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**SCE Comments on August 7 2024 SB 100 Report Demand Scenario
Workshop**

Additional submitted attachment is included below.

August 21, 2024

California Energy Commission
Docket Office, MS-4
Re: Docket No. 23-SB-100
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy Commission's 2025 Senate Bill 100 Report Demand Scenarios Project Webinar in Docket No. 23-SB-100

Dear Commissioners:

Southern California Edison Company (SCE) appreciates the collaborative Demand Scenarios Project webinar held on August 7, 2024, by the California Energy Commission (CEC). SCE recognizes the contributions of CEC staff in the webinar and appreciates the opportunity to submit comments for consideration.

General Comments

The Demand Scenarios Project webinar aimed to present the demand scenarios for use in the Senate Bill (SB) 100¹ analysis, as well as to socialize the inputs and assumptions used to develop the scenarios for the 2025 SB 100 Joint Agency Report. This workshop detailed many new and innovative methodologies that will greatly impact California's power grid such as winter peaks and hydrogen production.

SCE supports the direction SB 100 sets for California but has concerns that the forecast methodologies presented do not explicitly address the levels of forecast uncertainty. Many of the proposed forecasts do not have sufficient program performance history to help calibrate the forecasts, and the lack of performance history introduces increased levels of uncertainty into the forecasting process.

SCE suspects that the explicit consideration of uncertainty in the SB 100 forecasting process will have the effect of widening the differences between scenarios. Since downstream procurement planning activities often utilize the CEC forecasts, it is important to have a broad view of possible program impacts. This broad view of differing program impacts can then be used to inform procurement planning activities.

¹ De León, Stats. 2018, Ch. 312.

Demand Scenarios Project Overview, Framework & Results

SCE strongly supports the CEC's recent Demand Scenarios Project and its framework for SB 100 analysis. SCE commends the CEC's approach to utilize the CEC demand forecast and load modifier projection tools, augmented by a contractor modeling tool, to provide complete coverage across all fuels and sectors. This approach reflects a comprehensive and forward-thinking strategy that is essential for the SB 100 Scenario Analysis. The integration of these tools not only ensures robust data analysis but also provides a solid foundation for upcoming SB 100 Scenario Analysis. We believe that this methodology will significantly enhance the state's ability to explore potential policy and planning impacts on energy demand and corresponding greenhouse gas emissions.

SCE remains fully supportive of the CEC's efforts and stands ready to offer any additional assistance or engagement needed.

Building Scenarios for Demand Scenarios Project

SCE strongly supports the CEC's decision to leverage updated Additional Achievable Fuel Substitution scenarios for its building scenarios framework for the SB 100 analysis. The CEC's decision to leverage these scenarios reflects its judgement to not understate the anticipated increase in electricity consumption that will occur from future Air Quality Management District's (AQMD) and California Air Resources Board's (CARB) zero-emissions appliance standards. We encourage the CEC to consider going one step further by incorporating the "AAFS 6" into its High DER/DF Policy Scenario to wholly capture the policy and potential impact that electrified buildings will have on California's overall electricity demand.

Transportation Scenarios & Hydrogen Production

SCE is supportive of the CEC in its consideration of hydrogen use in the scenarios analysis, which notably is aligned with the state's climate goals. SCE is particularly interested in the effects hydrogen production might have on electricity demand on an hourly timescale. This analysis will help SCE ensure it is prepared for potential electrification loads.

SCE also notes that in addition to hydrogen demand for transportation, other sectors may use hydrogen to decarbonize. In fact, in CARB's 2022 Scoping Plan Update, about 13% of the hydrogen energy demand goes to non-transportation sectors in 2045. SCE encourages the CEC to fully assess the total hydrogen demand that California will use in the future, if the CEC has not already done so.

SCE is also interested in understanding the methodology the CEC used to determine the amount of hydrogen demand produced from electrolysis. Given that there are other potential ways to obtain hydrogen such as out of state from blending in existing natural gas infrastructure or off-grid production, SCE advocates for additional clarification on how the CEC determined the amount of hydrogen being produced by electrolysis.

SCE recommends that CEC staff collaborate with agencies such as South Coast AQMD to ensure that assumptions regarding rail and other off-road transportation electrification align with the latest CARB and local AQMD policies and goals.

Demand Flexibility Overview, Inputs, Assumptions, Results from D-Flex Model

SCE appreciates the CEC's efforts in developing the Demand Flexibility (DF) Resource Potential Study.² SCE would like to gain deeper insights into the underlying assumptions and analysis used in this study. Additionally, SCE seeks further clarification on the implications of these Demand Flexibility Resource Potentials within the SB 100 Scenario Analysis.

The presentation³ notes that DF potentials represent availability estimates of load reduction or load shifting that could be realized in future programmatic constructs, yet it does not predict when or to what extent these resources would be dispatched or utilized. SCE recommends that the CEC clarify how these caveats are accounted for in the overall SB 100 Scenario Analysis.

The potential scenario comparison results⁴ (e.g., DF potential growth dominated by EVs) indicate significant differences in potential across scenarios, particularly in the BTM Battery and EV categories. SCE is interested in understanding how these differences could impact the SB 100 Scenario Analysis and whether there are any plans to update or refine these scenarios as new data becomes available.

In sum, SCE commends the CEC for this comprehensive study. SCE believes that additional transparency and clarification on the points mentioned above will be beneficial to fully understanding the implications of the demand flexibility potential within the context of SB 100 Scenario Analysis. We look forward to continued collaboration and discussion on these issues.

Conclusion

SCE thanks the CEC for consideration of the above comments. Please do not hesitate to contact me at (626) 302-0905 or Dawn.Anaiscourt@sce.com or Curt.Roney@sce.com 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

² TN #: 258330, SB 100 Demand Scenarios Demand Flexibility Resource Potential.

³ *Id.* at slide 7.

⁴ *Id.* at slides 23-25.