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SDG&E Comments on Draft 2025 Demand Forecast

Additional submitted attachment is included below.

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California Energy Commission
Docket Office
Docket No. 25-IEPR-03
715 P Street
Sacramento, CA 95814

SUBJECT: SDG&E Comments on IEPR Commissioner Workshop on Energy Demand Forecast Results

Submitted electronically to Docket No. 25-IEPR-03

Dear Vice Chair Gunda:

San Diego Gas & Electric Company (SDG&E) appreciates the opportunity to provide comments on the California Energy Commission (CEC) December 17, 2025, Integrated Energy Policy Report (IEPR) Commissioner Workshop on Energy Demand Forecast Results. The forecasting process is complex, and the importance of these efforts is further underscored as the forecast is used in many significant electric utility planning processes. It is critical that the CEC's Demand Forecast not only facilitate infrastructure development aligned with state decarbonization goals but also ensure that ratepayer affordability remains a guiding principle.

SDG&E appreciates CEC staff's diligence and collaboration throughout the forecast development process. Recognizing that SDG&E staff are in ongoing discussion with the CEC forecasting team on certain components of the forecast, we offer below comments for consideration:

I. CEC's proposed baseline load forecast for SDG&E distribution service area is too low given actual electricity sales, and should be further examined to ensure an accurate starting point.

SDG&E values the effort made by CEC staff to provide draft data and meet informally to review results prior to the workshop. Upon reviewing draft annual sales data, SDG&E believes that the sales in the initial forecast year in the 2025 CED (2025) are too low and do not accurately reflect historical sales. Subsequent forecast years are in turn affected by the low starting point of the forecast.

The data provided by CEC staff indicates 2025 sales of 16,414 GWh, under the planning scenario with AAFS2, AATE2, and excluding all "known loads." This represents an approximate 434 GWh or 2.6% lower sales when compared to the historical 2024 Quarterly Fuel and Energy Report (QFER) sales data. SDG&E respectfully requests that CEC staff consider the reasonableness of this decline in year-over-year sales and that necessary corrections be made to appropriately align forecast sales with historical weather adjusted data prior to the adoption of the forecast in January 2026.

II. Inclusion of Known Load Data in IEPR must not limit or displace the utility's ability to account for known loads within its planning processes.

SDG&E appreciates the CEC's efforts to incorporate known loads into the IEPR forecasts, as this represents progress toward inclusion of important customer load information. Looking ahead at downstream uses of the forecast, the newly proposed Known Load category must not limit or displace SDG&E's ability, and obligation, to utilize the most current known load data in its own planning processes.

The most current known loads within the SDG&E distribution service area must continue to be modeled, as they represent customer load requests for which SDG&E has a clear obligation to serve. These loads reflect diversified customer requests that SDG&E is required to serve. Accordingly, the data provided in SDG&E's annual Grid Needs Assessment report/Distribution Upgrade Project Report (GNA/DUPR) is already appropriately diversified at the distribution level. Further discounting or re-diversifying these values would risk underestimating the impact of Known Loads on the Distribution Planning & Execution Process (DPEP) forecast, potentially compromising system reliability and customer service obligations.

Moreover, the 2025 IEPR (including the new Known Load category) will not be integrated into SDG&E's Distribution Planning Process (DPP) until the 2027 DPP cycle. By that time, the known load data would be more than a year old and therefore insufficiently current for accurate planning. In contrast, SDG&E's internal known load data, is continuously maintained and provides the most accurate and up to date representation of customer requests throughout each DPEP cycle. For this reason, it is critical that SDG&E must retain the ability to model its most current known loads -- even if doing so exceeds the IEPR forecast— to ensure safe, reliable, and cost-effective service.

III. Earlier access to more granular data would be helpful for assessing the feasibility of the IEPR forecast and aligning with utility planning efforts.

SDG&E appreciates the CEC's interface with the Demand Analysis Working Group throughout the year. However, SDG&E continues to believe that access to detailed IEPR forecast data earlier in the process would enable better integration of the latest IEPR vintage into utility planning processes (e.g., applying 2025 IEPR system level forecast

into 2025-2026 utility DPP cycle). As noted above, there remains a significant timing gap in applying the latest CEC-adopted IEPR vintage within the DPP.

Under the current schedule, the 2025–2026 DPP cycle required specific IEPR load scenario selection in May 2025 through the CPUC Energy Division approval process. While the October 2024 High DER Track 1 Decision granted utilities the ability to use a more recent IEPR vintage, the anticipated adoption of the 2025 IEPR in February/March 2026 makes this impractical. Utilities must disaggregate the system-level IEPR forecast and develop circuit- and substation-level forecasts, complete full planning analyses, identify needs and solutions, and publish the Grid Needs Assessment (GNA) & Distribution Upgrade Project Report (DUPR) by August 2026. This timeline does not allow for incorporation of the most recently adopted IEPR system-level load forecast.

While it is important to examine in the CPUC High DER proceeding whether the CPUC staff's IEPR load scenario approval process can be streamlined and whether GNA/DUPR deadlines can be adjusted, the most critical factor remains the publication and adoption timing of the IEPR forecast itself. SDG&E strongly encourages the CEC to explore opportunities to shorten the timeline for developing input assumptions and forecasting methodologies for each IEPR cycle, and to advance the adoption date for future IEPR forecasts to facilitate alignment with utility planning cycles. A shortened IEPR timeline, if feasible, should improve forecast accuracy as more current input assumptions can be incorporated.

Furthermore, the tight timeline with the end-of-year release of the draft hourly forecast files makes it difficult to complete in-depth analysis that is needed for utilities to provide constructive feedback that CEC staff can consider for incorporation in the final results. Access to additional data at an earlier stage in the process would also be helpful for understanding the "stack" for Additional Achievable Energy Efficiency (AAEE) and Additional Achievable Fuel Substitution (AAFS) data, and how much of the EE capacity and energy savings/impacts are assumed from SDG&E's service area at the measure level for both IOU programs and Codes and Standards.

IV. Further discussion and clarification around transportation electrification forecast is necessary

A bottom-up approach to calculating medium- and heavy-duty (MD/HD) electric vehicle load growth is the most accurate forecast method available given its knowledge and use of fleet operations within SDG&E's service territory. While SDG&E recognizes that recent policy shifts around zero-emission vehicle (ZEV) mandates and funding programs can significantly alter electrification trajectories, SDG&E's bottom-up MD/HD peak load forecast remains significantly higher than the forecast peak load from the IEPR CED Local Reliability hourly forecast, even after incorporating these recent policy shifts. SDG&E has

high confidence in the local accuracy of this forecast since it utilizes the Federal Motor Carrier Safety Administration fleet facility level data for annual vehicle miles traveled.

It would be helpful to understand the year-to-year assumptions applied by the CEC that inform the observable changes to the Additional Achievable Transportation Electrification (AATE) scenarios. Further, SDG&E recommends the CEC continue to closely monitor and evaluate ZEV adoption rates and infrastructure needs to support transportation electrification. The CEC should consider adjusting future forecasts to ensure that the most recent utility-level data is incorporated into the forecast methodology and can help mitigate the possibility of under- or over-investment.

V. Conclusion

Thank you for your consideration of these comments. SDG&E encourages the CEC to initiate a discussion amongst agencies and stakeholders to explore whether a different timeline for the forecast development, or bifurcation of different forecast elements based on use cases, might facilitate improved calibration of the CEC's forecast data with localized utility data. As Commissioners noted during the workshop, the stakes are high for having a forecast that carries a high degree of confidence from both agencies and stakeholders. SDG&E stands ready to partner with the agencies and stakeholders should it be possible to explore process changes that can help achieve that objective while also meeting the timing needs of interdependent agency proceedings.

Please don't hesitate to reach out should you have any questions or wish to discuss any of the information provided in greater detail. We look forward to collaborating further as you finalize the 2025 IEPR demand forecast and in future IEPR forecast cycles.

Sincerely,

Sarah M. Taheri

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