

DOCKETED	
Docket Number:	25-IEPR-01
Project Title:	General Scope
TN #:	270013
Document Title:	Southern California Gas Company Comments - SoCalGas Comments on the Draft 2025 Integrated Energy Policy Report
Description:	N/A
Filer:	System
Organization:	Southern California Gas Company
Submitter Role:	Public
Submission Date:	5/15/2026 3:39:37 PM
Docketed Date:	5/15/2026

*Comment Received From: Southern California Gas Company
Submitted On: 5/15/2026
Docket Number: 25-IEPR-01*

SoCalGas Comments on the Draft 2025 Integrated Energy Policy Report

Additional submitted attachment is included below.



Kevin Barker
Senior Manager
Energy and Environmental Policy
555 West 5th Street
Los Angeles, CA 90013
Tel: (916) 492-4252
KBarker@socalgas.com

May 15, 2026

Chair David Hochschild
California Energy Commission
Docket Unit, MS-4
Docket No. 25-IEPR-01
715 P Street
Sacramento, California 95814-5512

Subject: Comments on the Draft 2025 Integrated Energy Policy Report

Dear Chair David Hochschild,

Southern California Gas Company (SoCalGas) appreciates the opportunity to provide comments on the California Energy Commission’s (CEC) Draft 2025 Integrated Energy Policy Report (IEPR). The IEPR is a foundational planning document that informs a wide range of statewide energy policy, infrastructure, and reliability decisions. Its value depends heavily on the transparency, framing, and appropriate use of its underlying assumptions. It is important that the analytical constructs, scenarios, and supporting inputs—including demand and rate assumptions—are clearly presented within their intended context and not misconstrued or applied beyond their analytical purpose.

We appreciate the CEC’s clarification that the IEPR demand forecast scenarios are not intended as recommendations for gas system planning, and that the planning and local reliability scenarios are designed solely to inform electricity system planning. Regarding assumptions for Additional Achievable Fuel Substitution (AAFS) scenarios, SoCalGas previously recommended, in comments dated August 20, 2025, to incorporate assumptions that better reflect uncertainty surrounding potential zero-emission appliance regulations, including the development of scenarios that do not assume 100 percent replacement upon burnout with zero emission appliances.¹ We further supplemented this recommendation on September 9, 2025, with proposed statewide

¹ SoCalGas, “Comments on the IEPR Commissioner Workshop on energy Demand Forecast Inputs and Assumptions,” Docket 25-IEPR-03, TN #265730, available at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=265730&DocumentContentId=102575>

scenario variations that would capture a broader range of possible outcomes.² These recommendations were not incorporated, and five of the six AAFS scenarios assumed 100 percent compliance with a statewide zero-emission appliance regulation. Since that time, the California Air Resources Board (CARB) presented in December 2025 an alternative to their zero-emission appliance regulation that would create an emissive sales limit which allows for the sales of emissive appliances indefinitely.³ Although this alternative regulation has not yet been formally proposed, it suggests that a 100 percent statewide zero emission appliance regulation is unlikely. While we recognize that it is not feasible to revise AAFS modeling assumptions at this stage, we respectfully disagree with the CEC’s characterization that the scenarios selected “are within the range of what is reasonably expected to occur.”⁴

To provide additional context on the uncertainty surrounding zero-emission regulations incorporated into the AAFS scenarios, staff at the Bay Area Air Quality Management District are proposing to include new exemptions in their previously adopted zero-emission regulation for water heaters to address affordability and costs. These exemptions could allow up to 38 percent of customers to avoid replacing their natural gas appliances with zero-emission alternatives.⁵ In addition, some Board members have called for delaying implementation.⁵ Together, these developments underscore the uncertainty of the fuel substitution assumptions that the AAFS scenarios currently treat as certain. For future energy demand forecast scenario proceedings, it is in the public interest for energy planning to include a broad range of scenarios to reflect what is reasonably expected to occur given regulatory and market uncertainty.

Additionally, given the substantial uncertainty inherent in the long-term gas and electricity rate assumptions presented in the IEPR, we respectfully request that the CEC include explicit qualifying language stating that these rate projections are highly sensitive to a range of unresolved regulatory, policy, and ratemaking factors, including future general rate case outcomes, cost allocation and rate design changes, and potential actions arising from California Public Utilities commission (CPUC) proceedings as well as state and federal regulations.⁶ These rate projections should be understood to be developed solely to support the demand forecast and should not be relied upon by other parties as reasonable or expected predictions of actual future gas or electricity rates. Indeed, the CEC’s own analysis demonstrates the extent of this uncertainty, with modeled end-use gas rates for SoCalGas ranging from less than \$2 per therm to as high as \$43 per therm by 2050. This wide range underscores the potential for misinterpretation if these figures are presented

² SoCalGas, “Comments on the IEPR Commissioner Workshop on Energy Demand Forecast Load Modifier Scenario Updates,” Docket 25-IEPR-03, TN #265930, available at

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=265930&DocumentContentId=102941>

³ CARB, “Zero - Emission Space and Water Heater Standards,” available at:

https://ww2.arb.ca.gov/sites/default/files/2025-12/December_2025_Workshop_Slides_ADA.pdf

⁴ CEC, “Draft 2025 Integrated Energy Policy Report,” p. 12, available at:

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=269602&DocumentContentId=106694>

⁵ Politico, “The Affordability Debate Gets Heated,” May 13, 2026, available at

<https://www.politico.com/newsletters/california-climate/2026/05/13/affordability-debate-california-gas-heater-climate-00920000>

⁶ SoCalGas, “Comments on the IEPR Commissioner Workshop on Gas Price Outlook,” Docket 25-IEPR-03, TN

#264415, available at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=264415&DocumentContentId=101255>

without clear limitations on the underlying assumptions relied upon. Absent appropriate qualifiers, there is a risk that the projections could be interpreted as carrying a degree of certainty or policy endorsement that they do not possess, potentially leading to distorted planning decisions, raising increased affordability concerns, or contributing to stakeholder confusion. Clear disclaimers would help make sure that these projections are properly understood within their analytical context and not applied beyond their intended purpose.

Based on the need for transparency and clarity discussed above, SoCalGas requests the CEC consider including disclaimers such as the following:

The electricity price and rate forecasts included in the California Energy Commission's (CEC) demand forecast are developed exclusively to support modeling of demand scenarios that incorporate relationships between energy costs and consumption (i.e., price elasticity). These forecasts are provided solely for illustrative and analytical purposes within that context.

The electricity price and rate forecasts included in the California Energy Commission's (CEC) demand forecast are not intended to be used in other proceedings or analyses, including but not limited to cost-effectiveness evaluations, regulatory filings, or investment decisions. The forecasts do not represent a prediction, commitment, or expectation of future electricity or natural gas prices or rates, and should not be interpreted as indicating the likelihood of any particular outcome.

Lastly, while SoCalGas does not have specific comments on the Hydrogen section of the IEPR, we do appreciate the CEC including hydrogen demand scenarios into the 2025 IEPR. We continue to recommend that the CEC also include hydrogen demand scenarios from the industrial sector as it is a fuel option that hard-to-electrify sectors are exploring.

In closing, we appreciate the opportunity to comment on the Draft 2025 IEPR and support the CEC's continued efforts to advance an integrated, transparent, and analytically robust policy framework. Clearly bounding scenarios, forecasts, and rate assumptions with appropriate qualifications will help prevent misinterpretation and promote their appropriate use in planning and policy discussions. We look forward to continued engagement with the CEC to support informed and balanced energy policy development that advances reliability, affordability, and long-term sustainability for Californians.

Respectfully,

/s/ Kevin Barker

Kevin Barker
Senior Manager
Energy and Environmental Policy