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California Energy Commission
Docket Unit, MS-4
Docket No. 26-IEPR-03
715 P Street
Sacramento, California 95814

Submitted Electronically

Re: Docket No. 26-IEPR-03 - American Clean Power – California Comments on the August 20, 2026 IEPR Commissioner Workshop on Energy Demand Forecast Inputs and Assumptions.

American Clean Power – California (“ACP-California”) appreciates the opportunity to comment on the California Energy Commission’s (“CEC” or “Commission”) August 20, 2026 workshop to review data inputs and assumptions for the 2026 Integrated Energy Policy Report (“IEPR”) Update energy demand forecast.¹ ACP is the national trade association representing companies in the utility-scale wind, solar, geothermal, energy storage, and independent transmission industries, including many members with substantial existing and planned investments in California. ACP’s members rely on the CEC’s demand forecast — directly and as an input into the California Independent System Operator’s (“CAISO”) Transmission Planning Process (“TPP”), the California Public Utilities Commission’s (“CPUC”) Integrated Resource Planning (“IRP”) and Resource Adequacy (“RA”) programs, and utility procurement — to site, finance, and interconnect the generation, storage, and transmission resources California needs to maintain reliability and meet its clean energy goal.

ACP-California appreciates the CEC’s ongoing efforts to improve the rigor and transparency of its demand forecasting methodology, including its continued engagement with utilities, community choice aggregators, and other stakeholders on the treatment of large “known

¹ The American Clean Power Association (“ACP”) is the voice of companies from across the clean power sector that provide cost-effective solutions to the climate crisis while creating jobs, spurring massive investment in the American economy, and driving high-tech innovation across the United States. ACP’s mission is to transform the U.S. power grid to a low-cost, reliable, and renewable power system. ACP-California is a state project of ACP, representing companies who develop, own, and operate utility-scale solar, storage, land-based wind, offshore wind, and transmission assets to power a clean and renewable economy for California and the West.

loads,” and data center demand forecasting. As the CEC finalizes the inputs and assumptions for the 2026 IEPR Update, we urge the Commission not to repeat the approach taken in the 2025 cycle of excluding known loads from the adopted planning forecast, and to ensure that the forecast the Commission ultimately adopts is consistent with, and usable by, the other planning processes that depend on it.

DISCUSSION

I. The Commission Should Not Exclude Known Loads from the Adopted Forecast.

In the 2025 IEPR cycle, the CEC adopted a planning forecast without known loads. However, recognizing considerable uncertainty, the CEC, CPUC, and CAISO declined to use this forecast for long-term planning, instead moving forward with the 2024 IEPR until known loads could be more fully addressed. ACP-California understands the CEC has made progress on known loads in this IEPR process, and we acknowledge that the Commission has a responsibility to avoid double-counting between known loads and the baseline econometric forecast. We encourage the Commission to adjust the confidence weighting of known loads, rather than simply excluding them altogether as the CEC did in 2025. The existing framework already assigns confidence levels based on the stage of the new interconnection request. Relying on appropriate weighting will help ensure that credible, well documented load is not simply dropped from the load forecast altogether.

II. The CEC Should Continue to Separate Data Center Forecasting.

We also encourage the Commission to continue to refine and validate its approach to data center forecasting. This pipeline is growing and becoming better documented. Pacific Gas and Electric Company (“PG&E”) continues to forecast approximately 3 gigawatts (“GW”) of new data center capacity coming online by 2031 and with recent developments in the Rule 30 application proceeding, interconnection requests have increased by nearly 8 GW in 2026.

ACP-California supports the methodological refinements PG&E proposed at the workshop. We agree that tightening the “final engineering” milestone from a signed Payment for Electric Service to a signed Work Plan Agreement will reflect a customer’s financial commitment to a new load request. This is a sound basis for including data center known loads in the final demand forecast and is the type of confidence-weighting refinement that should be used to keep the known-loads forecast as accurate as possible.

We further support the CEC’s desire to track the potential for data centers to provide their own generation but would caution that behind-the-meter or other self-generation options may not satisfy a data-center’s entire energy need. Even when data centers plan for substantial behind-the-meter generation, they still typically require standby service to provide redundancy for their

own reliability needs. Thus, the CEC should not assume that behind-the-meter generation will materially reduce overall data center-driven load increases on the wider grid.

III. Consistency Between the IEPR Load Forecast and Other Planning Processes is Essential to Provide Long Term Investments in Reliability.

As CEC staff observed at the workshop, “the planning processes that use [the CEC’s] forecast are all related, and no single process exists in isolation. It is important that forecasts across these processes ... are translatable to one another and don’t unintentionally create gaps in planning.” ACP-California agrees, and would go further: consistency is only meaningful if the processes converge around a forecast vintage that reflects the load the system actually needs to serve in the longer term.

CAISO’s January 2026 Large Load Considerations Issue Paper illustrates the practical consequences of a mismatch between the CEC forecast and downstream planning.² CAISO explains that it incorporates the CEC’s long-term demand forecast and load modifiers (including data centers) directly into its annual TPP, which in turn drives new transmission investment and coordinates with the CPUC’s resource planning. CAISO has stated that “The combined effect of changing customer load patterns and evolving load modifiers are particularly important and have driven the need for far more attention not only on peak loads and total energy consumption but also on the characteristics of the aggregate customer load shape on an hourly, daily, and seasonal basis.”³ CAISO identifies “timing mismatches” as a major risk: large load projects that emerge or are confirmed after the forecast used to develop a given TPP cycle must instead be addressed through ad hoc, project-specific transmission owner proposals. This is inherently a slower, less coordinated, and less cost-effective path than incorporating that load into the base planning forecast in the first place. This is why the CEC should not exclude known loads entirely in this IEPR cycle, as this risks underestimating large loads that may emerge during the TPP planning horizon.

Transmission, generation and storage all take many years to plan, permit and build, while a load forecast can be revised in a matter of months. The asymmetry in these risks should be considered by the CEC in selecting the load forecast used for planning. Understating demand in the forecast that anchors the TPP, IRP, and RA programs risks a shortfall that cannot be corrected before the reliability risks are felt on the system. Modestly overstating the risks, at most, will lead to some incremental resources or transmission capacity being procured ahead of

² CAISO Large Loads Considerations Issue Paper (January 30, 2026), available for download here: <https://stakeholdercenter.caiso.com/InitiativeDocuments/issue-paper-large-load-consideration-jan-30-2026.pdf>.

³ CAISO Board Approved 2025-2026 Transmission Plan (May 19, 2026), p. 16, available for download here: <https://stakeholdercenter.caiso.com/InitiativeDocuments/Board-Approved-2025-2026-Transmission-Plan.pdf>.

need (or just in time if typical delays continue to materialize). Transmission is a scarce resource and ACP-California is not aware of any case where available transmission capacity has ultimately been left stranded. However, the magnitude of the risk of under-planning for reliability cannot be understated. ACP-California urges the CEC to weigh this asymmetry explicitly when the Commission decides how to treat known loads in the 2026 IEPR Update.

IV. The CEC Should Avoid Creating the Type of Planning Shortfalls that Contributed to Reliability Events in the Early 2020s.

California's experience over the past several years illustrates the real-world cost of underestimating demand and under-procuring resources in advance. The final root cause analysis issued jointly by the CPUC, CEC, and CAISO on the August 14-15, 2020 rotating outages identified RA and planning process failures — including a resource adequacy framework that did not adequately account for demand and available supply. Two years later, in September 2022, California again set an all-time peak demand record during an extreme, multi-day heat wave, and came within a narrow margin of ordering rotating outages statewide. These events are evidence that the system did not have sufficient reserves. These events are a warning that the margin between adequate and inadequate planning can be thin, and that the consequences of guessing wrong are borne immediately by Californians in the form of emergency conservation calls or actual outages, higher energy and capacity costs, and emergency procurement actions to avoid subsequent events. Conversely, the cost of incorporating a modest procurement buffer is simply the cost of bringing resources online slightly earlier than needed for reliability and environmental targets.

Both events are, in part, attributable to planning and procurement decisions made years earlier that did not fully account for the load growth and reliability risk the state would ultimately face. The Commission should consider the lessons learned from these events in the current debate over known loads and data center demand. Discounting or excluding known, utility-documented load requests from the adopted forecast on the theory that some of them may not materialize risks repeating the same asymmetric bet that contributed to the 2020 and 2022 events.

Conclusion

ACP-California appreciates the CEC's continued transparency in the IEPR process and the opportunity to comment on the August 20, 2026 Workshop. Accurate demand forecasting is essential not only to reliability, but to the timely development of the clean generation, storage, and transmission infrastructure that ACP-California's members are prepared to build to serve California's growing electricity demand. ACP-California recommends the Commission ensure that the 2026 IEPR Update forecast reflects the full scope of known load growth and data centers, and that it remains consistent with and usable by the CAISO TPP, CPUC IRP and RA proceedings, and utility procurement processes that depend on it. ACP-California looks forward

to continued engagement with the Commission on these issues throughout the 2026 IEPR Update proceeding.

Respectfully submitted,

/s/

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