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**SoCalGas Comments on CEC IEPR Commissioner Workshop on
Energy Demand Forecast Inputs and Assumptions**

Additional submitted attachment is included below.



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August 20, 2025

Vice Chair Siva Gunda
California Energy Commission
Docket Unit, MS-4
Docket No. 25-IEPR-03
715 P Street
Sacramento, California 95814-5512

Subject: Comments on the IEPR Commissioner Workshop on Energy Demand Forecast Inputs and Assumptions

Dear Vice Chair Gunda,

Southern California Gas Company (SoCalGas) appreciates the opportunity to provide comments on the August 6, 2025 California Energy Commission's (CEC) Integrated Energy Policy Report (IEPR) Commissioner Workshop on Energy Demand Forecast Inputs and Assumptions (Workshop). The CEC demand forecast serves as a cornerstone of California's energy system planning. By integrating scenarios that reflect recent economic developments and evolving policy trends, the State can strengthen its ability to plan effectively for a reliable, affordable, and resilient energy future.

We appreciate the CEC's acknowledgment during the Workshop of the growing uncertainties in energy demand forecasting, particularly those related to energy policy, regulation, and data center development. We support the CEC's plan to develop additional scenarios during this 2025 IEPR cycle as energy system needs and conditions change.

For gas system planning, it is essential to develop and analyze reasonable and conservative Additional Achievable Fuel Substitution (AAFS) scenarios because of the uncertainties of regulation, incentives, and retail rates of electricity and gas. Therefore, it is important to cast a wide net that would result in different outcomes to account for the unprecedented uncertainty in scenario planning. In our June 20, 2025 comment letter responding to the CEC 2025 IEPR Commissioner Workshop on Gas Price Outlook, we urged the CEC to reevaluate the demand forecast assumptions and include a new AAFS scenario. This scenario could include Additional Achievable Energy Efficiency (AAEE) 3 and AAFS 3 programmatic assumptions. This additional

scenario would reflect programmatic fuel substitution based on existing incentives, exclude proposed, planned or hypothetical zero emission appliance standards, and align with the 2024 California Gas Report for the SoCalGas service territory—offering a more realistic planning pathway.¹ The need to investigate and develop more realistic AAFS scenarios is supported by the reality that zero-emission appliance assumptions embedded in the 2024 IEPR AAFS Scenario 2 are not based on any proposed or planned standards.^{2,3} We recommend including multiple scenarios that do not assume 100 percent replace on burnout with zero emission appliances.

We also highlight the uncertainty in regard to the electric system’s ability to timely respond to requests for interconnections for new energy projects, especially with an eye towards reliability, resiliency, and affordability. We continue to encourage the CEC to give broader consideration to on-site generation as a viable policy solution amid urgent demand for energy capacity to power emerging uses including data centers and transportation electrification. For example, SoCalGas is currently pursuing approval from the California Public Utilities Commission (CPUC) for its Microgrid Optional Tariff (A.25-04-006), which would enable SoCalGas to offer customized microgrid services to non-residential customers, supporting energy reliability and resilience, and state decarbonization goals.⁴

Conclusion

SoCalGas appreciates the opportunity to provide feedback on these critical issues and supports the CEC’s efforts to enhance the accuracy and relevance of its demand forecast. Given the rapidly evolving policy landscape, increasing retail rates, and recent regulatory developments, it is essential that the CEC reevaluate key assumptions—particularly those related to fuel substitution and zero-emission appliance adoption. Incorporating more realistic and policy-informed scenarios will strengthen the State’s ability to plan for a reliable, affordable, and sustainable energy future. We look forward to continued collaboration with the CEC to support balanced, forward-looking energy policies that serve all Californians.

Respectfully,

/s/ Kevin Barker

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¹ SoCalGas, “Southern California Gas Company Comments on the IEPR Commissioner Workshop on Gas Price Outlook,” available at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=264415&DocumentContentId=101255>

² SCAQMD, Proposed Amended Rules (PAR) 1111 and 1121, available at: <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1111-and-rule-1121>

³ See Plaintiffs’ Notice of Appeal, *Rinnai America Corp. v. South Coast Air Quality Management District*, 2:24-cv-10482-PA-PD, in which ten parties allege the South Coast AQMD’s rule is preempted by the Energy Policy Conservation Act (EPCA).

⁴ SoCalGas, “A.25-04-006 - Microgrid Optional Tariff Application,” available at: <https://www.socalgas.com/a25-04-006-microgrid-optional-tariff-application>