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Public Advocates Office Comments on the IEPR Commissioner Workshop on Energy Demand Forecast Results

Additional submitted attachment is included below.



California Energy Commission
715 P Street
Sacramento, CA 95814

December 31, 2025

Comments on the December 17, 2025 California Energy Commission (CEC) Integrated Energy Policy Report (IEPR) Commissioner Workshop on Energy Demand Forecast Results

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) provides these comments on the IEPR Commissioner Workshop on Energy Demand Forecast Results (Workshop) held on December 17, 2025. Cal Advocates is an independent ratepayer advocate with a mandate to obtain the lowest possible rates for utility services, consistent with reliable and safe service levels and the state's environmental goals.¹

The CEC Should Verify the Data Center Applications that are Categorized as Having Signed Agreements in the Data Center Update Slide Presented at the Workshop.^{2,3}

The CEC should verify the Data Center Update presented on at the Workshop – specifically the applications categorized as having Signed Agreements.⁴ The slide shows PG&E having roughly 2,000 MWs (in September 2025) and 4,000 MWs (in December 2025) of data center applications that have Signed Agreements. It is unclear what ‘Signed Agreement’ the CEC is using to categorize applications. Before taking electric service, data center applicants sign off on an Engineering Study and also an Agreement for Electric Service.⁵ It is unclear whether applications that have a *Signed Engineering Study* are being miscounted as applications that have a *Signed Agreement for Electric Service*. A Signed Engineering Study is not the same thing as a Signed Agreement for Electric Service, as explained below. The CEC should examine the forecast and verify applications have not been misclassified before issuing the final IEPR load forecast.

For the 2025 IEPR the CEC has specified that it will group data center applicants into one of

¹ Public Utilities Code Section 309.5.

² CEC, *2025 IEPR Preliminary Data Center Forecast* at slide 5, IEPR Commissioner Workshop on Load Modifier Energy Demand Forecast Results. November 13, 2025.

³ CEC, *2025 California Energy Demand Annual Consumption and Sales Forecast*, December 17, 2025 at slide 10.

⁴ CEC, *2025 California Energy Demand Annual Consumption and Sales Forecast*, December 17, 2025 at slide 10.

⁵ See A.24-11-007, *Pacific Gas and Electric Company's Opening Post-Hearing Brief*, October 24, 2025 at 45.

three groups, with “Group 1” having the highest certainty of project completion when the data center applicant has a Signed Agreement for Electric Service.⁶ PG&E explains that “transmission-level customers who decide to proceed after receiving the [Preliminary Engineering Study] PES Report, these customers must then negotiate and execute an interconnection agreement.”⁷ The PES Report refers to a signed Preliminary Engineering Study Report or the Signed Engineering Study.⁸ After a Signed Engineering Study, transmission-level customers pay “an initial advance when an interconnection agreement is executed.”⁹ The interconnection agreement is the binding contract(s) that specifies the customer payment schedule and initiates transmission facility construction.

On the other hand, a Signed Engineering Study is a step in the process to get to the final Signed Agreement for Electric Service.¹⁰ The Engineering Study describes the infrastructure required to interconnect the data center.¹¹ And most importantly, unlike when an applicant cancels a data center project after a Signed Agreement, applicants can withdraw their application after the Signed Engineering Study without penalty.

Specifically for PG&E, after a Signed Engineering Study, there is an additional agreement called the Agreement to Perform Tariff Schedule Related Work or Work Procedure Agreement (WPA) that the CEC should use as the identifier for Group 1.¹² The WPA specifies the amount the “applicant shall pay to PG&E, promptly upon demand by PG&E.”¹³ Unlike a Signed Engineering Study, a signed WPA requires the customer to commit to paying its advances. This commitment to pay compels the applicant to more carefully evaluate their request before moving forward. Therefore, for PG&E the CEC’s Signed Agreement for Electric Service should refer to a signed WPA.

It is unclear in the Data Center Update slide¹⁴ if data centers with a Signed Engineering Study are being miscounted as data centers with a Signed Agreement for Electric Service. The CEC should examine the data center application numbers and verify that data centers with only a

⁶ CEC, 2025 IEPR Preliminary Data Center Forecast, IEPR Commissioner Workshop on Load Modifier Energy Demand Forecast Results. November 13, 2025 at slide 5.

⁷ See A.24-11-007, *Pacific Gas and Electric Company’s Opening Post-Hearing Brief*, October 24, 2025 at 45.

⁸ See A.24-11-007, *Pacific Gas and Electric Company’s Opening Post-Hearing Brief*, October 24, 2025 at 44.

⁹ See A.24-11-007, *Pacific Gas and Electric Company’s Opening Post-Hearing Brief*, October 24, 2025 at 19.

¹⁰ See A.24-11-007, *Pacific Gas and Electric Company’s Opening Post-Hearing Brief*, October 24, 2025 at 45.

¹¹ See A.24-11-007, *Pacific Gas and Electric Company’s Opening Post-Hearing Brief*, October 24, 2025 at 44.

¹² See [ELEC FORMS 62-4527.pdf](#) for a blank Agreement to Perform Tariff Schedule Related Work or Work Procedure Agreement (WPA).

¹³ See [ELEC FORMS 62-4527.pdf](#).

¹⁴ CEC, 2025 California Energy Demand Annual Consumption and Sales Forecast, December 17, 2025 at slide 10.

Signed Engineering Study are not misclassified as Group 1 (i.e., having a Signed Agreement for Electric Service).

The IEPR Load Forecast Should Not Include Highly Speculative Load Inquiries.¹⁵

Planning for demand based on load inquiries introduces significant uncertainty and risks of overbuilding the grid at significant cost to ratepayers. Load inquiries require no financial commitment, which allows customers to submit speculative or duplicative requests with little to no consequence. As a result, inquiry-based forecasts can materially overstate likely demand. The CEC should avoid incorporating the lowest-certainty load inquiries into the IEPR forecast in any capacity.¹⁶ Instead, the CEC should anchor its Group 3 demand forecasts to loads that have met the first meaningful milestone in the interconnection process – submitting a complete application.

The CEC Should Provide a More Detailed Explanation for how it Incorporated Data Center Costs in its Comparison of Statewide Average Electricity Rates.¹⁷

The CEC discussed that it incorporated the preliminary estimates of the costs of data centers into the statewide average electricity rates.¹⁸ Specifically, the CEC indicates that PG&E data from Application 24-11-007 (Rule 30 proceeding) is being used to build out the transmission revenue requirement (TRR).¹⁹ The CEC should note that parties in the Rule 30 proceeding dispute PG&E's data and discussed how PG&E may be underestimating the cost of data center interconnections.²⁰ Additionally, the Commission has not yet ruled on the Rule 30 proceeding, so the CEC should avoid relying on PG&E's workpapers as factual data. Cal Advocates requests the CEC to expand on what Rule 30 data it is using, and how it is using this data to build out the TRR at its upcoming Demand Analysis Working Group meeting on January 5, 2026. This will help enhance transparency related to the cost impact of data centers on the transmission grid.

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Cal Advocates appreciates the CEC's ongoing commitment to accurate load forecasting and

¹⁵ CEC, *2025 California Energy Demand Annual Consumption and Sales Forecast*, December 17, 2025 at slide 10 shows nearly 8,000 MW of load inquiries in PG&E's application queue as of Dec 2025.

¹⁶ Energy Systems Integration Group, *Forecasting for Large Loads Current Practices and Recommendations*, December 2025 at 12. ("Preliminary Information; not included in official forecasts.")

¹⁷ CEC, *2025 California Energy Demand Annual Consumption and Sales Forecast*, December 17, 2025 at slide 8.

¹⁸ CEC, *IEPR Commissioner Workshop on Energy Demand Forecast Results*, December 17, 2025. Lynn Marshall states at hour 1:54 "So why doesn't the rate forecast go down more? We are including costs of data centers... very preliminary estimates of the transmission impact costs of data centers."

¹⁹ CEC, *IEPR Commissioner Workshop on Energy Demand Forecast Results*, December 17, 2025. Lynn Marshall states at hour 1:56 "PG&E put out.. what the cost per megawatt of the transmission... and so based on that I built out the transmission revenue requirements there."

²⁰ See A.24-11-007, *Testimony of The Utility Reform Network Addressing Proposed Rule 30 Ratepayer Impacts and Related Issues*, revised September 8, 2025, at 12, lines 5-8.

stakeholder engagement. Please reach out to me if you have any questions.

Thank you,

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