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SDG&E Comments IEPR Demand Forecast Workshop Final

Additional submitted attachment is included below.



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California Energy Commission
Docket Unit, MS-4
Docket No. 20-IEPR-03
1516 Ninth Street
Sacramento, CA 95814-5512

Re: IEPR Commissioner Workshop on Plans for Updating the California Energy Demand 2019-2030 Forecast

Dear CEC Commissioners,

SDG&E respectfully submits the following comments in response to the Integrated Energy Policy Report (IEPR) Demand Forecast Workshop hosted by the California Energy Commission (CEC) discussing economic and demographic scenarios, electricity rates, self-generation, and Electric Vehicle (EV) adoption and charging scenarios. SDG&E has extensive experience in energy forecasting for our service territory and has been a leader in EV adoption and charging efforts for many years. In light of the discussion at the workshop we encourage the CEC to:

1. Consider additional COVID-19 impacts, such as work-at-home policies, that could change the load shape and thus influence forecasts.
2. Consider lowering the electric vehicle adoptions forecast macro curves given current 2020 trends.

Specifically, SDG&E appreciates CEC staff's assessment of COVID-19 impacts through economic and demographic driver inputs in the 2020 CEC IEPR Update. While SDG&E recognizes the continued high degree of uncertainty associated with the effects of COVID-19, we expect COVID-19 to impact energy forecasts in ways that would not be fully captured by economic and demographic inputs alone. For example, beyond the impacts of economic and demographic drivers during the pandemic, we expect COVID-19 to change customer class load shapes due to policies such as work from home, students attending classes at home, and mandatory business shutdowns. SDG&E recommends that going forward the CEC consider additional COVID-19 impacts that could influence the forecasts such as these customer behavior changes.

Additionally, SDG&E contends that the EV adoptions forecast should be revised down. COVID-19 and revised EV adoption forecast guidance both lead SDG&E to the conclusion that the macro adoption curves for electric vehicles in 2021 should be lower than previously forecasted. SDG&E is seeing a reduction in EV charging and EV purchases in our territory as the COVID-19 pandemic unfolds, which points to a need to revise the EV adoption forecast. Additionally, the original CEC guidance for creation of an EV forecast leaned more toward what is reasonable given the best case situation, i.e. somewhat aspirational. We understand the CEC's guidance now is to provide an expected EV adoption forecast based on current 2020 trends, i.e. what is most likely to happen based on current information and trends, rather than the best case situation. For these reasons, we recommend lowering previously estimated 2021 EV adoption forecasts.

Moreover, in consideration of the need for substantial EV adoption, SDG&E thanks the CEC for its longstanding leadership in the EV market. This leadership has resulted in thousands of charging connectors installed, hundreds of millions of dollars of grants, and state-wide assessments that guide EV and infrastructure adoption efforts. The Energy Commission's IEPR, among other achievements, brings together EV industry experts and develops policy recommendations for meeting state EV goals and optimally integrating vehicles with the grid. These workshops and collaborations provide a crucial opportunity for sharing expertise in a fast-moving industry for public record.

SDG&E has played a leadership role in supporting EV adoption and deployment of charging stations in SDG&E's service territory, with our first transportation electrification filing in 2014. We have installed over 3,200 charging connectors across all vehicle segments at workplaces, multi-unit dwellings, public charging locations, and multiple fleets, with 3,300 additional charging connectors in development. Further, SDG&E has invested extensively in education and outreach, deploying pilots that educate and incentivize dealerships to sell EVs, hosting the largest EV Day in the country, and significant collaboration with our regional partners, including transit agencies, regional and local governments, and planning agencies.

SDG&E has also dedicated its expertise to advancing the market in the key areas of technology development, Vehicle-Grid Integration (VGI), and Vehicle-to-Grid. There are 5 EV-specific rates deployed and 1 pending CPUC approval for SDG&E customers, covering all segments of vehicles, including the first large-scale deployment of a dynamic, locational hourly EV rate. We have also extensively studied EV submetering and vehicle-to-grid (V2G), with a current V2G pilot in deployment that will study the benefits and costs of V2G.

From this broad experience, SDG&E respectfully offers the following input to maximize relevance and impact of IEPR, as we kick off the most critical decade in facilitating our ZEV transition.

1. The primary focus of public investments and efforts should be on equitably meeting the state goals for EV adoption and EV infrastructure deployment. Both the CEC and Air Resources Board ("CARB") have documented that the state is significantly behind meeting its infrastructure deployment goals and that continued support is necessary to ensure the state meets its EV adoption goals. Accordingly, IEPR policy recommendations should focus on the ultimate goal of increasing EV sales and infrastructure deployment, with focus on improving equity in funding disbursements. Infrastructure programs, which are substantially behind state goals, are crucial to the market's success and need serious policy attention to regain a pathway to success.

2. While secondary in priority, SDG&E recognizes the tremendous value in the CEC's efforts to improve modeling, optimize VGI, and facilitate technology development. The CEC's strong presence in modeling, VGI, and technology development has helped develop business expertise and contributed to key research available to the public. SDG&E encourages continued collaboration within and outside of the IEPR process. Specifically, SDG&E looks forward to collaboration opportunities in policy development for VGI, including the upcoming refresh of the VGI roadmap.

3. SDG&E invites collaboration for CALeVIP's upcoming debut in the San Diego region. SDG&E sees high value in partnership efforts with the CEC for the upcoming CALeVIP deployment in the San Diego region. Primarily, collaboration can optimize spending of publicly-sourced dollars from both SDG&E's and CALeVIP's programs and improve data collection for both SDG&E and CEC.

4. Inter-agency coordination, primarily between the CEC, CPUC, CARB, increases market efficiencies and effectiveness of state funding. SDG&E encourages continued and increased collaboration between the CEC and other key state agency actors in transportation electrification, especially CPUC and CARB. Collaboration can increase efficiency of investments and lead to cross-agency education, complementary programs (e.g. the complementariness of CALeVIP and SB 350 utility programs), and avoidance of duplicative efforts.

SDG&E looks forward to ongoing conversations on demand forecast and electric vehicle adoption. SDG&E appreciates the opportunity to provide these comments.

Sincerely,

/s/ Tim Carmichael

Tim Carmichael
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San Diego Gas & Electric