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SDG&E Comments on the 2023-2040 California Energy Demand Forecast

Additional submitted attachment is included below.



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California Energy Commission
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Sacramento, CA 95814

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**SUBJECT: San Diego Gas & Electric Company (SDG&E) Comments on
2023-2040 California Energy Demand Forecast**

Dear Chair Hochschild and Commissioners:

San Diego Gas & Electric Company (SDG&E) appreciates the opportunity to provide input on the 2023-2040 California Energy Demand (CED) Forecast.

SDG&E is committed to providing clean, reliable, and affordable energy for the customers we serve. Meeting our state's aggressive climate and clean energy goals calls for ambitious actions to decarbonize the energy sector – including, but not limited to, the electrification of transportation and appliances.

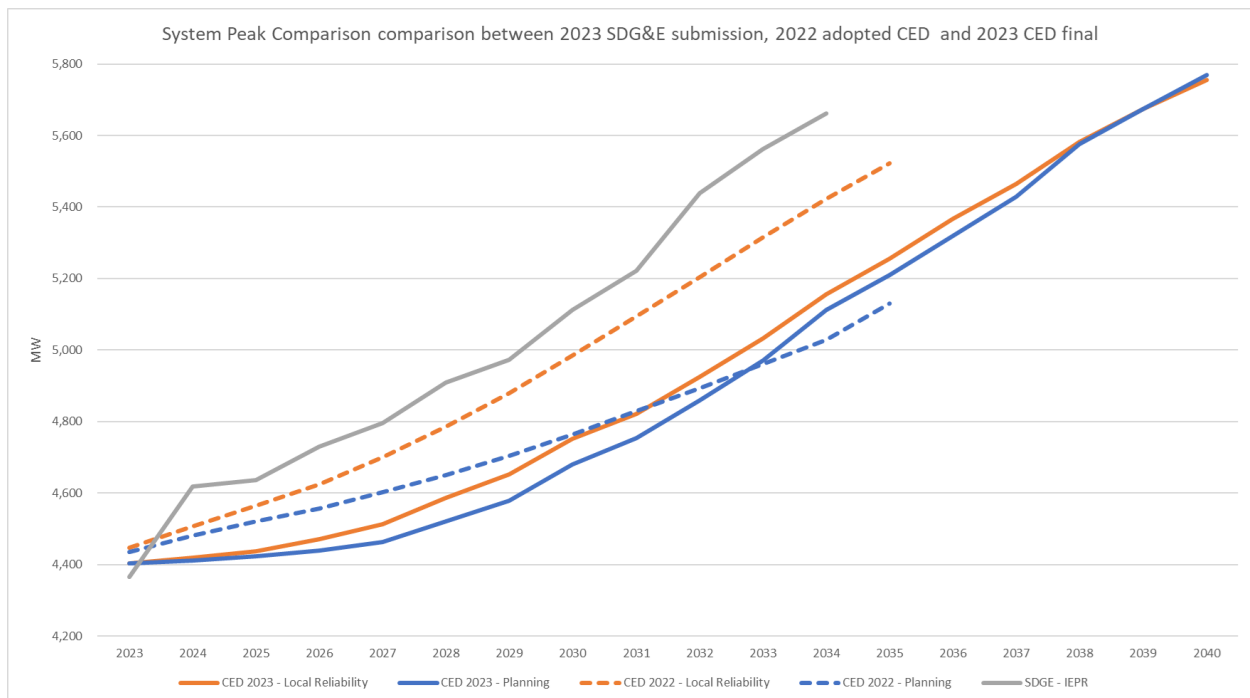
The CED Forecast feeds into many critical proceedings that inform how we plan and procure for our customers' electricity needs. It is a critical input into key energy planning proceedings, including resource adequacy, integrated resource planning, distribution and transmission planning, and long-term procurement. It is for this reason that a deeply-vetted and well-understood forecast is imperative. State agencies, load serving entities (LSEs), and other stakeholders who play a role in supporting the energy transition need to be aligned on what is required of the electric sector, and when it is needed, in order to meet goals most cost-effectively. The proceedings noted above directly shape SDG&E's ability to ensure that we have adequate resources and infrastructure available on a timeline that supports our shared climate and clean energy goals and meets our customers' expectations.

SDG&E appreciates the California Energy Commission (CEC) and its staff for their hard work and leadership on developing an increasingly complex forecast. While SDG&E continues to evaluate the data released over the past few weeks, and further revisions

being released until just yesterday, we offer the below feedback on the 2023-2040 CED Forecast.

I. The 2023 CED Forecast is significantly lower than SDG&E’s anticipated peak load and energy sales forecasts.

The disparity between SDG&E’s submitted 2023 forecast and the CEC’s 2023 CED Forecast varies on a year-to-year basis, but reaches up to approximately 500 megawatts of system peak demand in the later years, as shown in the chart below.¹ This is equivalent to up to 10% of SDG&E’s peak load.



SDG&E highlights this disparity to underscore the need for continued evaluation and discussion with stakeholders to ensure that the forecast is well understood and does not unintentionally impact our collective ability to equitably achieve state climate and clean energy goals.

II. Additional working meetings with CEC, LSEs, and other state agencies and stakeholders would be helpful to understand underlying assumptions that are causing differences between CEC released forecasts.

¹ SDG&E’s 2023 forecast corresponds to the forecast that was submitted to the CPUC in SDG&E’s 2023 ERRR Forecast Applications and was approved at the time of SDG&E’s 2023 IEPR Submission.

SDG&E recognizes that the forecast process is increasing in complexity and we appreciate CEC staff's openness to continued discussions. SDG&E respectfully urges CEC staff to continue collaborating with LSEs to better understand the key drivers behind differences between forecasts. If, based on these continued discussions, it is determined that updated assumptions would improve the forecast, SDG&E would be supportive of CEC considering a mid-term update to the forecast.

To that end, SDG&E is in the process of identifying how much value a mid-year update might offer. We are exploring how such changes might align with the timing of related proceedings and will follow-up with the CEC to lay out these timelines and interdependencies in greater detail. Our hope is that this level of information may be helpful in determining timing of any potential mid-term updates to the forecast, as well as in establishing a schedule and workplan for future forecasts that more closely align with the needs of LSEs.

III. Going forward, SDG&E respectfully requests that CEC release data files within the California Energy Planning Library prior to IEPR forecast workshops.

SDG&E appreciated the workshops held in December to review draft forecast results. However, the granular data needed to assess the forecast were not made available until afterward. Having information available earlier would allow LSEs and other relevant stakeholders to review the underlying data informing key forecast drivers and evaluate the forecast more comprehensively. This would facilitate more meaningful engagement during the workshops and would allow for exploratory discussion on the inputs and assumptions to occur earlier in the CED Forecast development process.

Conclusion

Thank you for your consideration of these comments. SDG&E greatly appreciates the CEC's work on this important undertaking and looks forward to continuing discussions with CEC staff on the 2023 and future CED forecasts.

Sincerely,



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