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PG&E Comments RE IEPR Workshop on Load Modifiers

Additional submitted attachment is included below.

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California Energy Commission
Docket Number 25-IEPR-03
715 P Street
Sacramento, CA 95814

RE: CEC IEPR Commissioner Workshop on Energy Demand Forecast Load Modifier Scenario Updates

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to comment on the California Energy Commission's (CEC) Integrated Energy Policy Report (IEPR) Commissioner Workshop on Energy Demand Forecast Load Modifier Scenario Updates held on August 26, 2025. PG&E commends the CEC's dedication to thorough analysis and stakeholder engagement throughout the IEPR process, including this opportunity to provide feedback.

Below, PG&E offers four comments, representing requests and recommendations to improve the IEPR. Some of these comments mirror those we have made in the past (e.g., for 2024 IEPR workshops) but are still relevant in thinking about the 2025 IEPR Update.

PG&E welcomes collaboration with CEC on cost assumptions for PG&E's data centers.

PG&E commends the CEC's efforts to incorporate data center-related infrastructure costs into the IEPR forecast and encourages continued collaboration to refine these assumptions. In particular, PG&E would like further discussion opportunities with the CEC around the capital cost estimates presented by Lynn Marshall during the Retail Electricity Rate Forecast presentation, including the use of the $500 million to $1.6 billion per GW estimate and resulting impacts on electricity rates. As data center development accelerates, alignment on cost modeling will be critical to ensure grid planning reflects realistic investment needs and ratepayer impacts.

PG&E would like additional discussions with CEC about which Additional Achievable Transportation Electrification (AATE) scenarios are the best for the Planning Forecast and Local Reliability scenario.

PG&E supports that CEC is considering policy uncertainty in the 2025 IEPR forecast AATE scenarios, including the impacts of CA Executive Order N-27-25, trade tariffs, and federal policy changes on EV sales. As more data and policy information become available in the coming months, PG&E would appreciate the opportunity to provide feedback on which scenarios to use in the Planning Forecast and Local Reliability scenario.

PG&E encourages the CEC to reflect regulatory uncertainty, such as the delay of CARB's zero emission appliance standard (ZEAS), in the Additional Achievable Fuel Substitution (AAFS) scenarios.

PG&E appreciates the CEC's responsiveness to evolving policy landscapes by incorporating uncertainty into the AAFS scenario framework. PG&E recognizes that recent federal and local regulatory developments, such as the delay of CARB's zero-emission space and water heater standard board hearing until after 2025, introduce new challenges for the AAFS load modifier forecast. PG&E recommends this uncertainty be reflected in the AAFS scenarios, particularly as several AAFS scenarios are dependent on CARB's zero emissions appliance standards, which have not yet been adopted. Assuming full or near-compliance with these proposed standards may result in over-forecasting the adoption of electric appliances and heat pumps. In particular, unless there is more specific evidence of how fuel substitution would likely evolve in the future without a statewide zero emission appliance standard, PG&E recommends CEC create at least one AAFS scenario with zero statewide Fuel Substitution Scenario Assessment Tool (FSSAT) impact, which could be conceptually similar to the CEC's Baseline Electric Vehicle scenario.

PG&E appreciates and supports the CEC analyzing distributed generation and behind-the-meter storage scenarios with no ITC.

PG&E appreciates and supports that the CEC is considering distributed generation and behind-the-meter storage adoption scenarios where the investment tax credit (ITC) is either eliminated permanently or reinstated in 2030. If the CEC intends to include assumptions in either the Planning Forecast or Local Reliability Scenario that ITC will return in the future, PG&E would appreciate the opportunity to provide feedback about the specifics of this scenario, including its use cases.

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Sincerely,

Josh Harmon
State Agency Relations