DOCKETED	
Docket Number:	25-IEPR-01
Project Title:	General Scope
TN #:	270025
Document Title:	Ava Community Energy Comments on Draft 2025 IEPR
Description:	N/A
Filer:	Claire Huang
Organization:	Ava Community Energy
Submitter Role:	Public Agency
Submission Date:	5/15/2026 4:50:30 PM
Docketed Date:	5/15/2026

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VIA CEC Docket Submittal

May 15, 2026

Docket No. 25-IEPR-01
California Energy Commission
715 P Street
Sacramento, CA 95814

RE: CEC Docket No. 25-IEPR-01 Ava Community Energy Comments on Draft 2025 Integrated Energy Policy Report

Ava Community Energy ("Ava") appreciates the opportunity to comment on the Draft 2025 Integrated Energy Policy Report ("IEPR").[1] Ava is a community choice aggregator ("CCA") that serves as the default electricity provider in Alameda County and the cities of Tracy, Stockton, and Lathrop, with service extending to Unincorporated San Joaquin County as of May 2026. As a load-serving entity ("LSE"), Ava is engaged in the development of the 2025 IEPR Energy Demand Forecast and provides critical input to the California Energy Commission ("CEC") regarding energy demand trends in its service territory. Ava is also a provider of load flexibility, with a growing aggregation of distributed energy resources ("DERs") that support reliable operation of the state's electricity grid.

Ava appreciates the CEC's and staff's collaborative process in developing the 2025 IEPR and looks forward to continued collaboration with the CEC in the 2026 IEPR Update. Ava provides the following comments on the Draft 2025 IEPR, focusing on the data center demand forecast and the evaluation of California's progress towards the load shift goal:

- Data center demand forecast:
    - The CEC should establish information sharing pathways for CCAs to receive data center information for validation and provide information to the CEC to inform the IEPR data center forecast, leveraging CCAs' unique relationship with the cities they serve.

[1] *Draft 2025 Integrated Energy Policy Report*, California Energy Commission (April 23, 2026).

    - The CEC should continue to evaluate the appropriate confidence level for data center load, particularly for data center applications for electric service.
    - The CEC should continue to evaluate the appropriate methodology to account for data center customers opting out of CCA service.
- Strategies to support progress towards the load shift goal:
    - Unlocking the ability for load flexibility to provide and receive compensation for distribution grid services is a key market and policy change that will support continued growth of load shift capacity.
    - Allowing for compensation of exports from behind-the-meter energy storage will also support growth of load shift capacity.
- The CEC should consider the California Community Choice Association's ("CalCCA") comments regarding the Energy Demand Forecast, deliverability for new generating resources interconnecting to the California Independent System Operator ("CAISO") system, and load shift strategies.

Data Center Demand Forecast

Ava provides the following comments regarding the data center demand forecast component of the Draft 2025 IEPR Energy Demand Forecast.

<u>The CEC Should Establish Data Center Information Sharing Pathways with CCAs</u>

The CEC gathered data center information from seven utilities (Silicon Valley Power, the City of Palo Alto, Pacific Gas & Electric, Southern California Edison, San Diego Gas & Electric, the City of Burbank, and Valley Electric Association) to inform the data center demand forecast for the Draft 2025 IEPR. In future IEPR forecast cycles, Ava recommends that the CEC gather data center information from CCAs in addition to the seven utilities listed above, as CCAs can provide unique insight into large loads coming online in their service territories through their close relationships with their member cities. As a CCA, Ava's relationships with local governments and customers in its service territory can be leveraged to validate and augment data center information from utilities that inform the IEPR forecast.

Ava also recommends that the CEC establish a pathway for CCAs to receive and verify data center information shared by investor-owned utilities ("IOUs"). Ava and other CCAs received insufficient information throughout the development of the 2025 IEPR Energy Demand Forecast to verify data center load forecasts. While Ava receives some application information from the interim PG&E Rule 30 process, the application information shared is often insufficient for Ava to independently verify via direct customer outreach. Thus, Ava recommends that the CEC establish an information sharing pathway for CCAs to both provide information to the CEC to inform the data center forecast and receive data center information for validation in future IEPR cycles.

Ava suggests that the CEC could establish a pathway for CCAs to receive data center information by directing all IOUs to publish public data center databases for their respective service territories, similar to those filed by SCE to the 25-IEPR-03 docket on February 3, 2026 and September 12, 2025,[2] with the following data fields made public, at a minimum: project status, CEC-defined group, city, expected LSE (PG&E bundled, direct access, or specific CCA), requested energization year, and requested peak capacity.

Ava notes that SCE makes public several fields of information for which PG&E requests confidentiality treatment,[3] including project status (CEC-defined group), total capacity requested, name of CCA serving the area, and project location (CEC-defined forecast zone approximation).

The CEC Should Continue to Evaluate the Appropriate Confidence Level for Data Center Load

Ava recommends continued discussion regarding confidence levels for data center load, particularly for data center applications (categorized as Group 2 in the Draft 2025 IEPR, with a confidence level of 33%). Conversations between Ava and data center customers in Ava's territory indicate that customers typically pursue approximately 30% of the applications for electric service that they submit. Ava has also received information about data center applications through the interim PG&E Rule 30 process where, upon outreach to the customer, Ava found that the customer was unaware of the application that was tied to their name, further accentuating high uncertainty regarding data center applications. Given the high uncertainty with data center applications, Ava recommends further discussion regarding the appropriate confidence level for data center applications in future IEPR cycles.

The CEC Should Continue to Evaluate the Appropriate Data Center Opt-Out Methodology

Ava appreciates the CEC's receptiveness to incorporate observed historical opt-out rates for large, non-residential customers in the 2025 IEPR data center forecast. In the Draft 2025 IEPR, the CEC ultimately used a percentage opt-out rate assumption of 5% for data centers in PG&E service territory. In the future IEPR cycles, Ava recommends the CEC continue to evaluate the appropriate methodology to account for data center customers opting out of CCA service. Ava suggests that the CEC consider the "lumpy" nature of data center load when developing an opt-out assumption—i.e., there are relatively few data center customers, each with relatively large loads. Thus, a percentage opt-out rate may not best reflect the actual allocation of data center load to CCAs vs. IOUs, and a methodology based on the *number* of data center customers may better reflect the ability for customers to choose their generation provider.

Ava recommends continued discussion regarding the opt-out methodology for data center load, which determines the amount of data center load in each CCAs' service territory that will be served by the CCA, or the IOU if a customer opts out of CCA service. As the default electricity provider in its service territory, Ava intends to serve all data center load. However, customers in

[2] SCE IEPR25 Data Center Database PUBLIC 20250829 (September 12, 2025); SCE IEPR25 Data Center Database PUBLIC 20260129xlsx (February 3, 2026).
[3] January 2026 - Data Center PGE Request for Confidentiality (February 3, 2026).

Ava's service territory (data centers or otherwise) have the ability to choose their generation provider.

Strategies to Support Progress Towards the Load Shift Goal

Ava appreciates the CEC's efforts to track the state's progress towards the goal of 7 gigawatts ("GW") of load shift by 2030, as established by the CEC under direction from Senate Bill 846 (Dodd, Chapter 239, Statutes of 2022). In the Draft 2025 IEPR, the CEC estimates the state's total load shift capacity at the end of 2024 to be 3.4 GW and projects this value to reach only 4 GW by 2030 under business-as-usual market and policy conditions. The Draft 2025 IEPR discusses stakeholder perspectives on the barriers, solutions, and strategies to achieving the 7 GW load shift goal by 2030. Barriers discussed include limitations on the ability for customer resources to provide multiple grid benefits,[4] the lack of financial incentives for customers to participate in load flexibility programs,[5] and the lack of framework to value the export of behind-the-meter ("BTM") energy storage.[6] Strategies to increase statewide load shift capacity included focusing load flexibility at locations on the distribution grid where it can provide the greatest reliability and cost benefit.[7]

The barriers and strategies highlighted above point to a key solution to growing and scaling the state's load shift capabilities: strengthening the value proposition of load flexibility. As the Draft 2025 IEPR discusses, customer incentives are necessary to continue to spur the adoption of load shift technologies and the utilization of these technologies to support electric grid operations. However, it is difficult for load flexibility providers, including CCAs such as Ava, to provide these incentives in the long-term, under current market and policy conditions where value streams for load flexibility services are limited both at the grid services level and at the technology level. As a load flexibility provider with a growing aggregation of DERs,[8] Ava provides the following comments regarding strategies to reach the state's load shift goal.

<u>Load Flexibility Should be Fairly Compensated for Providing Distribution Grid Benefits</u>

As a CCA, Ava can currently utilize its load flexibility capabilities to access value only at the bulk grid level (by shifting load to hours where energy is cheaper) and at the generation capacity level (by reducing Ava's peak load to reduce resource adequacy obligations). However, as discussed in the Draft 2025 IEPR, load flexibility can also provide a key benefit to the distribution grid, relieving constraints at the local distribution grid level to enable the grid to accommodate more load with existing assets and extend the lifetime of existing grid assets.

The ability for load flexibility to provide distribution grid benefits through the orchestration of DERs is currently under consideration in Track 2 of the Order Instituting Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resource Future ("High DER

[4] Draft 2025 IEPR, p. 128.
[5] Draft 2025 IEPR, p. 129.
[6] Draft 2025 IEPR, p. 128.
[7] Draft 2025 IEPR, p. 130.
[8] Ava provides load flexibility through its aggregation currently consisting of residential solar and storage and managed electric vehicle charging.

Proceeding") at the California Public Utilities Commission ("CPUC").[9] Ava sees the potential to greatly bolster the value proposition of load flexibility by unlocking the distribution value of load shift through a distribution-level flexibility marketplace that provides clear, transparent price signals for dispatch of load flexibility. With the ability to access and stack the distribution value of load flexibility on top of existing energy and generation capacity value streams, load flexibility providers like Ava will be able to sustain incentive programs that utilize customer load shift technologies to benefit the state's grid. Accessing and receiving compensation for flexibility services on the distribution grid is a key policy and market lever that will aid the state in meeting its 7 GW load shift goal by 2030.

Exports from BTM Energy Storage Should be Compensated

Another barrier that Ava and other load flexibility providers face in scaling and sustaining their load flexibility capabilities is the lack of framework to account for energy exports from BTM DERs, particularly energy storage. This barrier, discussed in the Draft 2025 IEPR, is being addressed in part in the CAISO's Demand and Distributed Energy Market Integration ("DDEMI") initiative. Under the DDEMI initiative, the CAISO proposed to remove the requirement that customer-level exports in DER aggregations participating in CAISO markets through the proxy demand resource ("PDR") participation model must be zeroed out. The CAISO proposed a methodology to account for the customer-level exports from a PDR aggregation, provided the overall resource does not export to the grid in aggregate.[10] The policy changes underway in the DDEMI initiative are a step in the right direction towards recognizing and compensating exports from BTM DERs, particularly energy storage, which will support the state in meeting the load shift goal.

Ava Supports CalCCA's Comments Regarding the Energy Demand Forecast, Interconnection of Generating Resources, and Load Shift Strategies

Ava looks forward to continued collaboration with the CEC in the development of the 2026 IEPR Update and beyond, both individually and through our trade organization, CalCCA. Ava supports CalCCA's comments on the Draft 2025 IEPR regarding CCAs' role in providing and validating data center information, data center load allocation for the purpose of setting RA requirements, review of forecast zones, and treatment of known loads in the California Electricity Demand Forecast. Ava also supports CalCCA's comments regarding deliverability of new generating resources interconnecting on the CAISO grid, and regarding review of load shift strategies, including implementation of dynamic rates, application of the Load Management Standards, and development of the Single Statewide Tool.

[9] See *Assigned Commissioner's Ruling on Track 1 and Track 2 Distributed Energy Resources Orchestration*, Rulemaking 21-06-017 (March 23, 2026).

[10] See *California ISO Demand and Distributed Energy Market Integration Track 1: Straw Proposal: End-User Exports in Demand Response Performance Measurement and Track 2: Demand Flexibility Enhancements* (March 13, 2026).

Thank you for your consideration of our comments. Please contact Claire Huang (chuang@avaenergy.org) if you have any questions.

/s/ Claire Huang
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