Electrification is one of the easiest ways to rapidly reduce greenhouse gas emissions in the fight against climate change. As we move to electrify everything, from our cars to our homes, people are wondering: can our electric grid, with its existing constraints, handle it?

**PLANNING FOR INCREASED ELECTRIC LOAD**

First, the transition to all electric building stock and vehicles will be gradual. **MCE and other electricity providers will have time to appropriately account for increasing energy demands in our long-term power procurement practices.** Electricity providers forecast electricity demand many years in advance and MCE’s Operational Integrated Resource Plan is updated annually to reflect energy needs for the next decade. **MCE is already planning for increased electrification and EV adoption.**

Second, ongoing investments in battery storage paired with solar, both locally and on a utility-scale, allow us to tap into renewable energy when supply is tight, typically from 4–9 p.m., providing more capacity for us to electrify. MCE has already contracted over 325 MW of utility scale battery resources, enough power for 133,000 homes each year. This is just one of the ways MCE is providing electricity to 1.5 million Bay Area residents and businesses.

**REGULATORY GUIDELINES**

Energy is a highly regulated industry in California. MCE is required to partner with multiple state, local, and independent agencies – including the California Energy Commission, the California Public Utility Commission, the California Independent System Operator, and our Board of Directors – to ensure our customer’s energy needs are met.

Part of this regulated planning includes resource adequacy (RA) requirements, which assert that **MCE must contract for enough energy to meet at least 115% of expected peak electricity demand**. These requirements help ensure electricity is available during hours of high consumption, so outages don’t occur. MCE’s battery storage projects are one way we are exploring clean RA options.

**FEDERAL INVESTMENT**

The Inflation Reduction Act (IRA) will allow MCE to better support our communities as they grapple with the devastating impacts of climate change by building more clean power right here in California, lowering electric bills, and improving health and quality of life through clean energy technologies. We expect to see a number of important investments in the IRA, including:

- Extensions of tax credits for wind and solar and expansion to standalone storage
- Tax incentives to support green hydrogen production
- Investment tax credits designed to spur domestic manufacturing of clean energy technologies
- Additional funding for transportation and building electrification, with a focus on low- and moderate-income families.

mcecleanenergy.org/reach-codes | 1 (888) 632–3674 | engagement@mceCleanEnergy.org
FAQs

Isn’t renewable energy and all-electric more expensive?
Not necessarily! Renewables are currently cheaper than fossil fuels by large margins. It’s important to consider an electric industry term called Levelized Cost of Energy (LCOE), the average present cost of electricity generation for a generating plant (be it wind, solar, or another source) over its lifetime. With LCOE in mind, renewables are significantly less expensive than fossil fuels, even without subsidies. That trend is forecasted to continue for decades to come.

Today’s modern electric appliances are more efficient than natural gas, so they use less energy and therefore cost less to operate. Initial capital costs can be higher for these products, but when you factor in available rebates and incentives and lower costs over the life of the equipment, all-electric can be more cost effective.

What about Flex Alerts and other outages?
MCE and the state of California are working diligently to increase the reliability of our electricity grid. Energy efficiency improvements and shifting energy usage away from peak hours (4–9 p.m.) are helping to reduce power outages.

MCE programs like Peak FLEXmarket and MCE Sync pay customers to shift energy use away from times of extreme demand to improve grid-reliability, decrease emissions, and lower energy costs.

Additionally, MCE’s Strategic Energy Management Program provides the tools and resources to save energy through operations and maintenance changes. The program helps identify energy-saving opportunities that can help participants save up to 15% on their energy usage with no capital investment.

Can MCE help us electrify?

Building electrification for existing low- to moderate-income housing: rebates for electric heat pump water and space heating.

EV charging infrastructure for workplace and multifamily properties: rebates up to $3500 per Level 2 charging port, including upgrades that go beyond state minimum code.