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Project Title:	Electricity and Gas Demand Forecast
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Document Title:	2023 IEPR Gas Demand Supporting Documents Letter
Description:	This letter provides responses for the qualitative portions of the 2023 Demand Forms. Additionally, it outlines each supporting document PG&E will submit as part of the 2023 IEPR Gas Demand filing.
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California Energy Commission
2023 Integrated Energy Policy Report
Docket Number 23-IEPR-03
517 P Street
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SUPPORTING DATA
Natural Gas Demand and Rate Forecasting Forms

Per the California Energy Commission's (CEC) Forms and Instructions to submit the gas related IEPR Forms, parties are requested to provide an electronic file containing data for Forms 1 and 2 using the questions listed below.

Pacific Gas and Electric Company (PG&E) provides the following answers to the questions posed in the Forms and Instructions with the accompanied links and excel documents listed below.

PG&E responses to the CEC's questions:

1. *A description and map of the gas utility service area and, if different, the area for which the gas utility forecasts demand.*

For a map of the gas service area and accompanying documentation, please refer to PG&E's tariff book at https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_PRELIM_A.pdf (Sheet 8), along with the description provided in Rule 2, at the following link: https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_RULES_2.pdf.

The Electric and Gas service area maps were last updated in 2014 with Advice 3531-G/4535-E (November 17, 2014) and Advice 3531-G-A/4535-E-A (December 15, 2014) to add the eligible zip codes to the map information.

2. *Historical data set used to identify the temperature for the extreme peak day.*

We attach the workbook *2022 Cal Gas Report: Temperature Data for PG&E* for the historical data set used to identify the temperature for the extreme peak day. Design day temperature calculations were based on historical values from January 1, 1950 to April 29, 2022. Along with raw data from six weather stations throughout the PG&E service territory (Redding, Sacramento, Fresno, Oakland, San Jose, and Salinas), there is a system-wide composite temperature, which is the weighted average of these six weather stations. The weight percentages can be seen on the 'Op Area Weighting' tab in the workbook. The 'Temp & Wind' tab contains the daily low, high, average, wind speed, and HDDW65 (wind adjusted heating degree days at 65° Fahrenheit) for all

six weather stations, as well as the calculated composite low, high, average, wind speed, and HDDW65 calculation.

3. ***A presentation of the demographic and economic assumptions that under-lie the forecast, including assumptions about geographic changes in the service area or movement of customers to or from other utilities.***

PG&E does not assume any geographic changes in the company's service area. The demographic and economic assumptions that underlie the forecast come primarily from Moody's analytics, which provides updated forecasts for household population and employment outlook several times a year. These values have been included in PG&E's response for Form 1.8. This forecast was generated using information available in late spring 2022.

4. ***Forecasted demand for each year of the forecast, accounting for conservation reasonably expected to occur, beginning with the year in which the forecast is submitted.***

Form 1, specifically Forms 1.1, 1.2, 1.5, and 1.10, includes the forecasted demand for each year of the forecast and accounts for conservation reasonably expected to occur. Forecasts of energy demand are contained in Forms 1.1 and 1.2 and forecasts of peak demand, which are produced with less granularity, are contained in Form 1.5. Because there is not a natural "zero point" for energy efficiency, we provide a forecast of incremental efficiency gains; this is contained in Form 1.10.

Conservation includes steps taken to cause less energy to be used than would otherwise be the case. These steps may involve improved efficiency, avoidance of waste, reduced consumption, etc. They may involve installing equipment (such as a controller to optimize energy use), modifying equipment (such as making a boiler more efficient), adding insulation, changing behavior patterns, etc.

5. ***Plausibility, sensitivity, and alternative economic scenario analyses.***

Sensitivity of the forecast to economic and demographic assumptions varies between customer categories. Core customers – residential and small business – are most sensitive to population and employment values. However, this sensitivity is still not high, and these drivers tend to be fairly stable in the long run. Such customers tend to be less price sensitive. More sensitive to prices are the industrial customers, and most sensitive of all to prices are electric generators, whose decision to run at all is determined by the spark spread between electricity prices and gas costs.

PG&E did not run alternative economic scenarios. The plausibility of the scenario presented here depends, in the short run, on the stability of the price outlook for price-sensitive load and in the long run on the continuation and success of policy initiatives such as energy efficiency and building electrification. In the long run, these dominate the effect of plausible alternative economic scenarios.

6. A ***description of each conservation activity carried out by the utility and those proposed for future implementation, as well as estimation of the additional cost-effective conservation potential and the impact of possible methods to achieve this potential.***

Public Utilities Code Sections 454.56(a) require the CPUC, in consultation with the CEC, to identify potentially achievable cost-effective natural gas efficiency savings and to establish efficiency targets for gas corporations to achieve. Within CPUC Rulemaking R. 13-11-005, Commission staff regularly utilize an "Energy Efficiency Potential and Goals Study" to both identify this potential as well as to recommend gas corporations' goals be set according to the study's results.

The PG&E Energy Efficiency Portfolio pursues cost-effective natural gas efficiency savings as established in the most recent Potential and Goals Study and as adopted in accordance with the above regulations. PG&E achieves these savings through a portfolio of voluntary as well as building code and appliance standard customer programs across the customer sectors within our service territory. The voluntary programs offer ratepayer funded incentives, rebates, and financing to improve customer facilities or modify operations to increase energy efficiency. Our state and national building code and appliance standards work offers leadership and support for regulatory and policy revisions to improve energy efficiencies through statutes. Following additional CPUC guidance provided within R. 13-11-005, the PG&E Energy Efficiency Portfolio procures most of these programs and offerings, which are designed and delivered by third-party providers. PG&E's Energy Efficiency Business plan application (A.22-02-005) describes the vision for PG&E's future energy efficiency activities, including the guiding principles, goals, and strategies for implementing the energy efficiency portfolio for 2024 and beyond.

7. *Most recent report submitted under California Public Utilities Commission General Order 112-F Section 123.*

PG&E submitted Gas Distribution and Transmission System Annual Reports
to PHMSA and SED on March 8, 2023 and, as required by CPUC General Order 112-F Section 123, submitted a copy of those reports to the CPUC. Attached are the following 2022 Annual Reports in PDF format:

- Gas Distribution System Annual Report for PG&E (PHMSA Form F 7100.1-1).
- Gas Transmission System Annual Report for PG&E (PHMSA Form F 7100.2-1).
- Gas Transmission System Annual Report for StanPac (PHMSA Form F 7100.2-1).
- Type-R Gas Gathering Annual Report for PG&E (PHMSA Form F 7100.2-3).
- Liquefied Natural Gas (LNG) Annual Report for PG&E (PHMSA Form F 7100.3-1).
- Underground Natural Gas Storage (UNGS) Annual Report for PG&E (PHMSA Form F 7100.4-1).
- CPUC General Order 112F Annual Report for PG&E*

8. *Detailed forecast workpapers.*

We attach the workpapers from the 2022 Cal Gas Report since the forecast component of these forms is the same. Workpapers PDF file name *PG&E's IEPR Supporting Documents: 2022 CGR Forecast Workpapers-PUBLIC*; and excel document *PG&E's IEPR Supporting Documents: 2022 CGR Annual and Monthly On-System Demand Forecast-FINAL*.

*Note: General Order 112F Annual Report is in .xlsx format.