

November 19, 2008

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-IEP-1C
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.state.ca.us

DOCKET	
09-IEP-1C	
DATE	<u>NOV 19 2008</u>
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Re: California Energy Commission (CEC) 2009
Integrated Energy Policy Report (IEPR) - Demand Forms:
Docket No. 09-IEP-1C Demand

To Whom It May Concern:

Southern California Edison Company (SCE) appreciates the opportunity to provide comments on the 2009 IEPR Demand Forms, including the retail price and rate forecast forms. SCE recommends modifications to the forms and clarifications to the definitions to assure accurate results for the 2009 IEPR analysis.

I. SCE Recommends that the CEC Delay Submittal of the All Forms Until the Question of the Attribution of Energy Efficiency can be Decided.

The demand forecast is the basis for all other analyses performed for all the other IEPR forms. Energy Efficiency (EE) is a critical input to the demand forecast. In its recent work, the California Public Utilities Commission (CPUC) changed the manner in which EE goals are addressed. The goals are now defined as "Total Market Gross Goals," which include utility programs with state and local codes and standards. Previous demand forecasts included forecasts of utility EE programs with limited impacts from state and local codes and standards. Handling this change needs careful consideration. The CEC has created Demand Forecast-Energy Efficiency Quantification Working Group to make decisions on how the demand forecast will account for EE. The utilities should not complete the Demand Forms until this working group has decided on EE attribution. The due date for the forms should be approximately 6 weeks after that decision.

II. SCE Recommends A Change To The Due Date For The Retail Price And Rate Forecast Portion Of The Demand Forms

Currently, both the Demand (including retail price and rate forecast forms) and Supply Forms are due on February 13, 2009. In the 2007 IEPR, the CEC separated the due dates for the demand, resource plan and retail price forms by about a month. SCE assumes that this was done to account for the sequential process necessary to generate the data. The investor-owned utilities (IOUs) cannot plan their supply resources until they forecast the demand for power from their customers. They also cannot estimate revenue requirement data for the retail price forms until they

plan for supply resources. The CEC should adjust the due date for the Supply Forms to approximately one month after the due date for the demand forms. The retail price and rate forecast forms should be due approximately one month after that. This would be similar to the sequence and timing in the 2007 IEPR and will allow the IOUs sufficient time to perform the necessary analysis.

III. SCE Recommends Changes To Demand Forms

SCE recommends changes in clarifications to the demand forms as set forth below:

- **Form 1.3:** SCE does not disaggregate bundled peak demand. As a result, SCE cannot identify if municipal departing load comes from direct access or bundled customer load, and cannot directly measure municipal departing peak demand. SCE will estimate municipal departing load peak demand, but cannot guarantee its accuracy.
- **Form 1.6:** SCE recommends changing the time basis to clock time which would include one 23 hour day at the commencement of daylight savings and one 25 hour day at the end of daylight savings time.
- **Form 1.6c:** This form requests SCE to provide hourly transmission system data. The hourly transmission system data is measured and recorded at the peak. The peak period can be different in different places on SCE system. In addition, the locations on the systems of the peak measurements may not fully account for transmission losses. As a result, adding up the peak data from the hourly transmission system information may show total peak demand that exceeds the actual system total peak demand. In addition, the system data will include the effects of local generation.

IV. SCE Recommends Clarification Of The Terms “Committed” And “Uncommitted” As Applied To Energy Efficiency (EE) And Demand Response (DR) Programs

In Forms 3.1 - 3.4, the CEC should clarify the terms “committed” and “uncommitted” concerning the EE and Demand Response (DR) program plans. With regard to EE, SCE recommends that the term “committed” ideally should be defined as 2009 to 2011 program plan achievements from the most recently submitted California Public Utilities Commission (CPUC) application. The CPUC ordered the IOUs to file a supplemental 2009-2011 EE application early next year. A CPUC ruling later this month will define the details and timeline for this supplemental application. If the IOUs file this supplemental application after the February 13, 2009 due date for the Demand Forms, SCE recommends using the CPUC’s EE goals for committed energy efficiency 2009-2011. The CEC should define “uncommitted” EE as consistent with 2012 and beyond CPUC total market gross goals as ordered in D.08-07-047.

The CEC should clarify that the forecast of “committed” DR should be based on an IOU’s most recently filed CPUC application on its DR program. SCE will identify appropriate levels of DR beyond the current program plan in the CPUC application as “uncommitted.”

V. Confidentiality

SCE looks forward to continuing discussions with the CEC to develop a common understanding concerning the confidentiality of certain information requested by the CEC during the 2009 IEPR. SCE is encouraged by the discussions that have already taken place to date, and is hopeful that the CEC will continue to provide SCE the opportunity to provide input regarding this important issue. SCE shares the CEC's interest in ensuring that the CEC's data needs for the 2009 IEPR are met, while at the same time protecting SCE's and other responding IOUs market sensitive information.

If you have any questions or need additional information about the comments embodied in this letter, please contact me at (916) 441-2369.

Very truly yours,

/S/MANUEL ALVAREZ

Manuel Alvarez