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SEIA - CCSA Comments on the IEPR Comments on Commissioner Workshop on Energy Demand Forecast Results

Additional submitted attachment is included below.

December 31, 2025

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

Re: Docket No. 25-IEPR-03: Electricity and Gas Demand Forecast

The Solar Energy Industries Association and the Coalition for Community Solar Access (collectively, the "Joint Commenters") appreciate the opportunity to submit written comments on the December 17, 2025 IEPR Commissioner Workshop on Energy Demand Forecast Results ("Demand Forecast Workshop"). These comments respond to statements made by CEC Staff during the workshop regarding the potential for convening a workshop to examine the possible inclusion of front-of-the-meter distributed energy resources ("FTM DERs"), such as distributed storage and community solar, as well as other load-shifting or load-flex resources, as new load-modifying resource types.[1]

The Joint Commenters are encouraged by Staff's remarks and by the Commission's focus on this important issue.[2] We respectfully urge the CEC to move expeditiously to schedule this workshop early in 2026, so that this issue may be fully examined and appropriately scoped into the 2026 IEPR workplan. An early 2026 workshop would give the CEC sufficient time to develop a framework for evaluating new load-modifying FTM DER resource types and to incorporate that analysis into the development of load-modifier scenarios for the 2026 IEPR energy demand forecast.

Studying new load modifier resource types is critical because California is facing a growing gap between forecasted electricity demand and the pace at which new clean energy and reliability resources can realistically be developed.[3] As underscored at the Demand Forecast Workshop,

[1] Workshop on Energy Demand Forecast Results, Docket No. 25-IEPR-03 (December 17, 2025), Audio Transcript Recording available at recording starting at minute 20:55.

[2] *See* Final 2024 Integrated Energy Policy Report Update (October 2025), page 53.

[3] As stated in the CPUC's 9/30/25 *ALJ Ruling Seeking Comments on Electricity Portfolios for 2026-2027 Transmission Planning Process and Need for Additional Reliability Procurement*, page 12: "the buildout of [utility-scale] solar, in particular, is so large that it calls into question whether it can feasibly be built in the quantities and timing identified in this round of IRP modeling."

electrification, data center growth, and other emerging load drivers are increasing near-term demand and thus procurement needs at a time when large utility-scale projects face mounting challenges related to transmission availability, permitting timelines, and interconnection backlogs. Smaller distribution-connected resources – typically in the 1 MW to 10 MW size range – can reduce net load at peak and offer a practical, cost-effective, and complementary pathway to help meet these needs. Importantly, these resources have the potential to be sited and built in a fraction of the time required for large, utility-scale, transmission-connected resources. However, the capacity, time, and cost-saving impacts of these FTM DER resources are not fully reflected in current planning assumptions.

Evaluating the conditions under which additional resource types should be recognized as load modifiers would help ensure that California's procurement frameworks are grounded in a more complete picture of how reliability can be achieved at least cost. Smaller-scale resources that are sited close to load and operated to reduce demand during critical hours can directly offset the need for incremental generation and transmission capacity, even if they are not procured through traditional procurement programs that focus entirely on large-scale transmission-connected resources. Without studying and then appropriately accounting for these effects, statewide forecasts may overstate future system needs for transmission-connected resources, placing additional pressure on already challenging utility-scale procurement targets and putting upward pressure on Resource Adequacy prices and associated ratepayer costs. A workshop and subsequent IEPR study process would also allow the CEC to develop clear load-modifier protocols, including operational and locational criteria, to ensure that FTM DERs legitimately reduce net load and are represented accurately in future IEPR forecasts, thereby improving alignment across resource planning, procurement, and DER operations.

This analysis is especially important in the near term. California has repeatedly identified an urgent need to accelerate clean energy deployment to maintain reliability, yet historical build rates for large-scale resources have consistently fallen short of what will be required under updated load forecasts. The California Public Utility Commission's most recent Integrated Resource Plan analysis shows that California must add 4–7 GW of new solar capacity each year by the end of this decade—roughly twice today's build rate—to maintain reliability. The state must also maintain its recent high rate of storage deployment.[4] As stated above, FTM DERs can often be permitted, interconnected, and constructed more quickly and through different processes than utility-scale alternatives, making them well suited to complement utility-scale efforts to address near-term reliability risks if their load impacts are properly understood and incorporated into planning processes.

The CEC IEPR is the common load forecast used across the state's energy agencies, and we welcome the involvement of other agencies such as the CPUC and the California Independent

[4] CPUC's 9/30/25 *ALJ Ruling Seeking Comments on Electricity Portfolios for 2026-2027 Transmission Planning Process and Need for Additional Reliability Procurement*, page 12.

System Operator in this study process, with a goal of aligning demand forecasting with the evolving role of distributed resources on the grid. As the agency statutorily directed to regularly assess electricity demand and evaluate the factors that shape peak loads, the CEC is best positioned to lead this effort.[5]

For these reasons, the Joint Commenters urge the CEC to schedule a workshop early in 2026 as an important first step in the examination of the potential for new load-modifying resource types — such as front-of-the-meter distributed energy resources, including distributed storage and community solar — to contribute to California's near-term and long-term decarbonization and reliability needs, and to develop a clear workplan for establishing load-modifier protocols for these resources as part of the 2026 IEPR.

Respectfully,

/s/ Stephanie Doyle

California Director
Solar Energy Industries Association

/s/ James McGarry

Regional Director
Coalition for Community Solar Access

[5] Public Resources Code § 25301