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Comment Received From: Catherine Hackney Submitted On: 12/19/2016 Docket Number: 16-IEPR-05

SCE Comments on CE Docket No. 16-IEPR-05: Workshop on the 2016 California Energy Demand Electricity Forecast Update

Additional submitted attachment is included below.



December 19, 2016

California Energy Commission Docket Office, MS-4 Re: Docket No. 16-IEPR-05 1516 Ninth Street Sacramento, CA 95814-5512 docket@energy.ca.gov

> Re: Southern California Edison Company's Comments on the California Energy Commission Docket No. 16-IEPR-05: Workshop on the 2016 California Energy Demand Electricity Forecast Update

Dear Commissioners:

On December 8, 2016, the California Energy Commission (Energy Commission) held a workshop to discuss updates to the adopted 2015 Integrated Energy Policy Report (IEPR) energy demand forecast (the Workshop). Southern California Edison (SCE) participated in the Workshop, and appreciates the opportunity to provide written comments on the 2016 California Energy Demand Forecast Update.

SCE thanks the Energy Commission for its efforts in updating the Demand Forecast, and limits these written comments to two points: (1) SCE's commendation of the Energy Commission's inclusion of the Peak Shift Scenario Analysis in its 2016 California Energy Demand Forecast Update, and (2) SCE's appreciation of the Energy Commission's acknowledgment of potential alternative methodologies for weather normalization, and their openness to future discussions on this topic.

First, as noted during SCE's Public Comments at the December 8th workshop, SCE commends the CEC for their Peak Shift Scenario Analysis—particularly, the acknowledgment that, "[a]s demand modifiers such as [solar photovoltaics] PV, efficiency, time-of-use pricing, and electric vehicles affect load to a growing degree, hourly load profiles may change to the extent that peak load provided by load-serving entities may occur at a different hour of the day. In particular, PV generation may shift utility peaks to a later hour as a significant part of the load at traditional peak hours (late afternoon) is served by PV, with generation dropping off quickly as the evening hours' approach."¹ SCE agrees that demand modifiers like PV are shifting the peak, and including this analysis as part of the Demand Forecast is important to reflect this

¹ See Draft California Energy Demand Update for 2016 at p. 7.

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critical development. SCE also appreciates the Energy Commission's leadership in achieving alignment with the CAISO and CPUC to use the Energy Commission's final adjusted managed peak scenario analysis by the CAISO in transmission planning process studies to review previously approved projects or procurement of existing resource adequacy resources to maintain local reliability.

Secondly, SCE reaffirms its comments made during the Public Comment period that the Energy Commission should explore alternative methodologies to weather normalization, which take into account variables like humidity, and which analyze historic periods other than 30-year historic time frames. During the Public Comment period, SCE noted that it employs a methodology that differs from the Energy Commission's weather normalization methodology— which assesses peak demand, and then determines the temperature at which the peak occurred, rather than looking at peak temperature and assessing what the demand on the energy system indicated at the time of that peak temperature. The Energy Commission acknowledged that there may be different methodologies for weather normalization during the Workshop. SCE appreciates and concurs with staff's recommendation that a Demand Access Working Group (DAWG) meeting be convened in early 2017 to further explore alternative methodologies for weather normalization, including taking into consideration humidity and historic periods less than 30 years.

In conclusion, SCE appreciates the state agencies' consideration of these comments and looks forward to its continuing collaboration with the Energy Commission and stakeholders. Please do not hesitate to contact me at (916) 441-3979 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/ Catherine Hackney

Catherine Hackney