

DOCKETED

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January 2, 2025

California Energy Commission
Docket Office, MS-4
Re: Docket No. 24-IEPR-01
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy Commission's Draft 2024 IEPR Update, Docket No. 24-IEPR-01

Dear Commissioners:

On November 27, 2024, the California Energy Commission (CEC) released their Draft 2024 Integrated Energy Policy Report (IEPR) Update. This year's report presented a dual focus on 1) updates to the State energy demand forecast, and 2) evaluation of the feasibility, costs, and benefits of wave and tidal energy resources, pursuant to Senate Bill 605. Southern California Edison (SCE) appreciates the opportunity to submit comments on both focus areas below.

SCE Comments on Energy Demand Forecast Updates

Regarding the forecasts for behind-the-meter (BTM) Distributed Generation and Counterfactual Consumption, SCE appreciates the CEC's efforts in refining its BTM solar photovoltaic (PV) historical estimates and forecasts by incorporating updated historical BTM PV capacity factors using metered generation data from a large real-world sample. This resulted in reduced PV generation estimates and lower predicted consumption levels, especially during PV generation hours. Therefore, the CEC's annual energy forecasts started with a lower baseline consumption forecast at the beginning of the forecast years compared to the 2023 IEPR forecast, with improved alignment of the forecasted peak demand hours for the SCE planning area.

SCE appreciates CEC's use of net sales (NEM-export adjusted sales) as inputs, which reflect the energy needed from the CAISO grid. This ensures that both energy forecasts and hourly managed net load forecasts are net measurements, helping us achieve accurate RA allocation and other planning activities. SCE also acknowledges the CEC's initial efforts to exclude out-of-market grid-connected storage system load from the hourly forecast model input at the SCE system level (TAC). However, SCE has concerns about the discrepancy between the annual energy forecast reflected in the hourly forecast results and the annual sales forecast and supports ongoing collaboration to understand and address this discrepancy. Furthermore, SCE endorses the central development of stochastic load profiles and reliability modeling by the CEC, emphasizing the importance of strong stakeholder engagement.

SCE greatly appreciates the CEC holding multiple draft IEPR workshops prior to issuing the draft results. This ensured SCE had a chance to understand the CEC's methodologies,

assumptions, and preliminary results earlier in the process and provide recommendations prior to the draft results being finalized. SCE further notes that the CEC provided many opportunities for collaboration on a key new load growth area of their forecast – data centers – worked closely with SCE’s team to understand SCE’s internal methodology, leverage our input data, and ultimately ensure alignment.

Regarding the changes to the data center forecast the CEC presented during the 12/23 DAWG workshop, SCE believes the updated draft results under-forecast data center load by not including a growth rate in the long-term. SCE does appreciate the opportunity to meet with the CEC to discuss the changes further and the willingness of CEC staff hear our feedback. SCE looks forward to working closely with the CEC and the other IOUs to improve the data center forecasting process prior to the next IEPR forecasting cycle.

SCE commends the CEC for collaborating with IOUs in sharing input data and assumptions during the revision of the PV forecast. SCE appreciates the creation of three scenarios for behind-the-meter distributed generation and supports more scenario-based analysis for forecasting activities more broadly. SCE also commends the CEC for continuing to plan for the impact of building decarbonization across the state and the approach taken to incorporate impacts from future CARB and AQMD zero-emission appliance standards.

SCE appreciates CEC staff on updating their passenger travel model called PARM (Passenger, Aviation, Rail, Marine and Micro transit) which is critical to forecast the transportation electrification load and especially incorporating loads such as Rail and other off-road transportation sector. SCE would like to work more closely with the CEC staff to better understand and support this area’s development.

SCE Comments on Wave and Tidal Energy Evaluation

SCE is supportive of the state’s efforts to continue exploring new pathways for renewable energy. However, LSEs should not be required to procure specific technologies or technologies that are not yet commercially proven at utility scale, but, rather, LSEs should procure energy, capacity, or clean energy requirements based on the goals established within SB100 and other clean energy legislation in a least-cost-best-fit manner. To that end, the state collectively and the CEC specifically should consider the most practical and effective means for containing costs and maintaining affordability while still enabling a path to achieve California’s clean energy and reliability goals. An all-source, technology agnostic approach to procurement is the optimal approach that will provide the flexibility needed to ensure LSEs can procure the most cost-effective resources. Furthermore, SCE’s “Pathway 2045” and “Reaching Net Zero” analyses point to the need for “Clean Firm” generation that address future winter energy needs; scaling new “Clean Firm” technologies to commercial viability should also be a focused development pathway.

Wave and tidal energy are still nascent technologies, which are not yet commercially viable nor available on a utility scale level. As such, any requirement to procure these technologies at this stage will lead to uneconomic outcomes and will unreasonably drive upward price pressures on customer bills. SCE respectfully urges the CEC to consider affordability when making any IERP recommendations, and especially at this time, when affordability of energy

California Energy Commission

Page 3

January 2, 2025

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bills is an issue of paramount importance in the State of California, and a challenge facing many customers.

Conclusion

SCE thanks the CEC for consideration of the above comments. Please do not hesitate to contact me at (916) 551-3624 or Adam.Smith@sce.com with any questions or comments you may have. I am available to discuss these matters further at your convenience.

Sincerely,

/s/

Adam Smith