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**SCE Comments on 2020 IEPR Demand Forecast Workshop**

*Additional submitted attachment is included below.*

September 16, 2020

California Energy Commission  
Docket Office, MS-4  
Re: Docket No. 20-IEPR-03  
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. 20-IEPR-03: Commissioner Workshop on Plans for Updating the California Energy Demand 2019-2030 Forecast

Dear Commissioners:

On August 26, 2020, the California Energy Commission (CEC) conducted the *Commissioner Workshop on Plans for Updating the California Energy Demand 2019-2030 Forecast* (Workshop) as part the CEC's *2020 Integrated Energy Policy Report Update (2020 IEPR Update)* proceeding. CEC staff reviewed the methodology and inputs used to develop the California Energy Demand 2019-2030 Forecast (IEPR Forecast), including economic indicators, electricity rate projections, and self-generation forecasts. Staff also discussed plans for updating the light-, medium-, and heavy-duty vehicle forecasts, including several exploratory scenarios.

Southern California Edison (SCE) appreciates the opportunity to submit comments on the Workshop for consideration by the CEC as it updates the IEPR Forecast, which will guide policy and planning efforts across state agencies and at electric utilities. SCE's comments are summarized here and expanded on further below:

- The CEC should work with other state agencies to develop a process for mid-cycle updates to the IEPR Forecast to better inform short-term planning.
- The CEC should apply recent data enhancements of the distributed solar forecast to the distributed storage forecast.
- SCE supports CEC staff's recommendation to vet annual peak demand forecast assumptions via the Demand Analysis Working Group.
- The CEC should take full advantage of the results from the Assembly Bill 2127 Electric Vehicle Charging Infrastructure Assessment to inform the IEPR Forecast.
- The CEC should ensure the IEPR Forecast incorporates all existing clean transportation regulations and incentives to better inform grid planning.

I. The CEC should work with other state agencies to develop a process for mid-cycle updates to the IEPR Forecast to better inform short-term planning.

While annual updates to the IEPR Forecast drive most long-term planning efforts, the IEPR Forecast is also used to inform short-term planning efforts such as year-ahead resource adequacy (RA) planning where mid-cycle updates can provide additional relevant insights. For

example, although annual forecasts could not have reasonably predicted COVID-19, its immediate, significant, and potentially permanent impact on electricity usage patterns demonstrates the need for more flexibility in short-term planning. Another example is when implementation of Community Choice Aggregation (CCA) programs quickly shifts procurement responsibilities before the annual IEPR Forecast can be adopted. The CEC should work with the California Public Utilities Commission (CPUC) and the California Independent System Operator (CAISO) to develop a process to allow for meaningful mid-cycle updates to the IEPR Forecast in situations where rapidly emerging trends have the potential to significantly shift year-ahead RA needs before a new annual IEPR Forecast can be adopted. Without such a process, load serving entities would be planning to inappropriate procurement targets.

II. The CEC should apply recent data enhancements of the distributed solar forecast to the distributed storage forecast.

At the Workshop, CEC staff reviewed some key updates to the self-generation forecast, including revisions of historical behind-the-meter solar adoption based on more complete and accurate interconnection data. This is a promising update that helps ensure the data underlying the IEPR Forecast better represents historical trends in capacity additions and customer sector and subsector classifications. A similar revision to historical data on behind-the-meter storage adoption would also be beneficial. SCE encourages the CEC to explore using interconnection data to enhance representation of distributed storage adoption in the IEPR Forecast.

III. SCE supports CEC staff's recommendation to vet annual peak demand forecast assumptions via the Demand Analysis Working Group.

At the Workshop, CEC staff reviewed an initial analysis of this year's peak load response to temperature and concluded that the response is similar to responses from previous years, suggesting updating the methodology is unnecessary. However, Staff solicited stakeholder feedback on the approach and proposed to discuss the process in detail at a forthcoming meeting of the Demand Analysis Working Group (DAWG), tentatively scheduled for late September. SCE supports this proposal. Given the potential for fundamental shifts in electricity usage patterns in response to COVID-19, it is especially important for the CEC to fully vet the annual peak demand forecast assumptions in this year's IEPR Forecast. The DAWG meeting is the appropriate forum for such an exercise because it allows for in depth review of the data and analysis underlying the assumptions.

IV. The CEC should take full advantage of the results from the Assembly Bill 2127 Electric Vehicle Charging Infrastructure Assessment to inform the IEPR Forecast.

Pursuant to Assembly Bill (AB) 2127, the CEC is conducting a detailed assessment of electric vehicle (EV) charging infrastructure needs to support California's EV deployment and decarbonization goals. Not only will this assessment estimate the number, type, and location of EV chargers over time, it will also forecast the impact on electricity demand. It was unclear at the Workshop whether or how the IEPR Forecast will consider the insights from the AB 2127 Assessment. Practically speaking, the AB 2127 Assessment is expected to inform several state policy and planning efforts to deploy EV charging infrastructure such as the CPUC's Transportation Electrification Framework. However, enabling electric utilities to prepare the grid accordingly will require alignment between the AB 2127 Assessment and the IEPR Forecast because the CPUC obligates the utilities to use the IEPR Forecast for grid planning purposes

under the Distribution Resources Plan (DRP). As such, SCE recommends that the CEC incorporate the potential impact of EV charging infrastructure on electricity demand from the AB 2127 Assessment into the IEPR Forecast.

V. The CEC should ensure the IEPR Forecast incorporates all existing clean transportation regulations and incentives to better inform grid planning.

At the Workshop, CEC staff discussed plans to update the vehicle deployment forecasts. Several encouraging updates were discussed such as the inclusion of exploratory scenarios, which will help policymakers and planners better understand the breadth of possible futures. However, the CEC should further refine the vehicle deployment forecasts to reflect all existing clean transportation regulations and incentives. For example, CEC staff has chosen not to incorporate the California Air Resources Board's (CARB's) Advanced Clean Truck (ACT) Regulation due to modeling constraints and uncertain compliance pathways. It is imperative that the IEPR Forecast include this key market driver. Without it, electric utilities will be hamstrung in preparing the grid to support the electric trucks deployed as a result of this regulation because, as stated above, the CPUC requires electric utilities to use the IEPR Forecast for grid planning purposes. Compliance with the ACT Regulation begins in 2024 and these trucks will demand large amounts of electricity with the potential to trigger major grid upgrades that can require five to seven years of lead time. SCE recommends the CEC work with CARB to determine how best to utilize the extensive analysis conducted in support of the ACT Regulation, including expected compliance pathways.

The CEC should also work with CARB to determine how best to incorporate the forthcoming statewide light-duty EV rebate program funded by the Low-Carbon Fuel Standard, including expected rebate amounts. In addition, SCE encourages the CEC to continue to explore ways to incorporate city, county, and regional clean transportation regulations and incentives. SCE understands that modeling constraints make it difficult for the CEC to reflect such activities in the IEPR Forecast when they are not statewide; however, regulations and incentives promulgated by major cities, local air districts, and utilities have the potential to encourage significant EV adoption and therefore should be taken into consideration in grid planning.

VI. Conclusion

SCE thanks the CEC for consideration of the above comments and looks forward to continuing its partnership with stakeholders in the development of the *2020 IEPR Update*. Please do not hesitate to contact me at (415) 929-5518 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/

Dawn Anaiscourt