



# Fact Sheet

## CPUC Decision on Electric Resource Procurement and Transmission Planning

R.25-06-019  
February 26, 2026

On February 26, 2026, the California Public Utilities Commission (CPUC) issued a decision in its Integrated Resource Planning (IRP) proceeding that builds on ongoing efforts to supply clean, reliable electricity to all Californians, while keeping costs as low as possible for customers, and to plan for the least-cost infrastructure needed to support the electricity system.

The decision focuses on two main areas:

1. **Power Supply – Procuring new storage and clean energy resources** for 2030-2032
2. **Power Delivery – Planning future incremental transmission system upgrades** to deliver electricity to where it's needed

### 1. New Electricity Resources (Power Supply)

#### What is being ordered?

The CPUC order requires that electricity providers subject to CPUC jurisdiction (investor-owned utilities, electric service providers, and community choice aggregators) procure additional clean energy supply to maintain reliability of the system consistent with forecasted demand growth. The decision orders each electricity provider to execute contracts to cover their proportional load share of the following quantities:

- 2,000 megawatts (MWs) of net qualifying capacity (NQC) by June 2030
- An additional 2,000 MWs NQC by June 2031
- An additional 2,000 MWs NQC by June 2032

#### What kinds of resources count?

- All procurement must come from clean energy-generating resources, such as solar, wind, or geothermal, or from energy storage technologies, such as batteries
- One quarter of the procurement must come from either clean, firm power, or long duration energy storage
  - Clean, firm power refers to resources that:
    - Are neither use limited nor weather dependent
    - Over the course of a typical year, can be expected to generate at 80 percent or greater of their maximum potential output
    - Are either Renewables Portfolio Standard-eligible or have no on-site emissions
  - Long duration energy storage refers to resources that can store energy, then deliver that energy to the grid for 8 or more hours at their maximum capacity
- Electricity providers cannot procure generation from fossil fuel power plants to meet their obligations

#### How does this benefit customers?

- Customers of the electricity providers will be served with the new clean energy generation and storage resources

#### Protecting California since 1911

The CPUC regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies.





- The procurement will help to maintain a reliable grid, including during heat waves or other periods of high electricity demand
- Planning ahead helps avoid the need to resort to emergency actions, which are often more expensive
- Aligns the type of electricity being bought to serve customer needs with the transmission investments being made to deliver the energy to customers (see Section 2 below)
- Building new clean energy power plants continues to reduce the usage of existing fossil fuel power plants
- The CPUC aims to keep costs as low as feasible for ratepayers and this procurement order encourages electricity providers to continue procuring the most cost-competitive resources that provide the best value to communities

## 2. Planning Transmission Lines (Power Delivery)

### Why transmission planning matters:

California has a large need for power and transmission that allows the power to be efficiently and cost-effectively shared among all ratepayers. As a part of its planning role, the CPUC analyzes portfolios of new generation and storage resources and transmits those portfolios to the California Independent System Operator (CAISO). The CAISO then studies whether transmission upgrades are needed to deliver generation to meet system needs.

### The 2026–2027 base case transmission planning portfolio (TPP) looks 15 years ahead and assumes:

- All existing and in-development generation and storage come online within the planning horizon
- Additional clean resources identified through previous IRP cycles and from electricity providers' individual plans to serve their customers
- Added flexibility for offshore wind planning:
  - 1) assumes that the Central Coast resources will come online between 2032 and 2036
  - 2) recommends to the CAISO that they allow the potential in-service dates for the Humboldt transmission projects to extend out by up to two years to June 1, 2036, with the generation coming online between 2036 and 2041
- Future electricity demand as forecasted by the California Energy Commission (CEC) in the 2024 Integrated Energy Policy Report (IEPR)
  - The 2026-2027 TPP base case portfolio is larger than last year's base case to account for higher forecasted load; this means that more of nearly every resource type is optimally selected to reliably meet greenhouse gas (GHG) reduction needs

### What does this achieve?

- Meets California's electricity system reliability standard
- Charts the path for California to achieve its electric sector GHG emission reductions and clean energy goals
- Enables the CPUC to continue planning further into the future, achieve stringent GHG reduction targets, and serve increasing demand
  - Each TPP portfolio continues to model the need for less natural gas generation: this 2026-2027 TPP now projects an approximately 80% decline in natural gas power generation from 2021 to 2041, while the earlier, 2022-2023 TPP portfolio modeled an approximately 60% decline in natural gas power generation from 2020 to 2040.
- Allows the CAISO to plan transmission at the lowest feasible cost because clean energy and storage resources are planned for in places where they provide the greatest value to the system and can minimize costs for ratepayers



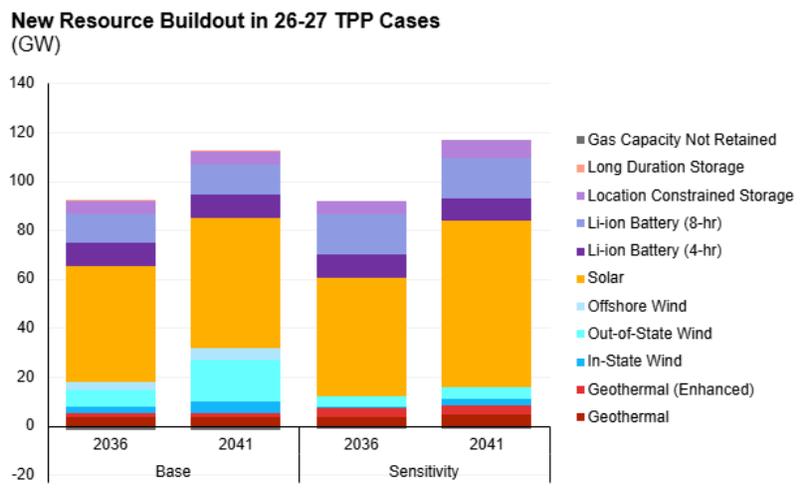
**A sensitivity scenario - the Limited Wind Development Sensitivity:**

The decision also asks CAISO to study an alternative, higher cost scenario for informational purposes, not for investment purposes:

- Includes less land-based wind power developed than expected in the base case and in previous TPP portfolios
- Assumes no offshore wind
- Limits the ability of the model to select out-of-state wind power

This study was designed because wind development could slow due to factors outside California’s control (such as federal policy changes). This scenario presents an opportunity to identify transmission development that could be needed under this higher cost scenario.

The cumulative buildout of new resources included in the two cases (i.e., the 2026-2027 base portfolio and limited wind development sensitivity) is shown below:



**More Information**

- [Proposal Approved](#)
- [Electricity Provider Shares of Procurement](#)
- [Proceeding Docket Card](#)
- [CPUC Integrated Resource Planning Webpage](#)
- [Relevant CPUC 2026-2027 Transmission Planning Process Modeling and Mapping Materials](#)
- [2022 Memorandum of Understanding Between CPUC, CEC, and CAISO](#)