

DOCKETED

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Webinar: Forms and Instructions For Natural Gas Demand and Rate Forecast Data

Jason Orta, Energy Assessments Division
January 7, 2021



Webinar Agenda

- **Introductions**
- **Regulations and Authority**
- **CEC Natural Gas Forecasting**
- **Key Dates**
- **Proposed Forms**
- **Information Requested**
- **Confidentiality**
- **Questions and Comments**



Regulations and Authority: Title 20 California Code of Regulations

Section 1345

- Each gas utility shall submit 10-year demand forecast according to forms and instructions adopted by the Commission.
 - ✓ Annual and monthly forecast demand
 - ✓ Demographic and economic assumptions
 - ✓ Conservation (energy efficiency) impacts
 - ✓ Additional information and analysis
- **Section 1348**
 - Each gas utility company and interstate pipeline company shall submit a forecast of retail gas prices.



Required to File





CEC Gas Forecasting & Assessments

- **North American natural gas hub prices, supply, and demand**
- **California demand**
 - Residential, commercial, industrial, agricultural, and electric generation
- **Natural gas rates**
- **Natural gas forecasts are used as inputs to forecast electricity demand**



Interest in Utility Gas Forecasts

- **Assess changing gas demand patterns as energy system is decarbonized**
 - When, where, and how much gas will be needed as energy system evolves?
- **Improve quality of CEC natural gas forecasting**
 - Comparison of forecasts and assumptions.
 - Utilities have provided valuable insight on CEC staff NAMGas forecasts.



Not Reinventing The Wheel

- **Forms and instructions modeled after CEC Electricity Forecast.**
 - Based on years of forms and instructions adopted by the CEC.
- **Parallels *California Gas Report (CGR)*.**
 - Demand by Sectors
 - Average years and peak years
 - CEC Forms and Instructions go out to 2032 while *CGR* goes out to 2035.



Key Dates

- **January 14, 2021-** Written comments due.
- **January-February 2021-** Review comments and make possible revisions to forms.
- **March 2021-** CEC Business Meeting approval.
- **June 21, 2021–** Forms & Instructions Submittal



Organization of Proposed Forms

- **Forms 1.1 to 1.12- Natural Gas Demand**
- **Forms 2.1 to 2.4- Rates**
- **Additional Supporting Documentation**



Demand By Customer Class And By Month – Forms 1.1, 1.2 and 1.5

- **Form 1.1 - Average Year**
- **Form 1.2 - 1-In-10 Cold Year.**
- **Form 1.5 - 1-In-10 Hot Year.**
- **Monthly from 2018 Through 2032.**
- **Uses *CGR* Categories.**



Peak Day Demand By Customer Class And Hour

- **Form 1.3 - Winter Peak Day**
- **Form 1.4 - Summer Peak Day**
- **2018 Through 2032**
- **Hourly from 2018 Through 2032**
- **Uses *CGR* Categories**



Fuel Prices, Gas Transportation Rate, Commodity Price – Form 1.6

- **Prices-** Natural gas commodity, electricity, renewable gas, synthetic gas, hydrogen fuel
- **Transportation Rates-** Average by customer class
- **Portion of Overall Commodity Prices-** % Natural Gas, % Renewable Gas, % Synthetic Gas, % Hydrogen Fuel
- **Annually from 2018 through 2032**



Heating Degree Days, Cooling Degree Days, Temperature Zones – Form 1.7

- **Estimated HDDs and CDDs by month and year through 2032**
- **HDDs/CDDs for the following scenarios** - Average temperature, winter peak days, 1-in-10 cold and dry hydro, hot temperature year, summer peak day
- **Temperature Zones** - Identify weather stations within each zone, weight accorded to each zone forecasts



Planning Area Economic And Demographic Assumptions – Form 1.8

- **Annual Gross State Product (GSP)**
- **Annual GSP for utility service area**
- **Gross Domestic Product Deflator Series**
- **Population**
- **Number of Households**
- **Personal Income**
- **Taxable Sales**
- **Floorspace**



Form 1.8 (*Continued*)

- **Employment by Economic Sector**
 - Agriculture; Mining; Construction, Manufacturing; Transportation, Information, Utilities; Trade; Health and Social Services; Miscellaneous Services; Government and Education



End Use Equipment Data and Saturation By Customer Class – Form 1.9

- **Business Code**
 - Example: Restaurant
- **Equipment Name**
 - Example: Fryer
- **Saturation**
- **Source**



Cumulative Incremental EE And DR By Sector – Form 1.10

- **Energy Efficiency-Cumulative Incremental Impacts Through 2032**
 - Sector
 - Program
- **Demand Response- Cumulative Incremental Impacts Through 2032**
 - Sector
 - Program
 - Dispatchable/Nondispatchable
 - Demand Response/Interruptible



Demand Reductions for Climate Change, Electrification, RNG, H2 – Form 1.11

- **Climate Change Demand Reduction or Increase**
- **Electrification Demand Reduction or Increase by Local Jurisdiction Ordinance or Building Codes**
 - Identify local ordinance or code
 - Included in forecast (Y/N)
- **Introduction of Renewable Gas and Hydrogen Reduction or Increase**
 - NG Demand Reduction/Increase due to alternative
 - Quantity blended



New Business Demand By Customer Class – Form 1.12

- **Demand Annually By Customer Class.**



Gas Revenue Requirement By Category and Customer Class – Form 2.1

- **Asset Category:** Backbone Transmission, Local Transmission, Storage, Distribution, Customer, Other
- **Programs and Other Expenses (Capital Expenditure and O&M)**
- **Allocation of costs for each asset category to each customer class**
- **Revenue Requirement of Capital Expenditure and O&M by Asset Category**



Form 2.1 (*Continued*)

- **Revenue Requirement of Capital Expenditure and O&M by Asset Category-**

Administrative & General Costs, Uncollectibles, Franchise Fees, Depreciation, Income Taxes, Net to Gross Multiplier, Overall Rate of Return, Procurement, Customer Service, Information Technology, Engineering, Support Services, Other



Customer Accounts, Ratebase, Facilities and Miles - Forms 2.2 Through 2.4

- **Form 2.2- Customer Count By Customer Class and Climate Zone By Year**
- **Form 2.3- Total Dollars of Ratebase by Functional Category and Climate Zone Asset Value**
 - Depreciated and undepreciated
- **Form 2.4- Facilities and Miles by Functional Category and Climate Zone**
 - Miles of Backbone Transmission Pipe, Local Transmission Pipe and High-Pressure Distribution Mains
 - Number of Regulators
 - Expected Replacement Miles (2018-2032).
 - Number of Miles at High Risk of Failure or Incident.



Additional Supporting Documentation

Please submit the following in a .doc or PDF File or in an Excel file using the .xlsx format:

- **A description and map of the gas utility service area and, if different, the area for which the gas utility forecasts demand**
 - Please identify if this includes small gas providers within the utility service territory
- **Presentation of the demographic and economic assumptions that under-lie the forecast**
 - Including assumptions about geographic changes in the service area or movement of customers to or from other utilities



(Continued)

- **Describe how the forecasts account for energy efficiency, additional achievable energy efficiency, etc.**
- **Plausibility, sensitivity, and alternative economic scenario analyses**
- **Estimation of the additional cost-effective conservation potential**
 - Impact of possible methods to achieve this potential
 - Description of each conservation activity carried out by the gas utility and those proposed for future implementation
- **Detailed forecast workpapers**



How to Request Confidentiality

- **Gas utilities can request confidentiality for all or part of the filings.**
 - For info on e-filing confidentiality requests, [click here](#) and go to **Pg. 25**
- **The Executive Director of the CEC determines what information will be deemed confidential**
- **Information that is public elsewhere cannot be granted confidentiality**
- **If submitting a confidentiality request, submit data concurrently**
- **Parties who seek confidentiality must make a separate, written request:**
 - Identifies the specific information
 - Why the information should be protected from release
 - Length of time such protection is sought
 - Whether the information can be released in aggregated form
- **The term of confidentiality is granted on a case-by-case basis**
 - CPUC determinations on confidentiality not applicable to data submitted CEC



After Submittal of Confidentiality Applications

- Reviewed by CEC staff within 30 calendar days of receipt for clarity, completeness, content, and context
- Staff will contact applicant if application or data is incomplete or ambiguous
 - Applicant has 14 calendar days to submit an amended application.
- The executive director signs confidentiality determination letters in response to new applications for confidentiality
- Applicant has 14 calendar days to appeal the decision



Questions and Comments





Thank You!

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