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Tim McRae Comments at CEC IEPR Demand Forecast Inputs and Assumptions Hearing 8/15

Good afternoon. My name is Tim McRae, and I am the Senior Vice President for Sustainable Growth at the Silicon Valley Leadership Group. SVLG represents hundreds of the most respected employers in Silicon Valley.

SVLG notes that energy demand is already forecast to significantly increase as we meet California's electrified transportation and building decarbonization goals. However, we believe that projected energy demand is actually *underforecast*. We recognize that demand forecasting has been modified to include building and fleet electrification. However, data center demand, which is another primary driver of load growth, has not been included in the revision to demand forecasting. Underforecasting demand means that we underforecast the need to add infrastructure as well. The delay in forecasting the need for infrastructure additions, as a result of underforecasting demand, is particularly concerning because of the incredible lead time that it takes to construct new facilities, like transmission. Without adequate transmission to deliver energy to load growth centers from the areas where it is generated, means that we will have islands of scarcity within California, that come with reliability and pricing escalation concerns.

The CEC includes projected load for data centers that have signed agreements with their local utility. However, there are many expected data centers that are prior to this stage that the state has no record of expecting, loads which anticipate being fully served within the next 5 years, 2 to 3 times as fast as the planning lifecycle of additional transmission. While data centers are one example, further economic development will increase electricity demand at a greater rate that it has in the past due to building electrification polices and a transition to more high-tech energy intensive technologies. Therefore, we recommend the energy commission to complete a study to evaluate the state's future economic development and electricity demand to inform future consumer energy demand forecasts.

SVLG has supported the state's move toward zero carbon generation goals. Broadly speaking, California will require significantly more generation and transmission to make zero carbon goals a reality; to serve the state's climate and economic competitiveness goals, we ask you improve your consumer energy demand forecasting in these ways.