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**SMUD Comments on Integrated Energy Policy Report Commissioner
Workshop on 2019 Revised Electricity & Natural Gas Demand Forecast**

SMUD Comments on Integrated Energy Policy Report Commissioner Workshop on 2019
Revised Electricity & Natural Gas Demand Forecast

Additional submitted attachment is included below.

**STATE OF CALIFORNIA
BEFORE THE CALIFORNIA ENERGY COMMISSION**

In the matter of:)	Docket No. 19-IEPR-03
)	
<i>2019 IEPR - Electricity and Natural Gas Demand Forecast</i>)	SMUD Comments on IEPR
)	Commissioner Workshop on 2019
)	Revised Electricity and Natural
)	Gas Demand Forecast
)	
)	December 13, 2019

**COMMENTS OF SACRAMENTO MUNICIPAL UTILITY DISTRICT
ON THE INTEGRATED ENERGY POLICY REPORT COMMISSIONER
WORKSHOP ON 2019 REVISED ELECTRICITY AND NATURAL GAS
DEMAND FORECAST**

The Sacramento Municipal Utility District (“SMUD”) respectfully submits the following comments to the California Energy Commission (“CEC”) regarding the December 2, 2019 Integrated Energy Policy Report (IEPR) Commissioner Workshop on the 2019 Revised Electricity and Natural Gas Demand Forecast (“2019 Demand Forecast”).

On December 3, 2019, SMUD staff received a copy of the CEC’s baseline sales and system peak forecast from CEC staffer Mr. Cary Garcia. SMUD compared the CEC’s mid-case managed sales and peak forecast with SMUD’s most recent budget forecast as of September 2019. SMUD’s current forecast is based on a 1 in 2 weather scenario and is comparable to the CEC mid-case scenario.

SMUD’s load forecast process is conducted annually, with the forecast completed in the Fall to align with SMUD’s budget process. As such, SMUD’s load forecast submitted to the IEPR process in April 2019 was based on the Fall 2018 load forecast. In late 2018, SMUD adopted an Integrated Resource Plan (IRP) with aggressive decarbonization goals, which includes a significant increase in electric vehicles and building electrification investments. Both these changes impact the load forecast with an increase in demand over time, which is reflected in the most recent load forecast. SMUD’s most recent load forecast was provided to Mr. Garcia on October 24, 2019.

A comparison of SMUD’s updated forecast to the CEC’s mid-case managed forecast shows that the CEC’s mid-case managed forecast for retail sales are lower than SMUD’s managed forecast by approximately 1 percent in 2020, increasing to 7 percent in 2030. We believe most of the variance is due to different assumptions of building electrification and energy efficiency, although electric vehicle impacts were similar. Given that the building electrification initiative is in its initial stages, it is not surprising

that SMUD's assumptions differ.

With regard to the peak demand forecast, the SMUD and CEC peak demand forecast is within 1 percent for the duration of the forecast period.

As always, SMUD staff appreciates discussing forecasting issues with Mr. Garcia to better understand the CEC's forecast methodology and the adjustments that are made to reflect current trends in energy efficiency, behind the meter solar, electric vehicle battery charging, and building electrification to the IEPR. We look forward to continuing dialogue with CEC staff to refine assumptions of future energy impacts on California's climate change goals.

/s/

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cc: Corporate Files (LEG 2019-0247)