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Pacific Gas and Electric_Supplemental Comments on Demand Forecast

Additional submitted attachment is included below.

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California Energy Commission
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Re: Docket 17-IEPR-03: Pacific Gas and Electric Company Supplemental Comments on the California Energy Demand 2018-2030 Revised Forecast

Pacific Gas and Electric Company (PG&E) provides these supplemental comments to its February 2, 2018 comments on the California Energy Commission's (CEC) California Energy Demand (CED) 2018-2030 Revised Forecast (Revised Forecast). These supplemental comments provide additional information to the record on current Community Choice Aggregation trends. Because only a week was provided to parties to review this portion of the Revised Forecast and provide written comment, PG&E asks the CEC's indulgence to update the record to include the additional information provided below.

PG&E referenced updated CCA trends in its February 2, 2018 comments,[1] and now provides an updated Table 1 from those comments to include the updated information, shown below as Table 1A. More specifically, the updated Table 1A includes an updated 2018 CCA forecast that was submitted in November 2017 to the California Public Utilities Commission (CPUC) as part of the 2018 Energy Resource Recovery Account (ERRA) Proceeding. It is in the ERRA that rates for PG&E's bundled customers and the Power Charge Indifference Amount (PCIA), paid by Community Choice Aggregation customers, is set. PG&E provided this information to CEC staff in November 2017 and provides it to the IEPR record today through these supplemental comments.

As can be seen from Table 1A below, the difference between the CEC's CCA forecast and the November 2017 CCA forecast used by the CPUC to set rates is even more significant than the previous gap that was identified – now more than 10,000 GWh in 2018. Given the robust process to develop the November 2017 CCA forecast submitted to the CPUC, which includes a meet-and-confer process, as well as actual forecasts provided by CCAs serving customers, the CEC should reflect a 2018 CCA level for PG&E equal to what is shown in Table 1A.

[1] See PG&E's February 2, 2018 Comments at Page 3, which reference the November Update that is part of A.17-06-005, November Update, p. 2-5, Table 2-3.

Table 1A
A Comparison of 2018 Community Choice Aggregation Forecasts
CEC's Forecasts v. PG&E's IEPR Submittal v. PG&E ERRA Submittal from November 2017

CCA	CEC 2018 (GWh)	PG&E 2018, June (GWh)	PG&E 2018, November (GWh)
Existing CCAs	**9,286**	**14,190**	**16,247**
Marin Clean Energy	3,912	2,743	4,771
Sonoma Clean Power	2,097	2,574	2,580
Clean Power San Francisco Clean	175	545	984
Peninsula Clean Energy Authority	145	3,675	3,675
Silicon Valley Clean Energy	2,587	3,566	3,566
Redwood Coast Energy Authority	370	671	671
County of Contra Costa**		416	
CCAs Starting Service in 2018	**3,483**	**3,417**	**5,909**
County of Placer / Pioneer Community Energy	1,006	265	1,136
County of Alameda (East Bay Community Energy)		1,301	1,346
County of Yolo (Valley Clean Energy)		171	173
Monterrey Bay Community Power Authority	2,477	1,187	2,400
City of San Jose		493	854
Prospective CCAs	**0**	**645**	**904**
Counties of Santa Barbara and San Luis Obispo		557	557
County of Lake		88	88
County of Butte			259
TOTAL	**12,769**	**18,251**	**23,060**

*****Contra Costa was considered as a separate entity and later decided to join MCE***

In addition to the 2018 CCA forecast level, PG&E continues to be concerned about the CCA growth trajectory that is forecast by the CEC. While PG&E and the CEC are largely in agreement about the growth of system load, when system load is allocated between "bundled" load and "CCA" load, the CEC's forecasting methodology fails to capture the business model shift that CCA represents – it captures only "business-as-usual" or population growth and doesn't reflect the accelerated shift of customers from bundled load to CCA service. By assuming the same growth rate for bundled load and CCA load, the CEC is conflating "organic" load growth within an established CCA service territory, which may indeed be at a low rate of growth, with the expansion of the CCA business model. The CCA business model is expected to continue to expand at an accelerated pace. Ignoring the accelerated shift of bundled customers to CCA service improperly shifts cost-obligations to bundled customers and could also negatively impact bundled customer rates if customer indifference to CCA migration is not ensured. (This issue is currently addressed in the PCIA Rulemaking at the CPUC.) Given there continues to be near-term potential expansion of CCA, this business model shift must be captured in the forecast trajectories to avoid creating unnecessary procurement obligations and costs for bundled customers.

PG&E appreciates the opportunity to provide these additional comments on the California Energy Demand 2018-2030 Revised Forecast and appreciates the continued discussions with the CEC's staff on this topic.

Sincerely,

/s/

Valerie J. Winn