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Comment Received From: Michael Boccadoro
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Comments Regarding Final 25-IEPR-01

Additional submitted attachment is included below.



California Energy Commission
715 P Street
Sacramento, CA 95814
Via electronic docket submission

July 7, 2026

Subject: 25-IEPR-01 Final 2025 IEPR

California Energy Commissioners and Staff:

The Agricultural Energy Consumers Association (AECA) appreciates the opportunity to provide comments on the California Energy Commission's (CEC) Final Draft 2025 Integrated Energy Policy Report (2025 IEPR).

AECA is a nonprofit organization representing the energy interests of California agriculture. AECA was founded in 1991 by growers and other members of the agricultural community concerned primarily about rising energy costs. AECA represents the collective interests of the state's leading agricultural associations, including California Citrus Mutual, Western Growers Association, California Fresh Fruit Association, Milk Producers Council, California Dairies, Inc., California Poultry Federation, Almond Hullers and Processors Association, California Grain and Feed Association, Western Agricultural Processors Association, and California Cotton Ginners and Growers Association. AECA also works on behalf of the combined interests of several county farm bureaus and more than forty agricultural water districts. AECA's membership is broad based, reflecting family farmers from Redding in the north to San Diego in the south, who grow crops ranging from alfalfa to walnuts. Through its members and membership associations, AECA represents in excess of 40,000 California agricultural producers.¹ Many of our members are vertically integrated and, as a result, AECA also represents the interests of numerous food and fiber processing operations located throughout California.

¹ The agricultural associations' members are not direct customers of the utilities but collectively represent thousands of agricultural customers.

The 2025 IEPR is an important planning document relevant to matters of concern to AECA, including energy affordability. In order to ensure agricultural customers do not bear more than their fair share of energy costs, it is critical that agricultural load forecasts be as accurate as possible. Agricultural load in California has already begun a steady decline, which decline is expected to continue and is largely due to implementation of the state's Sustainable Groundwater Management Act (SGMA). Declining loads should generally mean reduced rates for the agricultural class.

Any forecast of agricultural load – by the CEC, the California Public Utilities Commission and Pacific Gas and Electric Company – should take implementation of SGMA into account to ensure a more reliable agricultural forecast. Not only will that provide the foundation for more accurate and equitable rates for the agricultural class, but it will also allow the state to plan for reallocation or retirement of distribution facilities no longer needed by agriculture, minimizing the risk of stranded assets and costs. Agricultural load decline should also be taken into account for purposes of additional transmission and generation growth.

We provide the attached detailed comments for consideration for inclusion in the 2025 IEPR.

Respectfully,

A handwritten signature in blue ink that reads "Michael Boccadoro".

Michael Boccadoro
Executive Director

Attachment

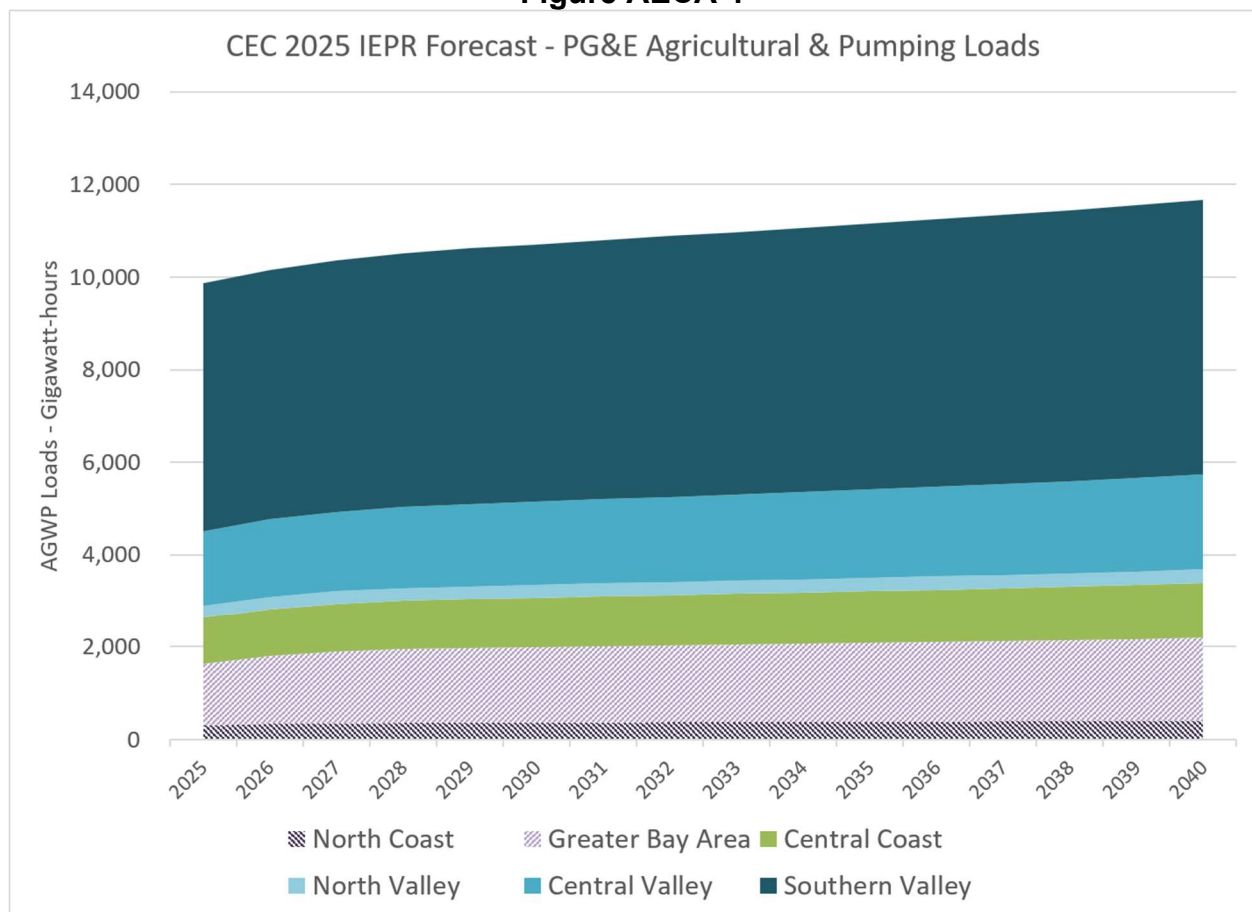
ATTACHMENT

Final 2025 IEPR: Comments of Agricultural Energy Consumers Association (AECA)

Summary of the 2025 IEPR Load Forecast for Agriculture in the PG&E Service Territory

Figure AECA-1 shows the forecast for agricultural and pumping loads through 2040 segmented by the six zones designated by CEC Staff. The forecast projects 18% growth at a rate of 1.1% per year. The Central and Southern Valley zones comprise approximately 71% of PG&E's loads in 2025, falling slightly to 68% by 2040. Those two zones cover the San Joaquin Valley where significant agricultural operations are located.

Figure AECA-1



Agricultural Loads Are Starting a Steady Decline Toward 2040 Due to State Water Law

California's agricultural industry faces significant challenges due to the state's high electric utility rates. Further, the Sustainable Groundwater Management Act (SGMA)² enacted in 2014, is projected to lead to the retirement and fallowing of up to one-fifth of the farmland in the San Joaquin Valley by 2040--as much as one million acres.

The State Legislature passed SGMA in response to depleted groundwater aquifers and subsidence that threatened surface water conveyance infrastructure, much of it in the Central Valley where agriculture dominates.³ SGMA requires that Groundwater Sustainability Agencies submit Groundwater Sustainability Plans (GSP) for groundwater subbasins designated as being at critical and high risk of overdraft. A GSP must show how the subbasin will achieve a sustainable water pumping yield by 2040.

At least two studies conducted in 2023 projected that the state's agricultural production in the San Joaquin Valley--most of it in Pacific Gas & Electric's service area--would have to shrink by 750,000⁴ to 900,000 acres.⁵ This represents 15% to 20% of the region's production, and all of this is supplied by pumped groundwater. The state of California has 8.5 million acres of irrigated land, most of which is in PG&E's service territory.⁶ The San Joaquin Valley, the region with the greatest water challenges, contains 54% of the state's irrigated agricultural acreage.

Figure AECA-2 is taken from the state's SGMA Portal and highlights the "critical priority" subbasins that will require drastic reductions in groundwater pumping and commensurate energy use to reach sustainable levels. Figure AECA-3 shows how PG&E's service territory overlays the subbasins which face the greatest pumping reductions.

² California Water Code, Part 2.74 of Division 6, Section 10720 et al.

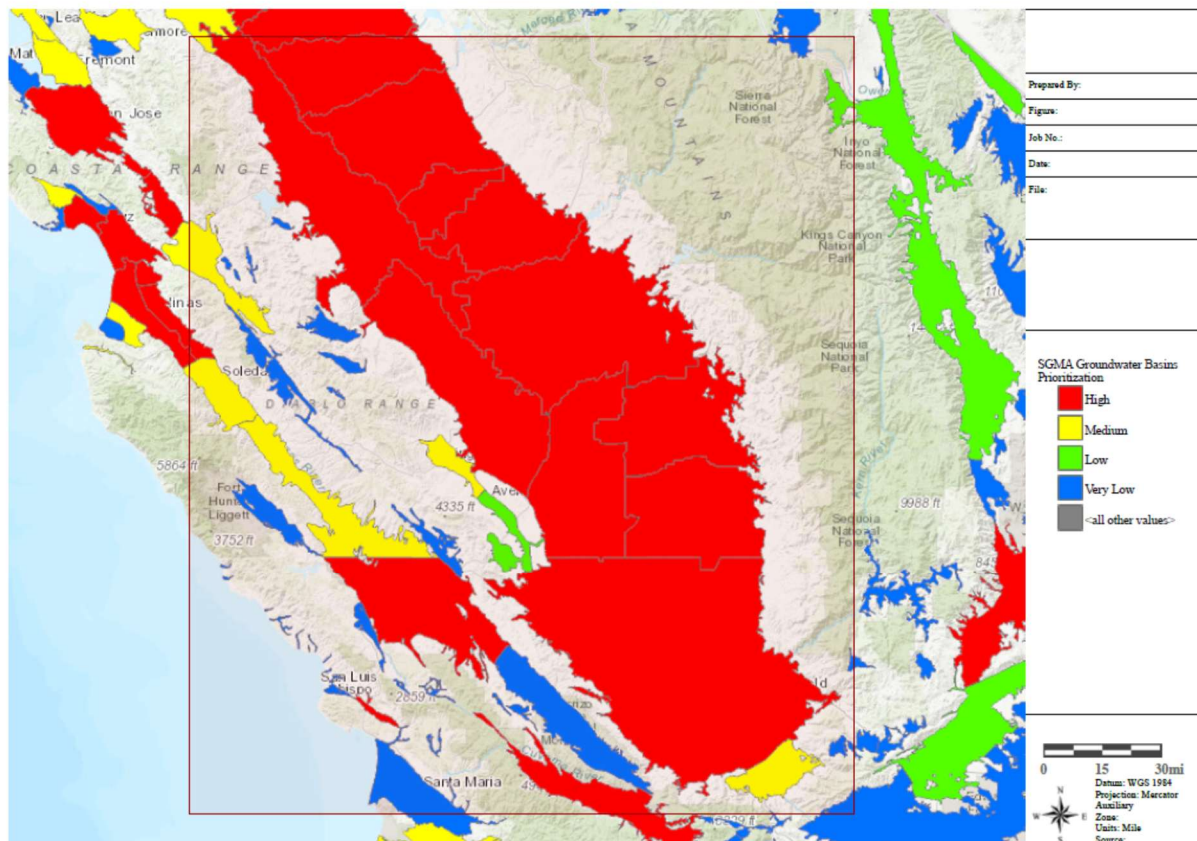
³ California Water Code, Part 2.74 of Division 6, Section 10720 et al.

⁴ Ellen Hanak, et al. Water and the Future of the San Joaquin Valley, Public Policy Institute of California, <https://www.ppic.org/wp-content/uploads/water-and-the-future-of-the-san-joaquin-valley-february-2019.pdf>, 2019.

⁵ David Sunding and David Roland-Holst, "Blueprint Economic Impact Analysis: Phase One Results," UC Berkeley, https://waterblueprintca.com/wp-content/uploads/2021/09/Blueprint.EIA_PhaseOne.2.28-v41.pdf, February 15, 2020.

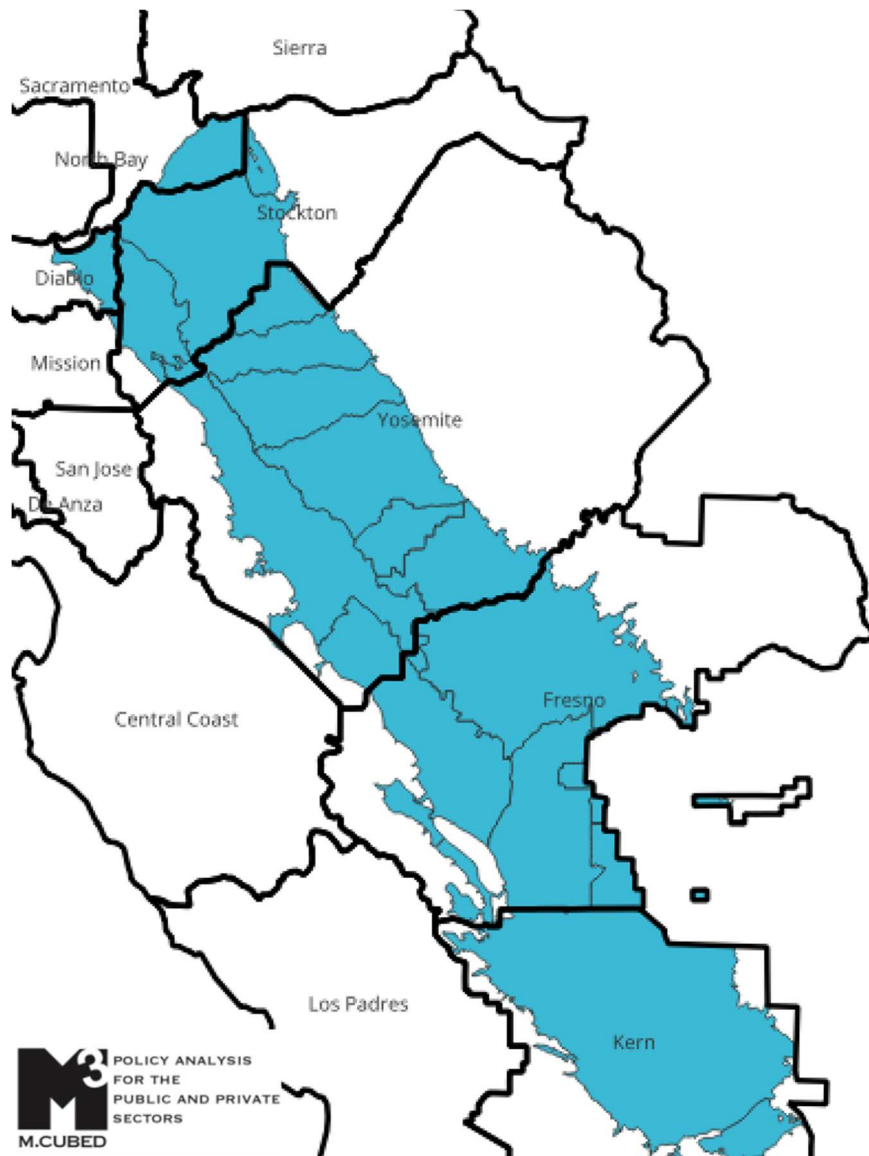
⁶ Spencer Cole, Ellen Hanak, and Caitlin Peterson, "Agricultural Land Use in California," <https://www.ppic.org/publication/agricultural-land-use-in-california/>, June 2024.

Figure AECA-2
Critical and High Priority SGMA Subbasins in the San Joaquin Valley⁷



⁷ SGMA Data Viewer, <https://sgma.water.ca.gov/webgis/?appid=SGMADataViewer#boundaries>.

Figure AECA-3
SGMA San Joaquin Valley Subbasins with PG&E Divisions



AECA compiled and reviewed the GSPs listed for the San Joaquin Valley Basin on the SGMA Portal. Figure AECA-4 shows the projected groundwater pumping reductions from 2025 to 2040. The average reduction across the basin in the PG&E service area is approximately 18.4%. Figure AECA-4 shows the projected reductions by subbasins for 2040. In some subbasins, the reductions approach half of current baseline pumping.

Figure AECA-4

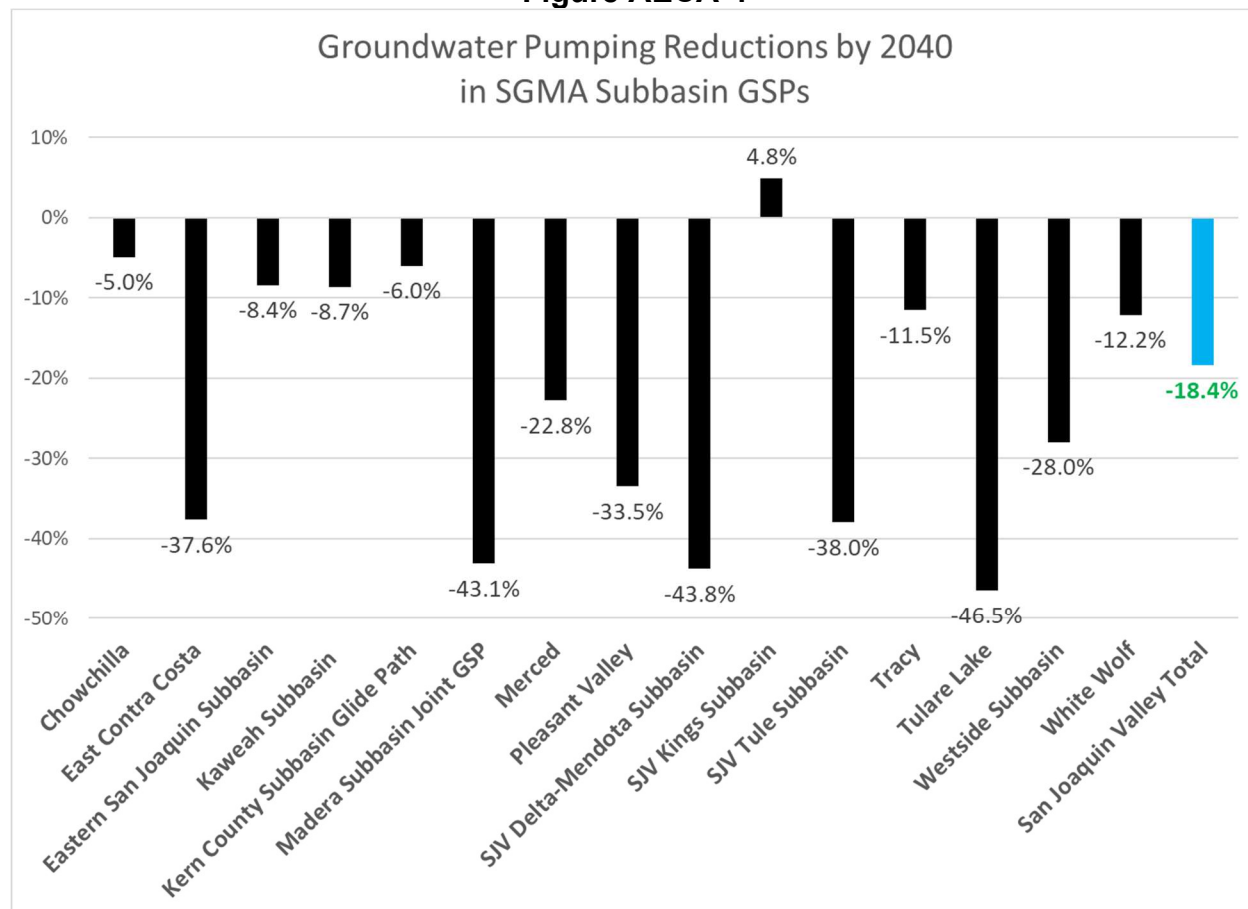
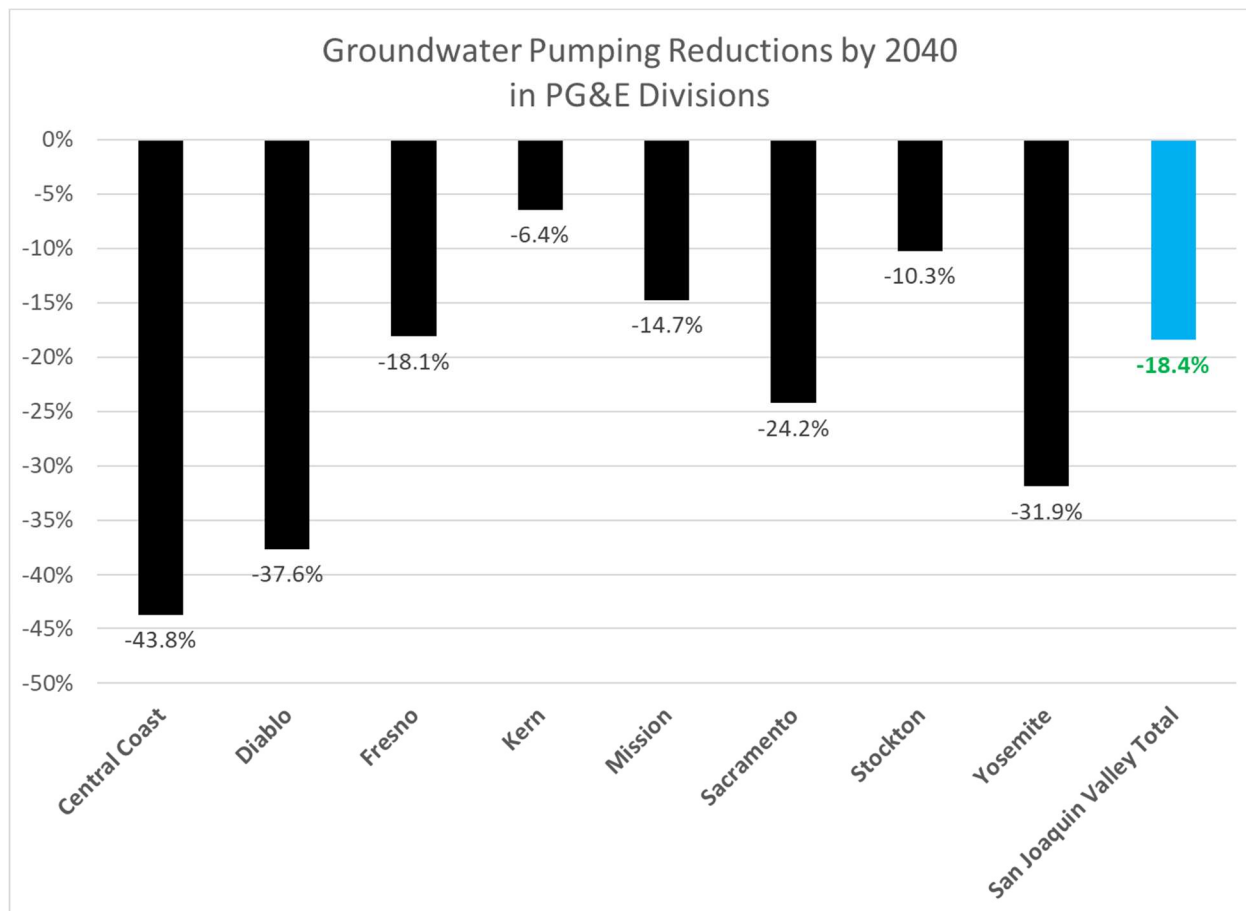


Figure AECA-5 shows these reductions from Figure AECA-4 translated to PG&E Divisions based on the proportion of acreage for each subbasin that is in a specified division.⁸ The Fresno, Kern, Stockton and Yosemite Divisions contain approximately 98% of that acreage. Figure AECA-5 shows that nearly a fifth of the pumping load in the San Joaquin Valley is scheduled to disappear.

Figure AECA-5

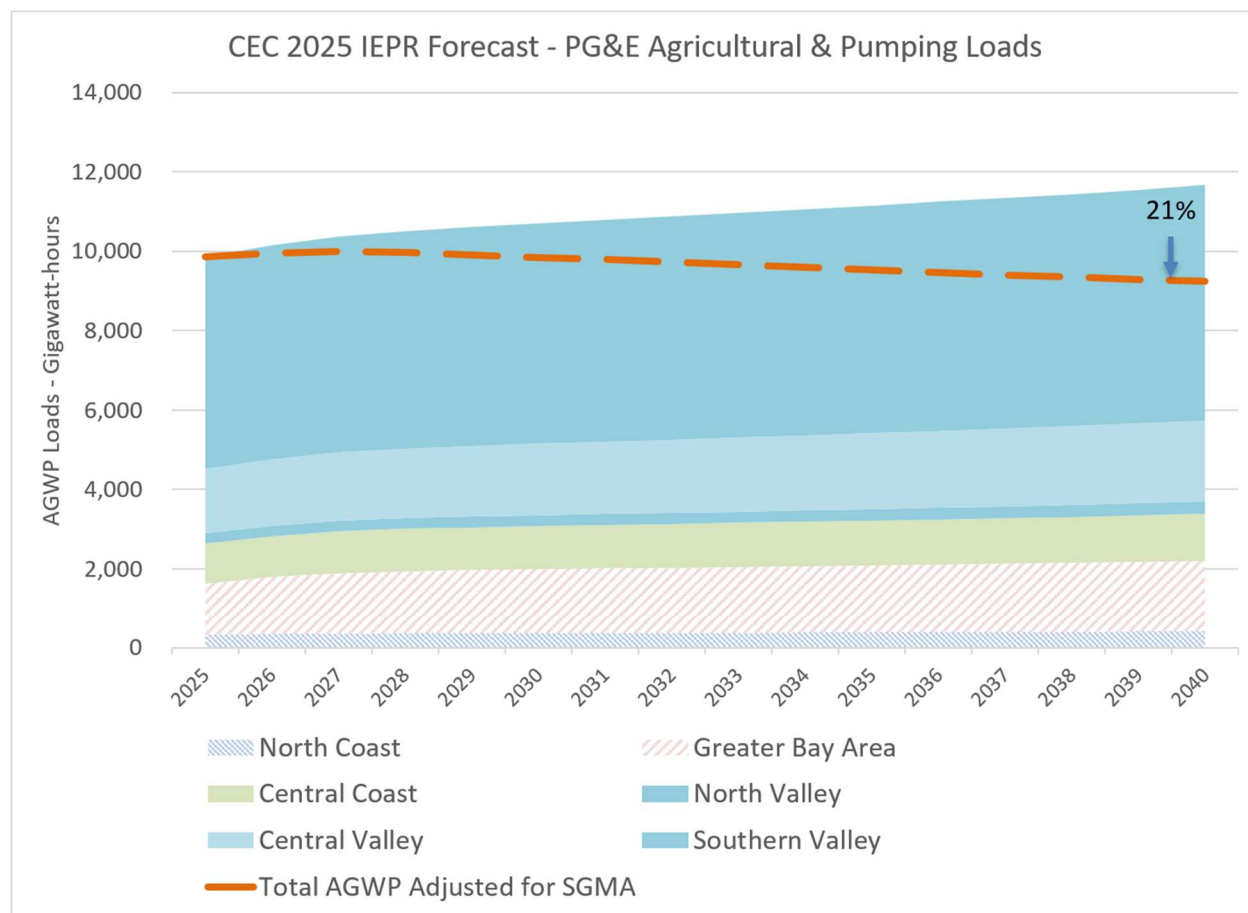


⁸ GIS analysis matching subbasins to PG&E divisions used GIS layers from the SGMA Data Viewer and PG&E Data Response AECA_003-Q012, PG&E 2023 GRC Phase II.

The Final 2025 IEPR Agricultural Load Forecast After Revision to Account for SGMA

Figure AECA-6 shows what a revised IEPR agricultural load forecast looks like when it is modified to account for the implementation of the SGMA state law. Offsetting load growth and including the mandated pumping reductions reduces the load forecast by approximately 21% in 2040. This difference is 2,420 gigawatt-hours.

Figure AECA-6



A More Accurate Agricultural Load Forecast Will Lead to Lower Rates

The state should take agricultural load decline into account in future forecasts for purposes of planning for additional transmission and generation growth. The state should not be planning to replace substantial portions of the distribution grid in the San Joaquin Valley that serves farm fields that will be permanently fallowed. In addition, energy use associated with related food production services such as packing, processing and cold storage facilities also will decline. The fall in electricity use by the agricultural class will free up local transmission and distribution capacity for use by other customer classes, creating a benefit for those affected divisions. Up to this point, the CEC and PG&E do not appear to have incorporated the projected effects of SGMA in their forecasts and grid planning for the region, substantially increasing the potential for stranded distribution assets to be recovered from future ratepayers.⁹

⁹ PG&E Data Response AECA_003-Q001, 2023 GRC Phase II.