical portfolio will be able to reduce emissions. The analysis must comply with the CPUC's prescriptive assumptions and incorporate Ava own assumptions of resource availability

as well as internal requirements, like achieving an carbon-free portfolio as measured on a net annual basis by 2030.

Regulation requires that Ava obtain Board approval of the compliance analysis prior to filing it with the CPUC. Based on the current filing due date of May 5, 2026, staff would present the compliance analysis and filing materials to the Board in the April Board meeting. It is important to note that the compliance filing due date has changed multiple times and staff expects further adjustment of the due date as a CPUC Scoping Memo for the IRP effectively committed that load serving entities would be granted at least six months to complete the analysis and filing following the release of filing requirements by the CPUC.<sup>1</sup> The CPUC has not yet published all of the required input assumptions for the analysis, so while the current due date is May 2026, staff anticipates an extension of the due date.

In addition to the CPUC-mandated analysis and compliance filing, Ava staff will perform additional analyses using modified assumptions. Staff will present the additional analyses to the Board in the future; these analyses will provide explanations of what Ava's forecasted demand will grow to, the costs of different possible resource portfolios and the effectiveness of those resource portfolios in reducing Ava's and grid emissions over time. These long-term planning analyses inform what resources Ava contracts with over time but do not explicitly guarantee that Ava will contract with certain resource types or volumes from any resource type as the assumptions of resource cost and availability that are made when performing the analysis do not perfectly correlate to market conditions when contracting occurs.

### **Committee Recommendation**

Not applicable

### **Attachments**

- A. PowerPoint presentation

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<sup>1</sup> Source: Oct 2025 Scoping Memo, pp. 13-15.  
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M585/K485/585485746.PDF>



# Integrated Resource Planning - 2026

Marie Fontenot | January 21, 2026



# Background: What is an IRP?

- **Integrated Resources Plan (IRP): a long-term roadmap.**
  - Details how an entity will meet future energy demand reliably & affordably, balancing supply- and demand-side resources.
  - Considers costs, environmental impact, regulatory goals.
  - Typically performed by vertically integrated utilities – includes transmission planning; filed with applicable utilities commission for approval and cost recovery.
- **IRP in California context.**
  - Long-term transmission planning is led by California Independent System Operator (CAISO).
  - Resource planning is led by California Public Utilities Commission (CPUC) for all jurisdictional entities.



# Background: IRPs in California

- **IRP for Ava: a biennial analysis and filing required by CPUC.**
  - Load serving entities (LSEs) submit long-term procurement plans to the CPUC
  - CPUC mandates many modeling assumptions (demand, resource availability, etc)
  - Ava submitted compliant analyses: 2018<sup>1</sup>, 2020<sup>2</sup>, 2022<sup>3</sup>; 2024 IRP cycle delayed by CPUC
- **Evaluate LSEs' ability to contribute to emissions reduction while meeting electricity-related compliance obligations.**
- **CPUC evaluates California's resource needs for 10 coming years.**
  - Important: can result in CPUC-mandated procurement

1: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning/2017-2018-irp-events-and-materials/lse-2018-integrated-resource-plans>

2: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning/2019-20-irp-events-and-materials/lse-2020-integrated-resource-plans>

3: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning/2022-irp-cycle-events-and-materials/lse-2022-integrated-resource-plans>

# Analytical Benefits of IRP Proceeding to Ava

- **CPUC-coordinated planning promotes a more stable statewide electricity system**
- **Increased visibility into CPUC view of priority resources – a “hat tip” to future procurement mandates**
- **Alignment with CPUC view of the market; identification of specific differences in respective views**
  - Ava supplemental analyses evaluate different CAISO market conditions (high vs low market prices) & impact on portfolio. Exact timing of Ava-focused analysis TBD based on CPUC timeline revisions, but will inform resource selection in Ava’s 2026 long-term resource RFO.
  - Staff goal of performing analyses to inform budget setting for fiscal year 26-27. Analyses will show range of market outcomes and impact on Ava’s financial position.
- **Evaluation of costs & risks of different portfolios under different potential policy futures**
- **Identify barriers to Ava’s emission reduction objectives balanced with financial costs & ability to reliably serve load**
  - Ava to evaluate costs associated with different emission reduction objectives and counting methodologies
- **Open-source software can expand modeling & analytic capabilities w/in Ava**
  - Ava performs modeling in-house for 2026 filing; will leverage software to stress-test portfolio costs on a regular schedule going forward
  - Previous IRP filings utilized consultants to perform analysis, Ava had no or limited ability to expand on analyses. Current model is the result of increased skill & sophistication in the org; will result in more informed decision making on an ongoing basis.

## CPUC

- 1) Analyses based on CPUC-prescribed elements & with Ava-specified changes
- 2) Prescriptive Narrative document – analyses, process, results, lessons learned, procurement targets
- 3) Resource Data Template – conforming and preferred portfolios
- 4) Clean System Power Calculator – an estimate of each LSE's GHG emissions based on the resources actually online/generating in the CAISO market.

## Ava Board

- 1) All CPUC materials for review and approval *pre-filing*
- 2) Understand drivers of portfolio costs
- 3) Evaluate macro-level resource ability
- 4) Identify potential risks to Ava's carbon-free 2030 portfolio; later develop mitigations

# Timeline

Date	Event
Oct 28, 2025	Scoping Memo establishing 2026 IRP Schedule
Jan 16, 2026	Filing requirements published via ALJ ruling
TBD*	Input data assumptions to be released by the Energy Division
June 1, 2026*	IRP filing deadline to CPUC
July 15, 2026*	Initial comments on IRPs from stakeholders
Q3 & Q4 2026*	CPUC staff aggregate LSE IRPs, prepare proposed PSP portfolio
Q1 or Q2 2027*	ALJ ruling seeking comments on proposed PSP
Q2 or Q3 2027*	Proposed decision addressing LSE IRPs and adopting PSP
Q3 2027*	Final decision addressing LSE IRPs and PSP

**\*This schedule is subject to change due to delays in the publishing of required input data.**

CPUC staff acknowledged importance of providing at least 6 months from the publishing of filing requirements prior to the final deadline. If no update provided by CPUC soon, CalCCA are prepared to submit a motion to delay the schedule accordingly.

Source: Oct 2025 Scoping Memo, pp. 13-15. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M585/K485/585485746.PDF>



# Analytical Approach

## Capacity Expansion Model (CEM)

- Zonal modeling explores the tradeoffs between resource types and their suitability to serve California's growing electricity needs
- GenX modeling software optimizes statewide resource additions to lower emissions while still ensuring sufficient capacity on the system to avoid rolling blackouts

## Production Cost Model (PCM)

- Hourly dispatch modeling of all generators in state determines price environment which Ava will be operating into the future
- Captures expected shifts in price patterns that may arise from combinations of increased solar & storage resource on the CA grid, electrification efforts, eventual retirement (or not) of Diablo Canyon, etc.

## Portfolio Expansion Modeling (PEM)

- In the context of the CA energy system modeled above, Ava optimizes resource procurement over the next 20 years to minimize the cost purchased energy while achieving state-mandated or locally-driven goals

# Modeling Framework

## Capacity Expansion Model (CEM)

- CPUC requires that all load-service entities (LSEs) submit plans consistent with a 30 million metric tons (MMT) and 25 MMT statewide emissions targets
- Staff expects the 25 MMT case to be our “base case” (need final assumptions from CPUC)

## Production Cost Model (PCM)

- The base case will likely assume normal hydro conditions and a return to lower natural gas prices
- Staff will also look at a case in which constrained hydro availability and natural gas supply volatility put upward pressure on CA electricity prices

## Portfolio Expansion Modeling (PEM)

- The base case assumes no expansion of Ava territory (beyond San Joaquin County) and that all projects are completed on schedule; staff will evaluate possible load growth associated with data centers
- Staff will evaluate additional scenarios like increased new-resource costs, to understand the magnitude of the market exposure that arises in these cases and consider strategies to mitigate that exposure

Note: “base case” criteria subject to change due to delays in the publishing of filing requirements.

- **IRP-Directed Procurement Trend: More capacity procurement, more procurement of specific technologies**
  - 2019: CPUC ordered 3,300 MW of incremental procurement online in 2021-2023.
  - 2021: CPUC ordered 11,500 MW of incremental procurement online in 2024-2026, including 1,000 MW of Geothermal and 1,000 MW of Long-Duration Energy Storage.
  - 2023: CPUC ordered 4,000 MW new procurement online in 2026-2027
  - 2026: CPUC procurement order for 6,000 MW online in 2030-2032, alongside development of programmatic approach to procurement directives (RCPPP)
- **Risk that IRP Procurement Displaces Ava's Resource Portfolio Design**
  - IRP-driven procurement may mandate higher volumes of technology-specific procurement such as geothermal, off-shore wind, energy storage, or other resources than Ava would select on its own.
  - IRP-driven procurement may require contracting with emitting resource types, e.g. Biomass

# IRP – what do we get out of it?

- Define some of what we're going to assume
- Informed views of how well different resource portfolios meet Ava's demand
- Estimated emissions associated with different portfolios (annual and hourly)
- Estimated costs of different portfolios
- Analysis that will *guide* procurement choices
  - Note: modeled portfolio not necessarily available in the real world. Acts as a guide, not explicit instructions

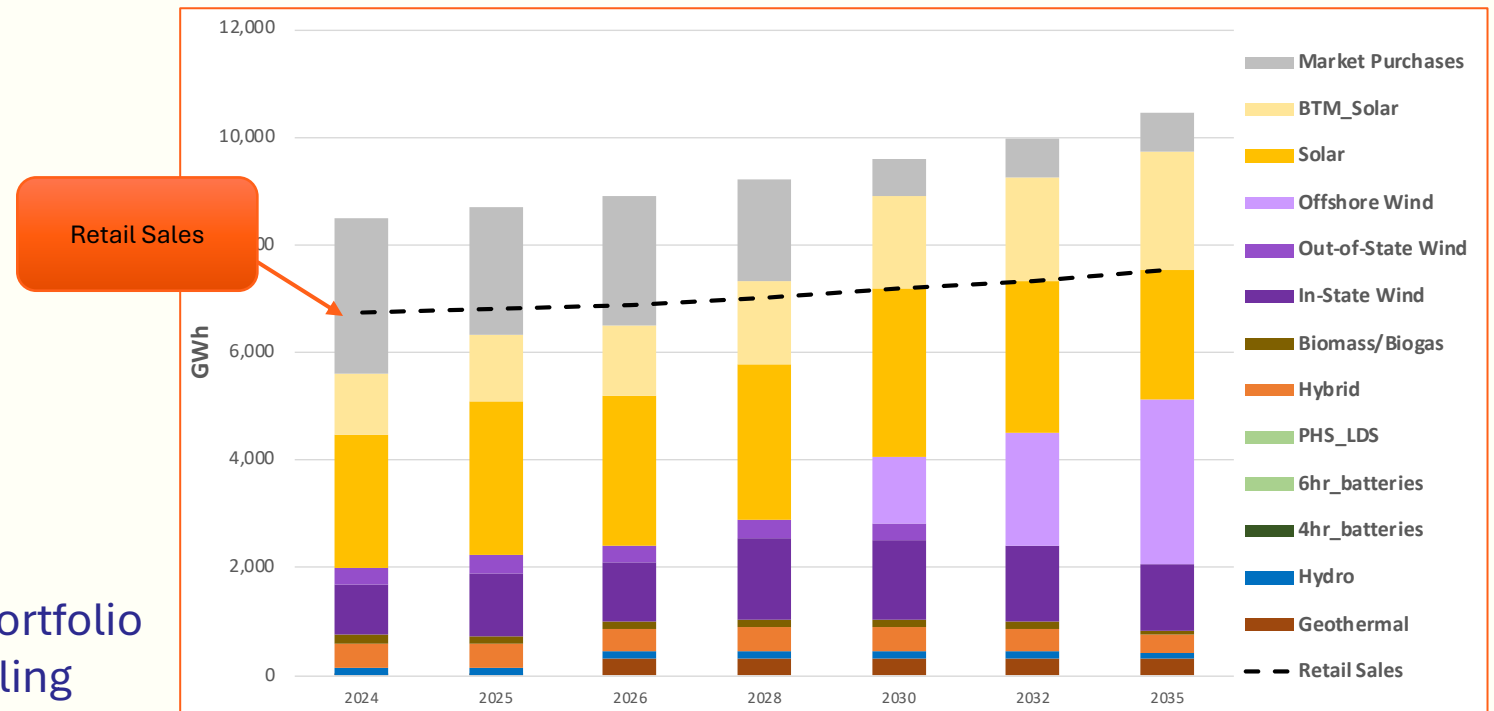


Image: example of Conforming Portfolio Buildout; 2022 IRP compliance filing