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California Energy Commission
Docket Office
Re: Docket No. 19-IEPR-03
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

RE: San Diego Gas & Electric Company's Comments on the California Energy Commission Docket No. 19-IEPR-03: IEPR Commissioner Workshop on 2019 Preliminary California Energy Demand Electricity and Natural Gas Demand Forecast

Dear Commissioners:

On August 15, the California Energy Commission (CEC) held the *IEPR Commissioner Workshop on 2019 Preliminary California Energy Demand Electricity and Natural Gas Demand Forecast* (Workshop) as part of the CEC's 2019 Integrated Energy Policy Report (IEPR) proceeding. Energy Commission (EC) staff provided an overview of the California Energy Demand Preliminary 2019 Forecast (Preliminary Forecast).

SDG&E appreciates the work of EC staff in the development of the Preliminary Forecast and the continued advancements being made to further improve the forecast process. As noted in the EC Staff presentations, the Preliminary Forecast is intended to provide a first look at the impact of refreshed inputs, assumptions and modeling changes. Overall, the development of the forecast is an iterative process which includes, among other things, a comparison to most recent utility forecasts.

To support the EC staff in its development of the Revised Forecast, SDG&E provides the following comments. SDG&E's comments focus on the forecasted adoption of advanced technology, specifically, photovoltaics (PVs), electric vehicles (EVs), and energy storage (ES), as well as the ability of energy storage to actually reduce system peak.

- **PV adoption**: PV adoption in SDG&E's service territory has consistently outpaced the mid-scenario for forecasted PV adoption that has historically been included in the CEC Forecast.
    - SDG&E continues to recommend the use of the high scenario forecast for PV adoption in SDG&E's service territory as EC staff moves forward with the adoption of the Revised Forecast.
- **EV adoption**: Forecasted EV adoption in the near-term needs to better reflect current EV adoption levels in SDG&E's service territory. In addition, SDG&E believes the outer-years for the forecast should reflect the high scenario forecast for EV adoption, rather than the mid-scenario, given the policy direction of the State.
    - SDG&E continues to recommend an EV adoption forecast that reflects lower adoption in the near-term years that are below the mid-scenario and higher adoption in the outer years that are better reflected in the high scenario. These recommendations are designed to better capture current EV adoption rates and expected future EV adoption rates that are the result of alignment with the State's EV policy direction.
- **ES adoption**: While SDG&E recognizes that ES has only recently been included in the CEC forecast and adoption continues to be in the early stages, SDG&E believes (based on historic adoption in its service territory) that the ES adoption forecast previously provided in the *California Energy Demand Updated Forecast, 2018-2030* ("CEDU 2018") may be too low.
    - SDG&E continues to recommend the use of an SDG&E allocation of ES adoption in California from Bloomberg's 2018 Long-Term Energy Storage Outlook, published on November 15, 2018.
- **ES Peak Load Reduction**: The CEDU 2018 indicates that ES will produce an over 80% reduction in system peak load. While SDG&E recognizes that we are still in the early stages of the development of ES, given the implications this will have on planning needs for system reliability, SDG&E is concerned that the ability of behind-the-meter ES to reduce system peak load is overstated. Other sources of information need to be considered. For example, the 2017 SGIP Advanced Energy Storage Impact Evolution identified system peak demand reduction of approximately 7%.
    - SDG&E continues to recommend a more conservative assumption for system peak load reduction.

Should you have any questions, please feel free to contact Ken Schiermeyer, Electric Forecasting Manager for SDG&E, by email at KSchiermeyer@semprautilities.com or by phone at (858) 654-1764. Mr. Schiermeyer's business address is 8306 Century Park Ct., CP42F, San Diego, CA, 92123.

Thank you for your consideration.

Yours Sincerely,

/s/ *Cynthia Fang*
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