



Staff Report Item 8

To:	Ava Community Energy Authority
From:	Marie Fontenot, SVP of Power Resources
Subject:	Updating the board on the status of Ava's 2024 Integrated Resource Plan compliance filing, due to the California Public Utilities Commission in August, 2026.
Date:	May 20, 2026

Summary/Recommendation

This staff report seeks to (1) provide an overview of deliverables Ava is required to submit no later than August 10, 2026 to comply with the California Public Utilities Commission (CPUC) Integrated Resource Plan (IRP) proceeding; and (2) discuss preliminary results of Ava's analysis and describe what additional information will be presented to the Board for approval prior to completion of the compliance filing. This item 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 must be submitted to the CPUC by August 10, 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 August 10, 2026, staff will present the compliance analysis and filing materials to the Board for approval in the July Board meeting.

In today's meeting, staff will present an overview of what will be filed in August as well as some preliminary analytical results to demonstrate the type of information that will be presented for the Board's approval prior to filing. The preliminary results are not an accurate numerical or value representation of what will be included for filing in August. Staff also attaches to this report copies of the previous IRP compliance filing materials, completed in 2022, to help the Board familiarize itself with the required format of the materials.

In addition to the CPUC-mandate 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 why Ava's forecasted demand growth is, the costs of different possible resource portfolios, and the effectiveness of those resource portfolios in reducing Ava's contribution to 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.

Attachments

- A. Staff Presentation
- B. 2022 IRP Narrative Document in required format
- C. 2022 IRP Resource Data Template in required excel format
- D. 2022 IRP Clean System Power Calculator in required excel format



Integrated Resource Planning - 2026

Marie Fontenot | May 20, 2026



Agenda

- **Overview of IRP**
- **Timeline**
- **Submission**
- **Required Materials for Submission**
- **CPUC Required Inputs**
- **Description of Model Assumptions**
- **Discussion of Preliminary Results**

Overview of Integrated Resource Planning

- The California Public Utility Commission's (CPUC) Integrated Resource Planning (IRP) program is a long-term planning process to ensure enough generation capacity is built to:
 1. Reliability meet customer demand
 2. Meet greenhouse gas reduction targets
- CPUC staff use capacity expansion modeling to determine the optimal mix of resources needed to meet requirements 1 and 2
- To inform their modeling, the CPUC requires Load Serving Entities (LSEs) to submit our own IRP portfolios identifying least-cost, GHG-compliant resource mix to meet our customer demand
- Ava's IRP Portfolio submission is both a compliance requirement and an opportunity to express our procurement preferences

Timeline & Process

Date	Event
Oct 28, 2025	Scoping Memo establishing 2026 IRP Schedule
Jan 16, 2025	Filing requirements published via ALJ ruling
August 10, 2026	IRP filing deadline to CPUC
~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

Submission of Ava's IRP

- Every two years, Ava is required to submit an IRP that meets CPUC-determined reliability and decarbonization metrics
- Specifically, Ava must submit:
 - Resource Data Template (RDT): Summary of current and planned procurement
 - Clean System Power (CSP) Calculator: Evaluation of portfolio emissions
 - Narrative Template: Description of portfolio and modeling process
- GenX modeling *informs*, but does not directly translate into, these deliverables

The Filing – Required Materials

Narrative Template

- Executive Summary
- Study Design
- Study Results
- Action Plan
- Lessons Learned
- Note: each section has required, defined subsections
- **Ava’s 2022 IRP Narrative Template:**
https://res.cloudinary.com/diactiwk7/image/upload/v1667342459/2022_IRP_EB_CE_LSE_Plan_xj6yzo.pdf

Resource Data Template

- Excel workbook; many, many tabs
- Contract list w/ details
- Confirm contracts / resources are assumed to have “right” capacity factors based on when they come online & other details
- Summarize capacity value of resource
- Summarize types of resources in portfolio
- **Ava’s 2022 IRP RDT for 25 MMT portfolio:**
<https://cdn.sanity.io/files/pc49kbjr/production/b06053ae09b11af066a291fa70d00d9653186e0b.xlsm>

CSP Calculator

- Tool to estimate GHG & criteria pollutant emissions in portfolios
- Requirement to use this tool & method for emission accounting in IRP filing
- Only relevant to forecasting emissions, not calculating actual emissions
- Excel workbook; many, many tabs
- **Ava’s 2022 IRP CSP for 25 MMT portfolio:**
https://drive.google.com/file/d/1Dib2bFk5wLpibytxlLyxFxSjLM4Kr2qp/view?usp=share_link

Ava’s 2018, 2020, 2022 IRPs can be found online at: <https://avaenergy.org/about-ava/key-documents/integrated-resource-plan/>

CPUC Requirements

Required Inputs

- Load forecast & GHG benchmark for each LSE
- CAISO zonal topology
- Resource regions align with CAISO study areas
- Rules on candidate resources; i.e. **x** much natural gas for whole system, **x** much geothermal, **x** much in-state wind, **x** much out-of-state wind, etc)
 - Includes rules for different resource capacity factors
 - Resource cost assumptions
 - Restrictions on how much of a resource type can be developed in different areas
 - Resource generation profiles
- Planning reserve margin and resource capacity factors (effective load carrying capability ELCC)
- 2024 dollar year

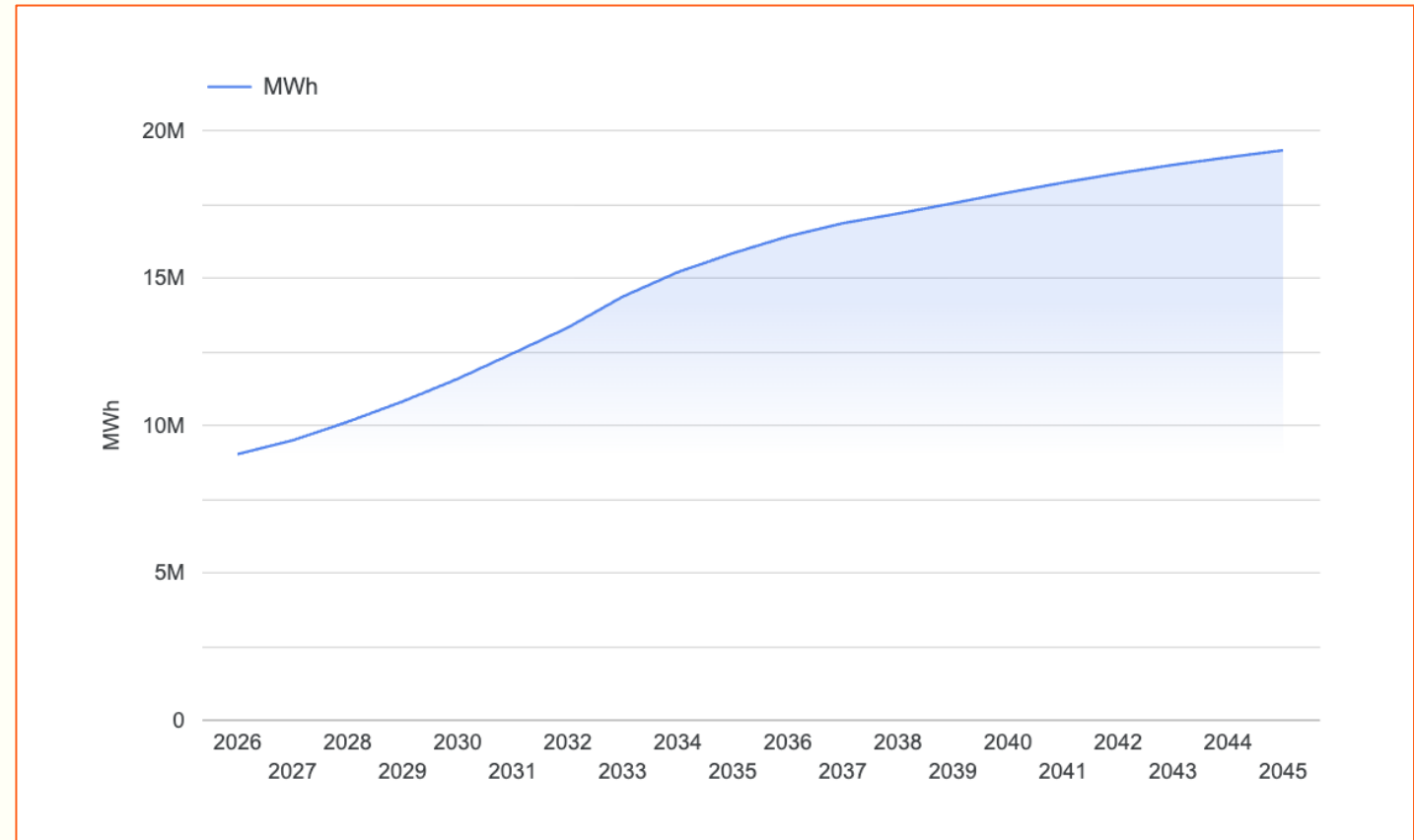
Preliminary Model Assumptions

Category	Constraint
Maximum Annual Build Capacity	500 MW
Maximum Market Purchase	1000 MWh
Maximum Market Sale	1000 MWh
Maximum out of state wind capacity	200 MW per year, 800 MW across all years
PCIA Hedge	Incorporated as market purchase
Minimum Annual Build Capacity	N/A

Preliminary Model Assumptions

Retail Demand: Applied historical load data shape to 2025 IERP Planning Forecasted Demand

Year	Retail Demand (MWh)
2026	8,990,567
2028	10,085,167
2030	11,544,908
2035	15,806,806
2040	17,863,484
2045	19,300,035



Current Model Assumptions

Peak Demand Forecast: CPUC input, Ava 2026 Filing Requirement Data

Year	Annual Peak Demand (MW)	PRM (%)	PRM Demand (MW)	Reliability Demand (MW)
2026	1954.5	18%	2306.3	2382
2028	2415.9	19%	2874.9	2463
2030	2497.6	21%	3022.1	2062
2035	3021.9	23%	3717.0	2419
2040	3260.3	23%	4010.1	2744
2045	3532.0	23%	4344.4	2944

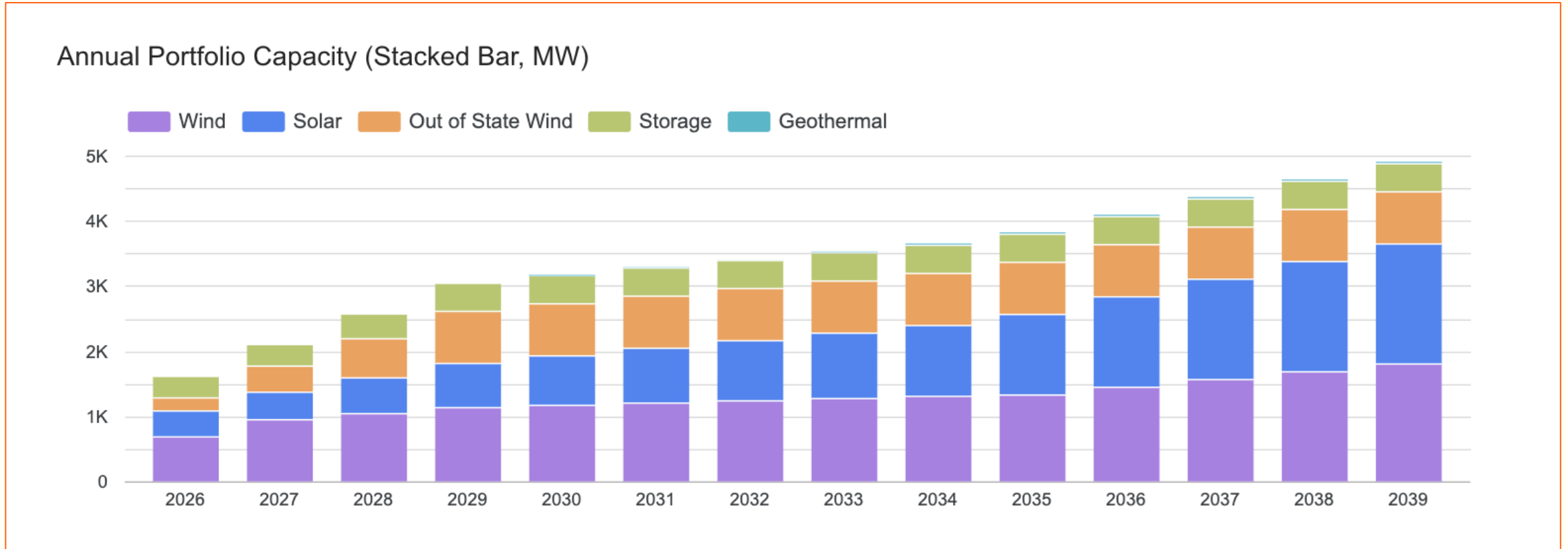
Preliminary “Results”

- Graphs represent the *type* of images and analytical findings that will be shared when IRP modeling is complete.
- Values in these images are *not* representative of final results.
- “A model is only as good as its assumptions”
 - To-be finalized assumptions: annual capacity “build” limitations, resource-specific annual capacity limitations, any resource types to “force” offtake from

Total Capacity Results

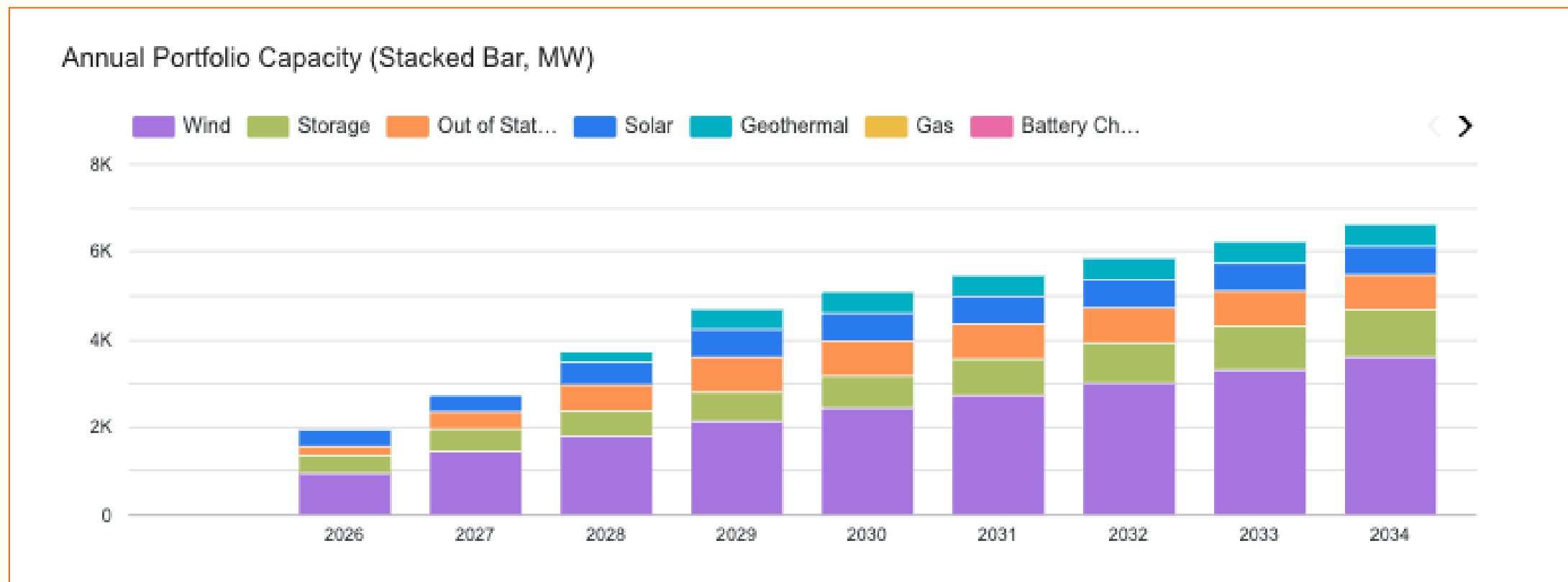
(With 500 MW/year build constraint)

Annual Portfolio Capacity



Total Capacity Results (If no capacity constraint)

Annual Portfolio Capacity (If no capacity constraint on total new build)

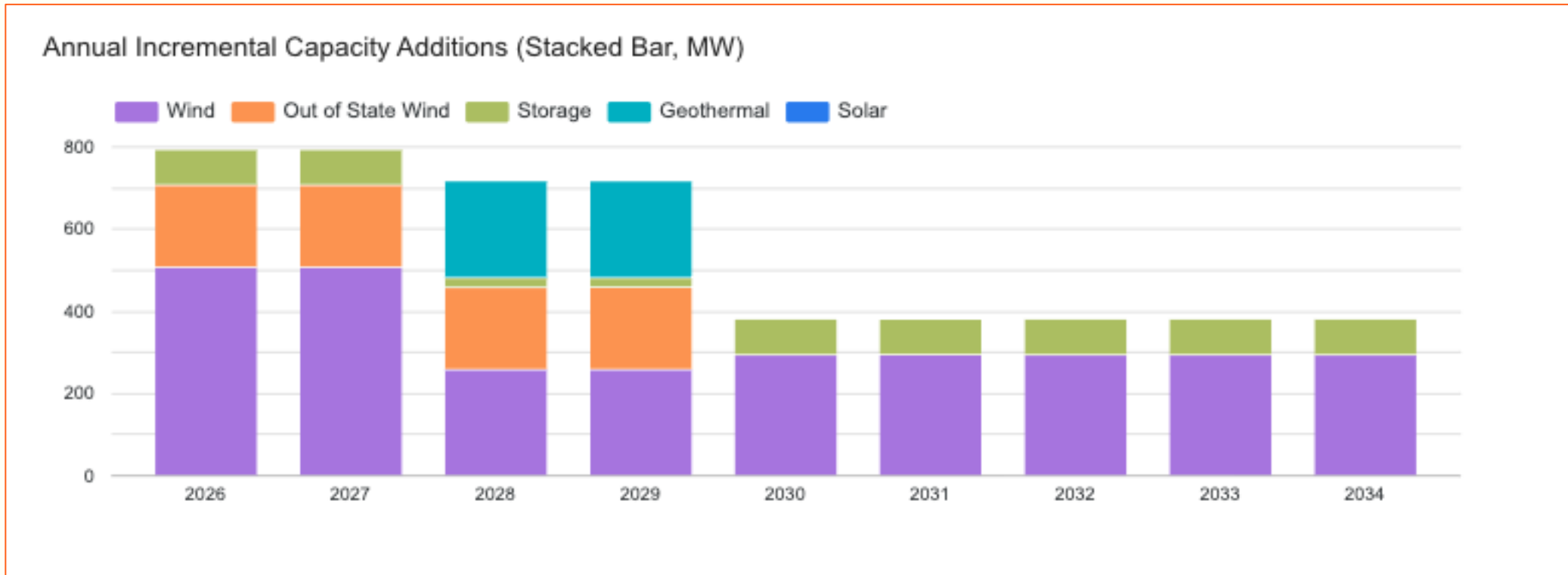


Note: lack of new-build constraint results in significantly more geothermal added to portfolio

Incremental Capacity Results

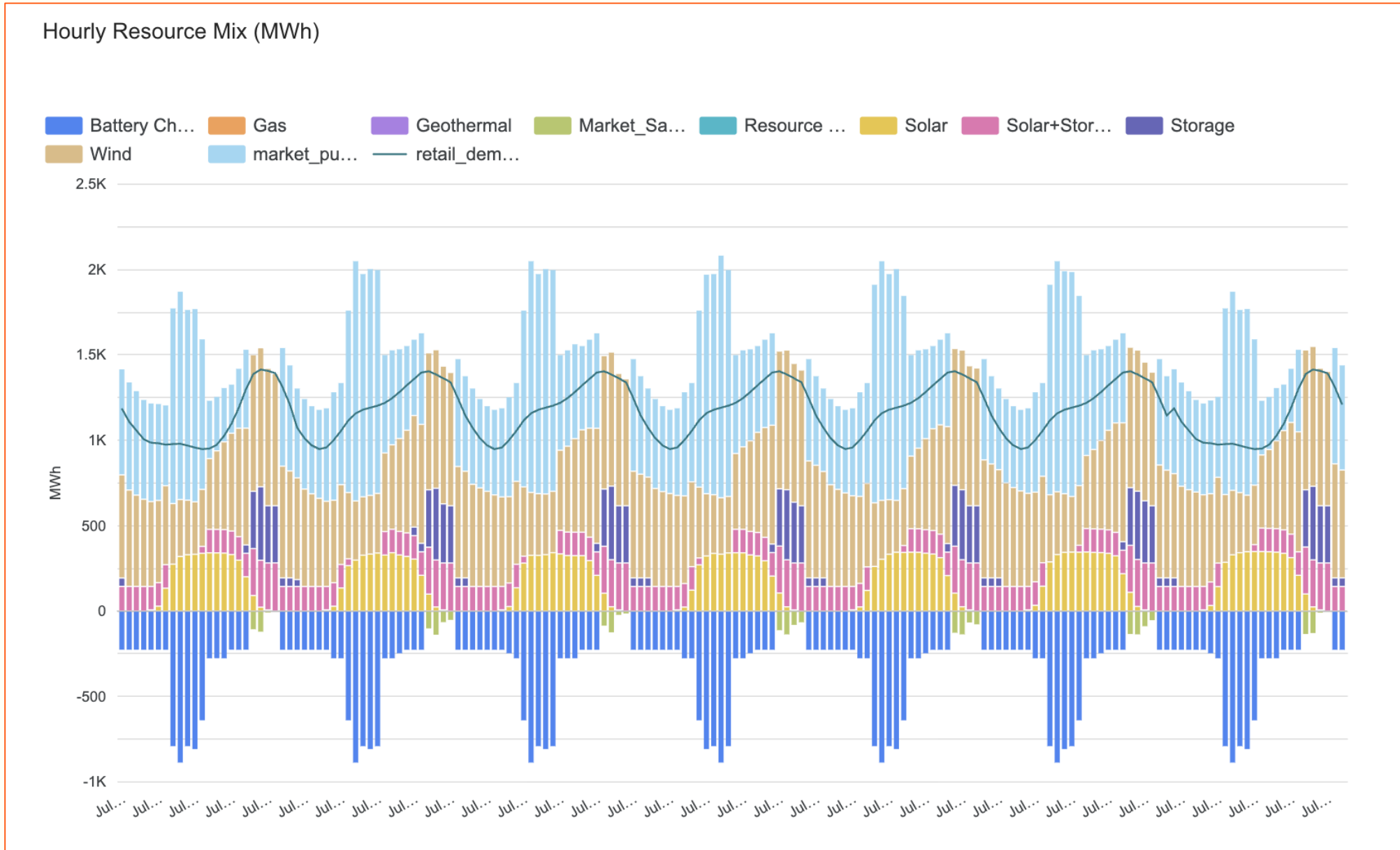
(If no capacity build constraint)

Annual Incremental Capacity (New Build only, no build constraint)



Note: lack of new-build constraint results in significantly more geothermal added to portfolio in early years

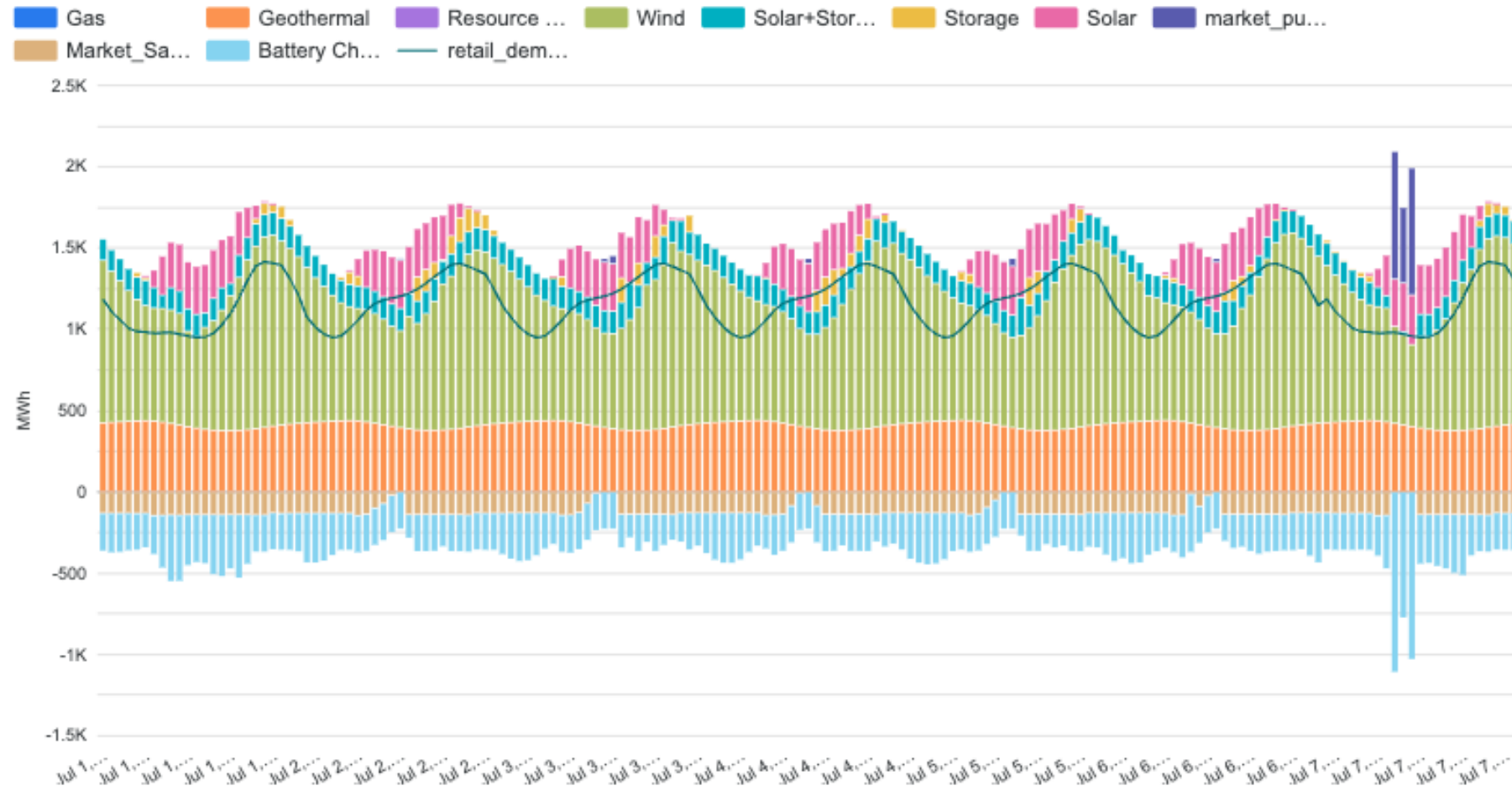
Hourly Resource Results



Hourly Resource Results

If no new build capacity constraint:

Hourly Resource Mix (MWh)



Additional Elements of Compliance Filing

- Estimated cost & revenues of portfolio
- Estimation of Ava's compliance portfolio emissions and portfolio contribution to state-wide emissions
- Estimation of annual generation from Ava's compliance portfolio and value/ability of portfolio to contribute to hedging
- Portfolio contribution to system reliability
- CAISO market exposure associated with the portfolio
- Ability of portfolio to meet RPS compliance obligations