



California Public Utilities Commission
505 Van Ness Ave., San Francisco

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PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov Docket #: R.20-05-003

CPUC Advances Clean Energy with Centralized Procurement Strategy

Decision Enhances California's Energy Storage and Production by 10.6 GW

SAN FRANCISCO, Aug. 22, 2024 – The California Public Utilities Commission (CPUC) today established an innovative centralized procurement strategy aimed at boosting the state's clean energy resources. This decision, which implements Assembly Bill 1373 (Stats. 2023, Ch.36), will bolster California's efforts to achieve its ambitious greenhouse gas (GHG) reduction targets for 2045 and beyond.

Under this new framework, the California Department of Water Resources (DWR), through its Statewide Energy Office, will be asked to spearhead the procurement of certain long lead-time clean energy resources. These energy resources are valuable for achieving long-term environmental goals and energy reliability, but require economies of scale to become cost-effective. By having one state agency procure these resources on behalf of ratepayers, California can streamline the acquisition of advanced energy resources, potentially lowering future costs for ratepayers and accelerating the development timeline for clean energy technologies.

Key Highlights

- **Authorized Capacity:** The CPUC intends to request that DWR procure up to 10.6 gigawatts (GW) of nameplate capacity from emerging technologies, including:
 - Up to 7.6 GW of offshore wind

- Up to 1 GW of geothermal
- Up to 1 GW of multi-day long-duration energy storage
- Up to 1 GW of long-duration energy storage with at least a 12-hour discharge period
- **Strategic Selection:** These technologies were chosen for their potential to drive significant progress toward California’s GHG reduction goals. By scaling these resources, the state aims to lower their costs, enhance diversity of resources, and integrate them more effectively into the electric grid.
- **Procurement Flexibility:** The decision recommends that DWR conduct a series of solicitations and evaluate bids based on quality, cost, and risk, with review by the CPUC. This flexible approach allows for efficient cost management and mitigates risks for ratepayers.
- **Future Assessments:** The CPUC will regularly review central procurement needs through its Integrated Resource Planning process, considering additional technologies as necessary.

Impact and Goals

By 2037, the CPUC’s directive could lead to the completion of this procurement strategy, if bid costs are found to be reasonable and contracts are approved, enhancing California’s grid storage by up to 2 GW and increasing energy production by up to 8.6 GW. This expansion would fortify the state’s energy infrastructure, positioning California as a leader in clean energy innovation and sustainability.

“With this new tool, California has the opportunity to jumpstart clean energy technologies and bring them to scale,” said CPUC President Alice Reynolds. “It reflects our unwavering commitment to a clean, diverse, reliable energy resource portfolio, matching the needs of all Californians now and into the future.”

“Today’s procurement authorization issues a challenge to the industry, and we want to see developers deliver on the immense potential of these technologies to deliver tangible ratepayer

benefits and cost efficiencies with the economies of scale we are enabling here,” said Commissioner John Reynolds.

More information

- [Fact Sheet](#)
- [Proposal Approved](#)
- [Proceeding Docket Card](#)
- [Integrated Resource Planning](#)
- [Centralized Procurement of Specified Long Lead Time Resources](#)

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About the California Public Utilities Commission

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians access to safe and reliable utility infrastructure and services. Visit www.cpuc.ca.gov for more information.