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Public Advocates Office Comments on the IEPR Commissioner Workshop on Load Modifier Energy Demand Forecast Results

Additional submitted attachment is included below.

November 26, 2025
California Energy Commission
715 P Street Sacramento,
CA 95814

Comments on the California Energy Commission (CEC) Integrated Energy Policy Report (IEPR) Commissioner November 13th, 2025, Workshop on Load Modifiers Energy Demand Forecast Results

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) provides these comments on the IEPR Commissioner Workshop on Load Modifier Energy Demand Forecast Results (IEPR Load Modifier Results Workshop). Cal Advocates is an independent ratepayer advocate with a mandate to obtain the lowest possible rates for utility services, consistent with reliable and safe service levels and the state's environmental goals.[1]

The CEC should coordinate with the California Independent System Operator (CAISO) on data center forecasts to avoid overbuilding transmission assets.

In its IEPR Load Modifier Results Workshop, the CEC specified that for its 2025 IEPR forecast, it modified its criteria for including data center load in its IEPR forecast as compared with its 2024 IEPR forecast.[2] Specifically, the CEC made changes to base its groupings of data centers on the completion of application milestones and adjusted the level of probability associated with active applications prior to a signed agreement for electric service. The CEC also discussed its iterative data collection and confirmation process with utilities.[3] These changes should minimize the amount of speculative data center load being included in the CEC IEPR load forecast.

However, the above changes do not apply to the CEC 2024 IEPR load forecast which was submitted to the CAISO for modeling its 2025-2026 Transmission Planning Process (TPP).[4] The CAISO and its participating transmission operators are currently determining necessary transmission projects based on the 2024 IEPR load forecasts. CAISO may approve projects based on the inflated data center load forecast from the 2024 IEPR and the associated costs will be added to rate base. The CEC should coordinate with the CAISO to ensure that only data

[1] Public Utilities Code Section 309.5.

[2] CEC, *2025 IEPR: Preliminary Data Center Forecast,* November 13, 2025 (CEC Data Center Load Modifier Presentation) at slide 5.

[3] CEC Data Center Load Modifier Presentation at slide 3.

[4] CAISO, *2025-2026 Transmission Planning Process Unified Planning Assumptions and Study Plan,* June 4, 2025 at 1.

center load with a high probability of interconnecting is driving the approval of the CAISO TPP upgrades, not speculative or uncertain data center load.

The CEC discussed its plans to update its data in Nov-Dec of 2025 and Q1 of 2026 to support accurate forecasting and CAISO's busbar mapping.[5] The CEC should continue to update and confirm data center load growth forecasts and make the results publicly available before transmission projects are approved. Frequent updates will provide CAISO the necessary information needed to conduct data driven evaluations of previously approved TPP projects to determine if those projects are still necessary. This year, the CEC should coordinate with the CAISO to identify projects where approval of transmission upgrades should be withheld because the upgrade is based on the CEC's previous data center load forecast. Approval for identified projects should be withheld until CAISO can verify its 2025-2026 TPP results with the CEC's newest data center load forecast. This will ensure that only "no regrets" and verified load needs will be used to justify new transmission investments.

Cal Advocates recommends the CEC develop a mechanism to improve visibility into withdrawn or inactive load.

Data centers represent uncertain loads because they may submit duplicative service requests in multiple locations, and there is a low bar to submit an interconnection application.[6] The CEC's plan to update its 2025 IEPR forecast assumptions partially account for this uncertainty. To help further account for these uncertainties, Cal Advocates encourages the CEC to engage in proactive coordination with the utilities. Specifically, the CEC should establish a standardized process for the utilities to regularly provide information on the application queue and update the CEC when a data center applicant withdraws or significantly alters its application. Additionally, Cal Advocates encourages the CEC to coordinate with the CPUC and CAISO when a data center with significant load withdraws or alters its application to ensure significant changes to the load forecast are communicated to the CAISO.

The CEC should also be aware that the CPUC is currently considering reporting requirements for transmission-level customers requesting service in PG&E's service area.[7] Once adopted, these reports may provide useful information on changes to service requests between IEPR cycles.

The CEC should work with the CAISO to identify transmission projects primarily triggered by data center load.

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[5] CEC Data Center Load Modifier Presentation at slide 3.

[6] A.24-11-007, Cal Advocates, Public Advocates Office Opening Brief, October 24, 2025 at 16-17. ("The low barrier to entry for a customer to request interconnection allows companies to enter into duplicative interconnection requests across multiple service areas to see which utility can offer service quickly and at the lowest rate.")

[7] A.24-11-007, Cal Advocates, Public Advocates Office Opening Brief, October 24, 2025 at 47-50. ("The Commission should adopt reporting requirements to track and understand uncertain customer load and costs that will impact ratepayers.")

The CEC should work with CAISO to report how the addition of data center load affects peak system load and triggers mitigations and make this publicly available. During its TPP meeting in September, CAISO and the utilities discussed up to $4.5 billion in potential transmission upgrade projects.[8, 9, 10, 11] Additionally, CAISO stated that in 2024-2025 the "Transmission Plan approved transmission totaling $4.8 billion" that was "largely load growth related."[12] While it is not clear how much of these costs are attributed to load growth due to data centers, it is clear that data center load is already driving significant grid investment that will be paid for by all ratepayers.[13] The CEC and CAISO publicly reporting how the addition of data center load affects peak system load and triggers mitigations will provide information to understand whether ratepayers are subsidizing data centers.

Cal Advocates agrees with the CEC's change to make the data center groupings based on completion of key steps.

Cal Advocates supports assigning data center applicants the highest probability of project completion (or confidence level) only after the applicant has signed an agreement for electric service, provided this agreement is the final interconnection agreement a customer signs with a utility.[14]

The Federal Energy Regulatory Commission (FERC) suggests using objective criteria to assess the commercial readiness of large projects.[15] Additionally, the North American Electric Reliability Corporation (NERC) recommends using "uniform definitions for the different phases

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[8] SDG&E, *SDG&E 2025-26 TPP Proposals,* September 25, 2025.

[9] SCE, *Proposed SCE Reliability Transmission Projects: 2025-2026 Transmission Planning Process Stakeholder Meeting,* September 24-25, 2025.

[10] PG&E, *PG&E's 2025 Request Window Proposals: CAISO 2025-2026 Transmission Planning Process,* September 25, 2025.

[11] GridLiance West, *GLW's Request Window Proposal CAISO 2025-2026 Transmission Planning Process VEA Study Area,* September 24, 2025.

[12] CAISO, *2025-2026 Transmission Planning Process Stakeholder Meeting,* September 24-25, 2025, at slide 33.

[13] *Id*.

[14] See A.24-11-007, *Pacific Gas and Electric Company's Opening Post-Hearing Brief,* October 24, 2025 at 45. (Transmission-level customers must sign a complete PES Study to move forward with their request for service. Before taking electric service, a customer must sign its interconnection agreement.)

[15] FERC, Chairman Rosner's Letter to the RTOs/ISOs on Large Load Forecasting | Federal Energy Regulatory Commission, September 18, 2025.

of a large load interconnection project's lifecycle" in order "to aid in deciding when large load projects should be selected for inclusion into various studies."[16] NERC provides examples of uniform definitions of project phases such as signed interconnection agreements, financial security deposits, site control, and permitting status."[17] Since applicants who submit project inquiries are not required to complete observable milestones or progress through any phases of a project, they should be excluded from the IEPR forecast.

Rather than grouping all active applications together, the CEC should separate Group 2 into two groups based on whether the applicant has signed its engineering study. An applicant's signature on the engineering study is a clear milestone each transmission-level customer must complete that the CEC currently has data on. Cal Advocates recommends that the CEC data center group definitions be defined as the following:

	2024 IEPR	**Draft 2025 IEPR**	**Cal Advocates Proposal 2025 IEPR**
Group 1	Active applications with completed or to-be completed engineering studies	Signed agreement for electric service	Signed agreement for electric service
Group 2	Active applications prior to initiating engineering studies	Active application for electric service	Active application with a signed engineering study
Group 3	Inquiries	Inquiries	Active application prior to a signed engineering study

Cal Advocates recommends that the CEC exclude load inquiries from the forecast it submits to CAISO.

Cal Advocates recommends excluding load inquiries in all three planning scenarios because there is no barrier to entry for a transmission-level customer to submit a load inquiry to a utility. Utilities do not include load inquiries in their investor calls due to the speculative nature of these requests.[18] Speculative requests that do not merit mention in investor calls do not have enough certainty to include in a forecast that will result in costs to ratepayers. Currently, load inquiries are included in the high case which is used for the local reliability scenario. CAISO uses the local reliability scenario to determine the local capacity requirements, meaning speculative load may be driving capacity upgrades.

[16] North American Electric Reliability Corporation, Draft Reliability Guideline Risk Mitigation for Emerging Large Loads. The final version of the Reliability Guideline workpaper is expected to be published in May 2026.

[17] *Id.*

[18] PG&E, *2025 Third Quarter Earnings,* October 23, 2025 at slide 7. PG&E only includes requests in its data center pipeline if they have submitted a complete application.

Additionally, if an applicant has only submitted a load inquiry, it will likely take years for its application to progress to interconnection. Thus, its load can be accounted for in a subsequent IEPR forecast when it has a higher level of certainty.

Cal Advocates supports the CEC's effort to determine accurate confidence levels for each of the data center load groups.[19]

Before finalizing the confidence levels the CEC will use for the 2025 IEPR, the CEC should compare its confidence levels with data center's historical application conversion rate. The historical application conversion rate is the most data-based confidence level accessible to the CEC. For example, for CEC's proposed Group 2, the confidence level should be compared to the ratio of applications that take service over the number of data center requests that have submitted complete applications. For the CEC's proposed Group 1, the confidence level should be compared to the ratio of applications that take service over the number of data center requests that sign their interconnection agreements. This comparison will provide a needed sanity check that the numbers being suggested are not overly inflated.

Cal Advocates recommends the CEC determine a more data-based utilization factor.

The CEC describes the utilization factor as "requested capacity vs max demand."[20] The CEC uses a utilization factor of 67% that it called "conservative" in the IEPR workshop, meaning 67% is erring on the side of an overestimation and a lower utilization factor may be more accurate. The Electric Reliability Council of Texas (ERCOT) reduces new data center load requests to 49.8% of the requested amount based on "actual experience for data centers that had 2022-2024 in-service dates."[21] The CEC should assess if a lower utilization factor based on actual experience is appropriate.

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Cal Advocates appreciates the CEC's ongoing commitment to accurate load forecasting and stakeholder engagement. Please reach out to me if you have any questions.

Thank you,
Sanya Kwatra

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[19] CEC Data Center Load Modifier Presentation at slide 9. Compared with the 2024 IEPR, the CEC increased the confidence level of Group 1 in the high scenario and Group 2 in the mid scenario in the 2025 Draft IEPR.

[20] CEC Data Center Load Modifier Presentation at slide 2.

[21] https://www.ercot.com/files/docs/2025/04/07/8.1-Long-Term-Load-Forecast-Update-2025-2031-and-Methodology-Changes.pdf