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**San JosÃ© Clean Energy Comments on 2026 IEPR Workshops on
Energy Demand Forecast Inputs and Load Modifier Assumptions**

Additional submitted attachment is included below.

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

September 15, 2026

Subject: 26-IEPR-03, IEPR Commissioner Workshop on Energy Demand Forecast Inputs and Assumptions

California Energy Commissioners and Staff:

The City of San José, administrator of San José Clean Energy (SJCE), appreciates the opportunity to comment on the 2026 Integrated Energy Policy Report (IEPR) Commissioner Workshop on Energy Demand Forecast Inputs and Assumptions. As the City of San José anticipates significant load growth from large load customers, particularly data centers, SJCE values its participation in the IEPR process and collaboration with staff. Further, SJCE appreciates the California Energy Commission's (CEC) expressed interest in deepening collaboration with Community Choice Aggregators (CCAs)¹ and its continual efforts to refine and improve its data center forecast.

SJCE offers the following recommendations to improve the accuracy of data center load forecasts. SJCE supports the improvements suggested by staff at the workshop to track data center projects beyond signed service agreements; specifically, incorporating development milestones and building datasets that monitor project progress over time. SJCE also strongly believes that local data should be incorporated into the forecast whenever available, as it provides valuable insight for tracking project progress and allows for increased stratification, as indicated below.

Increased Large Load Project Tracking May Improve Forecast Accuracy

SJCE supports the areas of interest identified by CEC staff for the 2026 IEPR cycle, including improved tracking of projects beyond execution of a signed service agreement and the development of a longitudinal dataset to monitor project milestone progress over time.

¹ 2026 IEPR Commissioner Workshop on Energy Demand Forecast Inputs and Assumptions. Jeremy Smith, Data Center Demand Forecast, slide 8. <https://www.energy.ca.gov/event/workshop/2026-08/iepr-commissioner-workshop-energy-demand-forecast-inputs-and-assumptions>

Data centers are not ordinary load additions. Their scale, fluid development timelines, and power demands mean a single facility can affect system and local reliability to a degree comparable to a generating resource. Just as bringing generation online requires detailed Commercial Operating Date tracking, large loads may warrant a similar level of tracking. PG&E's own reporting shows how volatile data center project development can be: its data center interconnection queue nearly tripled in a matter of months in 2025, rising from roughly 4.4 GW to about 12.8 GW, then fell to approximately 5 GW by March 2026, before climbing back above 12 GW by June 2026.² These pipelines continue to fluctuate with each cluster study cycle as projects enter, advance, or withdraw. As CEC staff have noted, a signed service agreement with an investor-owned utility does not, on its own, capture this volatility or provide enough information to assess whether or when a project is likely to come online.

The California Independent System Operator's (CAISO) Large Loads Considerations Straw Proposal confirms that the IEPR is the intended venue for this kind of project-level scrutiny serving as "one mechanism to guard against speculative or duplicative large load interconnection requests forming the basis of infrastructure planning in the CAISO."³ CAISO's proposal goes further, seeking granular, project-level telemetry and day-ahead forecasts for individual large loads to maintain the operational visibility and control needed to manage reliability risks from rapid changes in large load demand. While the CEC's forecast serves a different purpose, the underlying premise is the same, reliable planning depends on granular, project-level data rather than aggregated or static estimates. SJCE recommends that the CEC adopt a set of additional milestones and an added grouping to make its own forecast more detailed. (See table 1, below)

² Jenny Conde, "PG&E Data Center Forecasting," August 20, 2026.
<https://www.energy.ca.gov/event/workshop/2026-08/iepr-commissioner-workshop-energy-demand-forecast-inputs-and-assumptions>

³ CAISO, Large Loads Considerations Straw Proposal, at 17 (Aug. 12, 2026).
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Large-loads>

The CEC Should Incorporate Local Data into Its State Forecast, Whenever Available

With recent hardware improvements,⁴ increased public scrutiny, and community opposition to data center development⁵, incorporating advanced project tracking data from cities is more important than ever. These local milestones help distinguish which projects have a credible path forward from those that remain in limbo. Ensuring that local development is properly reflected in statewide planning is critically important not only for the City of San José, but to protect ratepayers statewide from spillover costs due to inaccurate forecasting.

Data sharing between the CEC and local jurisdictions is critical to this effort. Reconciling permitting and customer data held by cities with the CEC's own project-level information would produce more accurate and reliable data on which large loads are likely to materialize. Moreover, public data sources can help identify potential discrepancies and corroborate the magnitude and timing of anticipated load. A more systematic feedback loop that includes development information from local agencies would allow the CEC to validate its assumptions, identify changes earlier, and better assess the likelihood and timing of individual projects. For example, a CEC data request for data center project data could be directed to LSEs/CCAs with projects identified in their service territories.

SJCE recognizes that not every California jurisdiction currently makes the required information available, and that any statewide methodology needs to remain administrable across jurisdictions with differing levels of local reporting. However, SJCE believes that is not a reason to ignore local data where it exists, particularly for jurisdictions that are disproportionately affected by data center development like the City of San José.

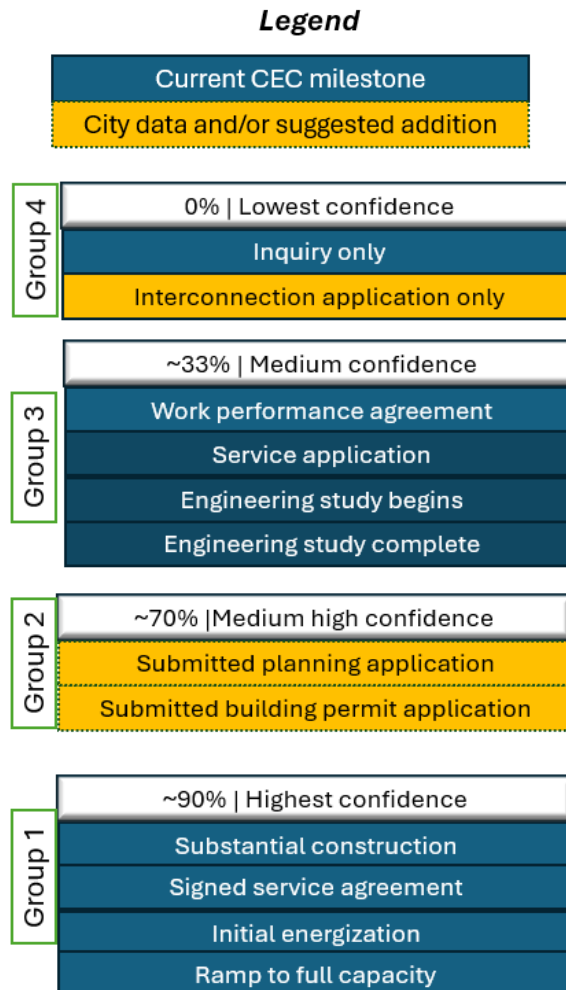
⁴ See Armul, Scott, "Silicon diversification: How a growing choice of chips is reshaping data center infrastructure," Data Center Dynamics, May 2, 2026, discussing how energy-efficient chips are gaining traction. <https://www.datacenterdynamics.com/en/opinions/silicon-diversification-how-a-growing-choice-of-chips-is-reshaping-data-center-infrastructure/>

⁵ See, La, Lynn, "The City That Said No to Data Centers," CalMatters (June 17, 2026) , <https://calmatters.org/newsletter/data-center-monterey-park-ban/> ; Salata, Philip "Amid Outcry, This California City May Block Data Centers on Its Turf," inewsource (May 13, 2026), <https://inewsource.org/2026/05/13/data-center-moratorium-imperial-county-salton-sea-calipatria/> ; Burns, Nina, "Patterson Extends Data Center Moratorium Through July 2027," CBS Sacramento (Aug. 18, 2026), <https://www.cbsnews.com/sacramento/news/patterson-extends-data-center-moratorium>

The CEC Should Add a Fourth Project Group and Additional Milestones to Distinguish Committed Projects from Probable Ones

SJCE supports CEC staff's consideration in updating project groupings in the data center forecast and recommends incorporating two additional milestones and adding one new project group. The purpose of a fourth group is to further stratify the entire process, allowing for more granularity and improved transparency into the development process. Including new milestones adds critical local information and more clearly represents the progression of large load development. SJCE suggests the following project groupings and milestone additions:

*Table 1: SJCE's suggested Milestones and Groups
Mid-case/Planning Scenario*



Group 4: Project inquiries would be moved to a new Group 4 and retain the zero percent confidence level for the Mid/ Planning Scenario and 10% for the High/ Local Reliability Scenario. SJCE also suggests making it explicit that an interconnection application alone, absent any other milestone, is insufficient for inclusion in the Mid/Planning Scenario.

Group 3: This group would now represent medium confidence, with projects that have submitted an IOU service application, or are undergoing or have completed the engineering study. Confidence levels would be 33% for the Mid/Planning Scenario and 50% for the High/ Local Reliability Scenario.

Group 2: This project group uses local development milestones to demonstrate that a project is both (a) actively working with the city in which it will operate, and (b) sufficiently advanced in the development process to provide a reasonable indication that the load will materialize. Specifically, projects are included in this group if they have either submitted a completed planning or building application. For a typical business, submitting a planning application may occur relatively early in the development process. In San José's experience, however, this is generally not the case for large load customers. By the time a large load project submits a Special Use Permit application, the planning permit required for certain projects in San José, the customer has often already secured site control and spent considerable time working with PG&E.

Importantly, the likelihood that a project will move forward also depends on where it is located. For projects located in commercial or industrial zones, submission of a planning application is generally a strong indicator that the project will proceed. For projects located in other zones, San José applies a lower level of confidence because additional land use considerations may affect whether or when the project ultimately moves forward. SJCE recognizes that CEC staff cannot reasonably evaluate every project in the state against the zoning and development requirements of its respective jurisdiction. SJCE therefore recommends that projects meeting these criteria be placed in Group 2, with the applicable confidence level reflecting these differences.

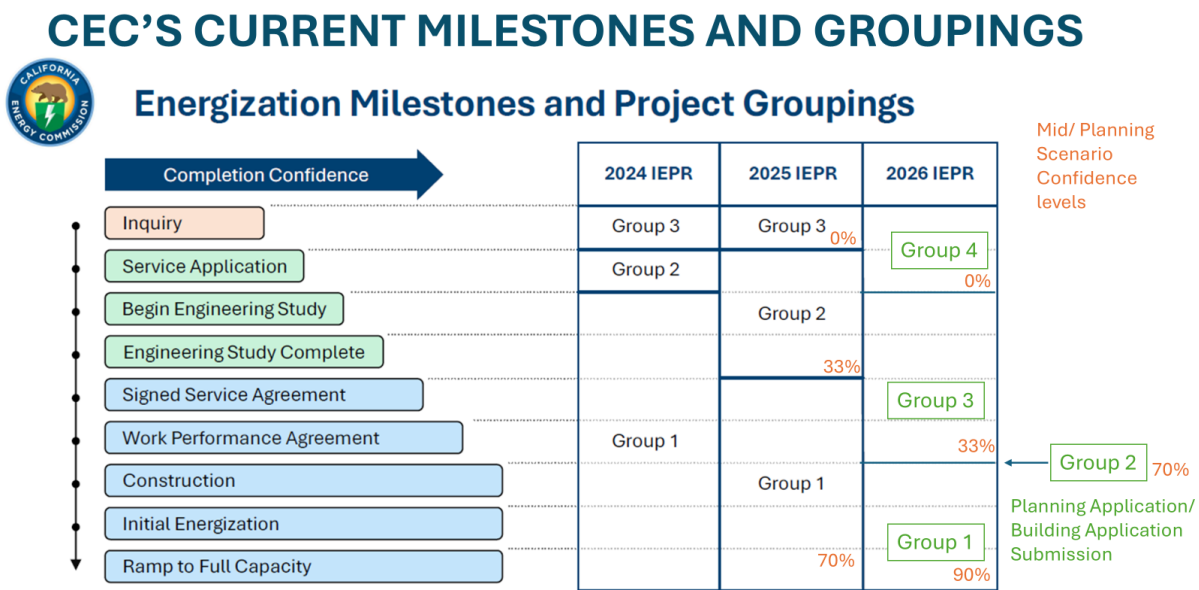
Likewise, the issuance of a building permit represents a later and stronger local development milestone. By this point, city staff have generally verified the project's zoning and compliance with applicable building codes and completed required safety reviews, among other municipal requirements. A building permit does not, however, mean that the project is ready to operate; a Certificate of Occupancy or business license typically has not

yet been issued. SJCE proposes confidence levels of 70% for the Mid/Planning Scenario and 90% for the High/Local Reliability Scenario for projects in Group 2.

Group 1: This group represents projects that have moved from contractual commitment to actual physical development or energization. A 90% confidence level for the Mid/Planning Scenario for projects near-energization and near-operation would protect ratepayers from over-procurement risks caused by final commissioning delays and supply chain volatility. This highest confidence category captures large load that should be included in RA forecasting.

SJCE offers the following graphic, modified from the CEC staff’s presentation⁶, to illustrate its proposed changes to the project groupings, with suggested groupings and milestones in green.

Table 2: SJCE’s Proposed Modifications to CEC’s Milestones and Groupings



⁶ Jeremy Smith, “Data Center Demand Forecast” slide 7.

Conclusion

SJCE appreciates the opportunity to comment on the 2026 IEPR Commissioner Workshop on Energy Demand Forecast Inputs and Assumptions and respectfully requests that the CEC incorporate additional development milestones, add a fourth project group, and use local jurisdiction data whenever it is available, so that the IEPR forecast better distinguishes projects likely to materialize from those that remain speculative. These changes would improve reliability and procurement planning built on the forecast and help ensure that the procurement costs of large load growth are allocated fairly, rather than passed on to ratepayers. SJCE looks forward to continued collaboration with Commissioners and staff on these issues.

Respectfully Submitted,

/s/ Heather Dauler

Heather Dauler

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& Policy

San José Clean Energy
City of San José