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SCG Comments on the Draft Scoping Order for the 2026 Integrated Energy Policy Report Update

Additional submitted attachment is included below.



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March 25, 2026

Chair David Hochschild
California Energy Commission
Docket Unit, MS-4
Docket No. 26-IEPR-01
715 P Street
Sacramento, California 95814-5512

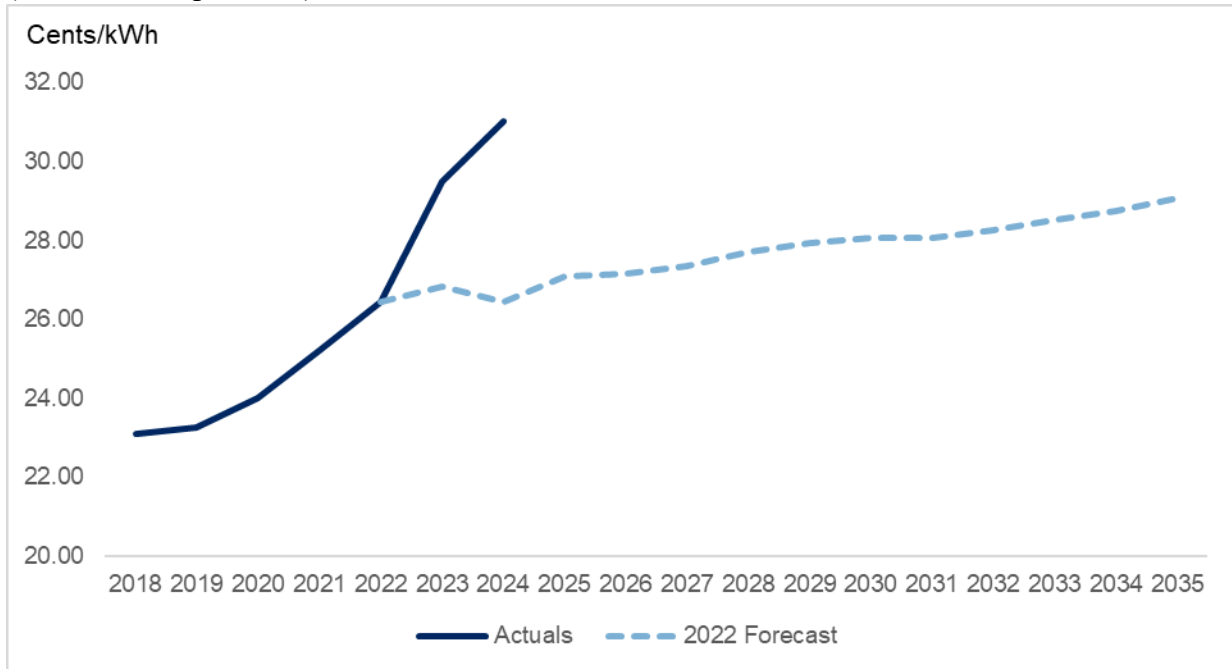
Subject: Comments on the Draft Scoping Order for the 2026 Integrated Energy Policy Report Update

Dear Chair Hochschild,

Southern California Gas Company (SoCalGas) appreciates the opportunity to provide comments on the California Energy Commission's (CEC) Draft Scoping Order for the 2026 Integrated Energy Policy Report (IEPR) Update. The IEPR plays a critical role in shaping California's long-term energy strategy, and its demand forecast—particularly the electricity and natural gas rate forecasts—continues to serve as a foundational input for policy planning, investment decisions, and evaluations of customer impacts.

While the demand forecast is a valuable tool, the current electricity and gas rate methodologies do not fully capture the uncertainty surrounding future policies, market conditions, and cost drivers. As a result, the forecasts may be less useful than planned and yet may still be used for cost of compliance impacts at other agencies that are not realistic. Figure 1 illustrates how the 2022 IEPR electricity rate forecast diverged from actual electricity prices. In fact, actual electricity prices far exceeded the 2022 forecast for the entire forecast period. An IEPR update year provides an important opportunity to refine the rate forecasting approach by incorporating a broader set of scenarios and update analytical methods that better capture the range of potential future outcomes.

Figure 1: 2022 IEPR Statewide Residential Electricity Rate Forecast vs. Actual Electricity Prices (2024\$, Cents per kWh) ^{1,2,3}



In closing, we appreciate the opportunity to provide these comments and encourage the CEC to continue improving the demand forecast to better reflect realistic and diverse future conditions, for example, inclusion of additional transmission costs identified in the CAISO’s Transmission Planning Process. Broadening scenario variability and aligning assumptions with evolving trends will help the IEPR support California’s goals for reliability, affordability, and long-term sustainability. SoCalGas looks forward to continued collaboration as the state advances its decarbonization goals.

Respectfully,

/s/ Kevin Barker

Kevin Barker
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¹ CEC, 2022 IEPR Form 2.3: 2022 - 2035 Baseline Forecast, Electricity Rates by Sector (2021 cent/kWh), available at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=248375&DocumentContentId=82810>

² CEC, 2022 IEPR Form 2.3: 2025 - 2045 Baseline Forecast, Electricity Rates by Sector (2024 cent/kWh), available at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=268179-9&DocumentContentId=105226>

³ Conversion factor for 2021\$ to 2024\$ of 1.16, from <https://www.in2013dollars.com/us/inflation/2021?endYear=2024&amount=1>