

AB 1373 Resource Allocation Methodology for 2024-2026 IRP Cycle Filing Requirements

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Purpose:

This document provides parties with the methodology used to calculate the individual Assembly Bill (AB) 1373 allocations for load serving entities (LSE) serving load under CPUC jurisdiction. The 2024-2026 Integrated Resource Planning (IRP) cycle requires LSEs to develop a plan illustrating how they intend to meet forecasted load for a 20-year planning horizon. For the first time, LSEs are provided with individual allocations for their share of AB 1373 central procurement that could be used for planning assumptions. While LSEs are not required to include AB 1373 allocations in their Preferred Conforming Portfolio of their IRP plans, they will have the opportunity to reflect potential AB 1373 procurement in the Resource Data Template (RDT), Clean System Power (CSP) Tool, and the Narrative Template, should they choose to do so. Allocation amounts for any actual procurement done via the AB 1373 mechanism in the future would be re-evaluated at that juncture.

D.24-08-064 ordered two separate allocation methodologies to be used for resources procured through the AB 1373 central procurement entity (CPE); one for capacity resources (12hr + and multi- day long duration energy storage (LDES)) and one for energy resources (geothermal and offshore wind (OSW)). The two ordering paragraphs are provided here for reference.

- Ordering Paragraph 5: The costs and benefits of any procurement of offshore wind and geothermal resources shall be allocated annually on the basis of the forecast annual energy load share contained in the most-recently-adopted Integrated Energy Policy report of the California Energy Commission, for the life of each contract.
- Ordering Paragraph 6: The costs and benefits of any procurement of long-duration energy storage shall be allocated annually based on the forecast 12-month coincident peak load contained in the most-recently-adopted Integrated Energy Policy Report of the California Energy Commission, for the life of each contract.

The allocation method described below adheres to these ordering paragraphs.

Allocation Process Summary:

The data sources are public, to the extent possible, for Investor-Owned Utilities (IOU) and Community Choice Aggregators (CCA). Energy service provider (ESP) data, by contrast, is treated

as confidential, and because public Integrated Energy Policy Report (IEPR) data is aggregated for ESP direct access providers at the Transmission Access Charge (TAC) level for the three IOU service territories, it becomes necessary for IRP staff to use confidential data obtained from the California Energy Commission (CEC). Because of the confidentiality of some data, the workbook that IRP staff used to calculate allocations cannot be shared with LSEs or stakeholders. Despite that, the following sections describe the high-level process used to calculate the allocations.

For capacity resources, IOU and CCA AB 1373 allocations are calculated using the same hybrid method developed for Mid Term Reliability (MTR) allocations. The allocation is calculated by multiplying the adjusted peak load share ratio by LSE type by the annual energy load share by LSE type and then multiply that result by the forecasted energy load for each LSE. The following description illustrates the steps used to calculate capacity allocations for IOUs and CCAs.

- Step 1: Sum by LSE type the “Load Ratio Share of Total CAISO Jurisdictional Load” using RA peak load data
- Step 2: Sum by LSE type the “Electricity Deliveries to End Users” using IEPR energy forecast data
- Step 3: Calculate the Adjusted Share of Total Load after Peak Allocation by LSE type for each IOU and CCA by multiplying the results of Step 1 and Step 2.
- Step 4: Multiply the result in Step 3 by the total need allocation for 12+ hour LDES and MDS LDES to get each CCA and IOU allocation

For ESP capacity allocations the hybrid method described above is not replicated. The calculations only require confidential peak load share data. The following description illustrates the steps used to calculate capacity allocations for ESPs. Each ESP TAC area must be calculated separately to determine peak load (MW) and percent of peak load for each ESP within each TAC.

- Step 1: Use final adjusted forecast from RA data filtered by LSE and TAC to get individual peak load share for each ESP
- Step 2: Sum ESP peak load share by TAC for each IOU territory
- Step 3: Divide each ESPs load share within each TAC by the total ESP load within each TAC to get individual peak load share by ESP by TAC
- Step 4: Use the peak load ratio share of CAISO jurisdictional for each ESP aggregated across all three TACs to get total Peak Load Share Ratio for 2026 Total CPUC LSE Jurisdictional Load
- Step5: Multiply ESP peak load share ratio (col C) by the total need determination for LDES resources quantities to get allocation obligation for each ESP

Energy resources are calculated based on energy load share alone. For IOUs and CCAs, this data is publicly available through the Integrated Energy Policy Report (IEPR) planning forecast. The

following description illustrates the steps used to calculate capacity allocations for IOUs and CCAs.

- Step 1: Calculate each LSEs energy load ratio share by dividing each LSEs energy load forecast by the total CPUC jurisdictional energy load forecast using IEPR data
- Step 2: Multiply the result in Step 2 by the total need determination for geothermal and OSW to get each CCA and IOU energy need allocation

For ESPs, energy load share data is provided to IRP staff directly by the California Energy Commission (CEC).

- Step 1: Using confidential 2026-27 ESP annual sales forecast data to sum individual ESP energy load forecast aggregated across all three TACs
- Step 2: Calculate individual ESP energy load share ratio of CPUC LSE jurisdictional by dividing individual load share by total energy load for CPUC LS jurisdictional
- Step 3: Multiply individual energy load share for each LSE by total need determination for geothermal and OSW to get each ESPs allocation for each resource type

Data Inputs:

The data inputs briefly summarized above are described below in more detail.

Capacity Resources:

The data inputs for capacity resources come from two sources:

- The YYYY Year Ahead RA compliance forecast produced by the CEC for the CPUC Resource Adequacy (RA) team compliance filings provide the final adjusted peak load system forecast for all CPUC jurisdictional LSEs
 - The 2026 confidential RA data was used for these allocations
- Form 1.1c: Electricity Deliveries to End Users by Agency (GWh) is a tab in the YYYY Integrated Energy Planning Report (IEPR) Planning Forecast LSE and BAA Tables is publicly available on the CEC California Energy Demand website: [California Energy Demand, 2024-2040](#)
 - The original version adopted by the CEC on January 21, 2025 was specified in the [8-4-2025 ALJ Ruling](#) that initiated the process to finalize load forecasts for LSEs for use in Filing Requirements for LSE IRPs for the 2024-26 IRP cycle.
 - Staff used the latest version of Form 1.1c (Electricity Deliveries to End Users by Agency (GWh)) of the 2024 IEPR Planning Forecast that was released in April 2025 and reflects changes made on March 20, 2025.
 - 2024 IEPR data was used for these allocations
 - The data year that served as the basis for the calculations is 2026

Energy Resources:

The data inputs for energy resources come from two sources:

- For IOUs and CCAs, inputs come from the 2024 IEPR Planning Forecast LSE and BAA Tables at this link: [California Energy Demand, 2024-2040](#)
- For ESPs, the inputs come from IRP Sales and Peak Forecast data provided by the CEC to CPUC staff to finalize LSE load forecasts and GHG benchmarks for 2024-26 Filing Requirements. This confidential forecast data is necessary because IEPR data only disaggregates to the TAC level for ESPs
 - The finalized GHG benchmarks and LSE load forecasts are used to complete updates for the resource data template (RDT) and Clean System Power Tool (CSP) that LSEs use to develop the quantitative elements of their IRP plans.