<table>
<thead>
<tr>
<th><strong>Docket Number:</strong></th>
<th>19-IEPR-03</th>
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<tbody>
<tr>
<td><strong>Project Title:</strong></td>
<td>Electricity and Natural Gas Demand Forecast</td>
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<td>227695</td>
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<td>Silicon Valley Clean Energy Form 4</td>
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<td><strong>Filer:</strong></td>
<td>Dona Stein</td>
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<tr>
<td><strong>Organization:</strong></td>
<td>Pacific Energy Advisors, Inc.</td>
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<tr>
<td><strong>Submitter Role:</strong></td>
<td>Applicant Consultant</td>
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<td>4/15/2019</td>
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Silicon Valley Clean Energy ("SVCE") utilizes its load forecasting model/methodology for three primary purposes: (1) for portfolio management and procurement; (2) for the development of financial projections; and (3) for Resource Adequacy compliance with the California Public Utilities Commission ("CPUC") and the California Independent System Operator ("CAISO"). The adopted load forecasting methodology focuses primarily on the projected customer counts within the SVCE service territory and incorporates historical per capita usage data to derive the load forecast. At present, the SVCE service territory includes Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale, Unincorporated Santa Clara County.

The load forecast is developed for each of the thirteen major customer classes served by SVCE. These classifications correspond with the customer categories for which statistical hourly class load profiles are published by Pacific Gas & Electric ("PG&E"). These include the following customer classes:

<table>
<thead>
<tr>
<th>Load Profile Group</th>
<th>Classification</th>
</tr>
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<tbody>
<tr>
<td>E-1</td>
<td>Residential</td>
</tr>
<tr>
<td>A-1</td>
<td>Small Commercial</td>
</tr>
<tr>
<td>A-6</td>
<td>Small Commercial</td>
</tr>
<tr>
<td>A-10</td>
<td>Medium Commercial</td>
</tr>
<tr>
<td>E-19-S</td>
<td>Large Commercial – Secondary Voltage</td>
</tr>
<tr>
<td>E-19-P</td>
<td>Large Commercial – Primary Voltage</td>
</tr>
<tr>
<td>E-19-T</td>
<td>Large Commercial – Transmission Voltage</td>
</tr>
<tr>
<td>E-20-S</td>
<td>Industrial – Secondary Voltage</td>
</tr>
<tr>
<td>E-20-P</td>
<td>Industrial – Primary Voltage</td>
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<tr>
<td>E-20-T</td>
<td>Industrial – Transmission Voltage</td>
</tr>
<tr>
<td>Ag</td>
<td>Agricultural and Pumping</td>
</tr>
<tr>
<td>TC</td>
<td>Traffic Control</td>
</tr>
<tr>
<td>SL</td>
<td>Street Lighting</td>
</tr>
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</table>

SVCE’s load forecasting methodology utilizes historic trends in customer accounts and monthly electricity usage by customer class, and hourly class load profiles are used to project peak demands. SVCE aggregates individual customer monthly usage by customer class and then applies hourly class load profiles to the monthly class values. SVCE utilizes class hourly load profiles to translate the monthly usage data into hourly in order to develop peak demand forecasts for Resource Adequacy and Congestion Revenue Rights obligations. Furthermore, SVCE utilizes a multi-year rolling average for the hourly load profiles in order to normalize for weather or other short-term events and anomalies that impact the hourly load profiles.

SVCE has adopted a peak demand forecasting methodology that utilizes the average of the five hourly peaks per each month. In order to normalize for weather, SVCE averages the estimated monthly peak demand over three years of historical data.

SVCE utilizes historical consumption data to calibrate and adjust its load forecast. The calibration process is run monthly and compares the most recent monthly KWh and peak KW usage data to the
forecast values. The forecast is tracked relative to both the initial usage estimates (T+3) reported to the CAISO as well as the final reported usage (T+55). To the extent that the monthly forecast error exceeds a 5% threshold, SVCE evaluates the potential causes of the variance and, if such error is deemed likely to persist, adjusts the forecast going forward.

For load projections beyond the current year, SVCE assumes a long-term annual growth rate of 0.5%, which reflects the estimated net increase in customer consumption due to economic and demographic factors, less estimated impacts from energy efficiency and behind the meter generation. SVCE does not have a long-term history for its current customer base with which to compare the reasonableness of the projected long-term growth rate. However, SVCE believes that it is generally consistent with the net growth rate in the PG&E service area as a whole.