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

In the matter of:)	Docket No. 20-IEPR-03
)	
Commissioner Workshop on Updates to the California Energy Demand 2019-2030 Forecast)	SMUD Comments Re:
)	Commissioner Workshop on Updates to
)	the California Energy Demand 2019-
)	2030 Forecast
)	
)	December 17, 2020

**Comments of SACRAMENTO MUNICIPAL UTILITIES DISTRICT on
Commissioner Workshop on Updates to the California Energy Demand
2019-2030 Forecast**

The Sacramento Municipal Utility District (SMUD) respectfully submits these comments to the California Energy Commission (CEC) regarding the *Commissioner Workshop on Updates to the California Energy Demand 2019-2030 Forecast* (“Energy Demand Forecast Update”). The Energy Demand Forecast Update fulfills the requirement of SB 1389 (Bowen and Sher, Chapter 568, Statutes of 2002), directing the CEC to “conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices.” This Energy Demand Forecast Update will be used to develop energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the State’s economy, and protect public health and safety (Pub. Res. Code § 25301(a)).

SMUD strongly supports the State’s efforts to reduce greenhouse gas emissions (GHG), promote transportation and building electrification, and increase the development of renewable resources. We recognize the challenges for California policymakers managing an energy sector that is shifting away from oil and natural gas and moving to a sustainable future with renewable energy resources and alternative transportation vehicles.

SMUD appreciates the thoughtful approach CEC staff has taken on the Energy Demand Forecast Update presented at the December 3rd workshop, and on the draft Consumption and Sales Report posted on December 4, 2020. To assist with refining the assumptions at the foundation of this work, SMUD provides the following comments.

Overview of SMUD’s Load Forecast Process

SMUD’s load forecast process is completed annually with the forecast completed in the fall for its budget process. SMUD’s most recent forecast, which was completed in September 2020, includes impacts for the COVID-19 pandemic. SMUD’s current forecast is based on a 1-in-2 weather scenario.

As exemplified by SMUD's "Absolute Zero by 2030" goal, we strongly support the State's efforts to reduce GHG emissions, promote transportation and building electrification, and increase the development of renewable resources. Our "Absolute Zero by 2030" directive aims to eliminate approximately 2 million metric tons of GHGs from our energy supply by 2030.

Comparison of SMUD's and the CEC's Energy Demand Forecasts

SMUD's most recent load forecast is comparable to the CEC mid-case scenario. A comparison of SMUD's forecast to the CEC's mid-case sales forecast¹ shows that the CEC's mid-case sales forecast for retail sales is similar to SMUD's managed forecast in the early and late years but deviate in the middle years. The deviation between the SMUD and CEC forecasts shows that the CEC's forecasted load is almost 3% higher in 2025. We believe most of the difference is due to varying assumptions of building electrification, energy efficiency, electric vehicles (EVs), and photovoltaics (PVs). While the forecasts are close in total, SMUD suspects there are larger deviations in some of the assumptions on which the respective forecasts are based. Given that the building electrification initiative and EV adoption are in their early stages, the difference in assumptions is unsurprising. However, SMUD believes that aligning utility and CEC assumptions will produce the most defensible Energy Demand Forecast Update.

Additionally, we noted that the CEC's PV forecast for SMUD is higher than SMUD's own updated forecast. We believe this variance is due to SMUD's Neighborhood SolarShares (NSS) program and the assumed participation rate for the program. SMUD's NSS program is an option for residential customers to comply with the solar mandate in the 2019 Building Energy Code. Under the NSS as approved by the CEC, instead of customers or developers adding solar to the rooftop of a customer's home, a share of SMUD's specified solar project(s) can be purchased. SMUD will operate these solar project(s) as a utility resource, so the impact is not reflected in the load forecast.

Conclusion

SMUD staff appreciate the opportunity to have discussed forecasting issues with CEC staff. The discussion with CEC staff allows us to better understand the CEC's forecast methodology and the adjustments made to reflect current trends in energy efficiency, behind-the-meter solar, EV battery charging, and building electrification.

As always, SMUD appreciates the opportunity to provide comments on Updates to the California Energy Demand 2019-2030 Forecast. We look forward to the continuing discussions with CEC staff in order to refine assumptions of future energy impacts.

¹ [CEC Presentation on Statewide and Planning Area Consumption and Sales.](#)

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