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**PG&E Comments on IEPR Workshop on Energy Demand Analysis**

*Additional submitted attachment is included below.*



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California Energy Commission  
Commissioners Andrew McAllister, and Vice Chair Siva Gunda  
517 P Street  
Sacramento, CA 95814  
Docket Number 21-IEPR-03

**RE: Pacific Gas and Electric Company Comments on the Integrated Energy Policy Report (IEPR)  
Commissioner Workshop on Energy Demand Analysis (Docket Number 21-IEPR-03)**

Dear Commissioner McAllister, and Vice Chair Gunda:

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to comment in response to the California Energy Commission's (CEC) 2021 Integrated Energy Policy Report (IEPR) Commissioner workshop on energy demand analysis held on December 16, 2021.

On December 14, 2021, PG&E filed comments in response to the CEC's 2021 IEPR Commissioner workshop on electric and natural gas demand forecast for 2021-2035 held on December 2, 2021<sup>1</sup>. In our comments PG&E mentioned that, it continues to support the CEC's efforts to factor in the impacts of future policy. Given the large uncertainty associated with fuel substitution and transportation electrification, PG&E supports the CEC's approach of modeling a range of scenarios. This approach is especially important because, per the California Public Utilities Commission's (CPUC) guidelines, the investor-owned utilities (IOUs) rely on the CEC's IEPR forecasts to make long-term infrastructure investment decisions, such as distribution planning.

PG&E's internal point forecasts used for some regulatory filings (such as IEPR data submissions) and our internal decision making, however, incorporate elements of policy actions that may be represented in different CEC scenarios and therefore tend to differ from the CEC scenarios for both electricity sales and peak. PG&E energy forecast tend to be higher, and our peak forecast tend to be lower compared to the mid-CEC's forecast.

As a result of the December 16 workshop, PG&E has concerns about the increase in the level and growth rate of the CEC's coincident peak forecast. For PG&E's Transmission Access Charge (TAC) area, the

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<sup>1</sup> PG&E Comments on IEPR Workshop Electricity NG Demand Forecast, Dec 14.  
<https://efiling.energy.ca.gov/GetDocument.aspx?tn=240924>

forecast for 2023 is 432 megawatts (MW) higher than last year's forecast, increasing to over 1,000 MW in 2030. For the California Independent System Operator (CAISO) as a whole, this year's forecast is about 1,500 MW higher in 2023 and increases to about 2,500 MW in 2030.

The scaling factor relating peak sales to energy consumption increased noticeably (by almost 4 percent). This increase is extrapolated through the remainder of the forecast, subsequently increasing peak forecasts for all the remaining years of the forecast.

Our understanding is that this change in the modeled relationship between temperature and peak load is driven by the most recent three years of data, so this is a potentially high-variance estimate. Additionally, the impact of replacing the older year of historical data with the new most recent year of data can be substantial if there is a systematic change in a given year. Noting that this is the first full year of COVID-19 impacts, we are concerned that forecasts of peak consumption may be exaggerated by this model update. We would suggest that the CEC consider a longer time frame for the historical data to fit this model; we are not certain what the net effect would be, but it would add stability to an estimate that describes basic customer usage patterns.

PG&E appreciates the opportunity to comment on this IEPR workshop and to share our perspective on the forecasting methodologies and results. Please reach out to me if you have any questions.

Sincerely,  
Licha Lopez  
State Agency Relations