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California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

RE: Docket # 11-IEP-1C - Committee Workshop on 2012-2022 Preliminary Staff Electricity and Natural Gas Demand Forecast

Dear Commissioners:

Southern California Gas (SoCalGas) and San Diego Gas & Electric (SDG&E) appreciate the opportunity to participate in the IEPR planning process and offer the following comments on the Gas and Electricity Demand Scenarios.

In general, we believe that the gas demand scenarios are reasonable but generally higher than the forecast provided by the California Public Utilities Commission in the 2010 California Gas Report. The difference may be in the utilities' more optimistic Energy Efficiency-related demand reductions. Also, although the Commission Staff has outlined a set of comprehensive scenarios, we believe that the range of the forecasts, in order to capture a greater possibility of future demand ranges, should be reexamined. It would be more useful to decision makers if the scenarios would at least diverge on the high and low side by one standard deviation. In that way the Commission would have the necessary data to develop more robust energy strategies to deal with the uncertain energy demands in all sectors of the economy in the future.

SDG&E has no issues with Staff's preliminary 2011 IEPR electricity demand forecast, although we have identified two areas where Staff and SDG&E can refresh their forecasts during the revision period. For Staff, their forecast relies on out dated assumptions for plug-in electric vehicles (PEV). SDG&E's PEV assumptions are more recent and we offered to work with staff to help them update their forecast in this area. For SDG&E, our forecast is a bit stale with regard to assessing the future outlook for private supply. Staff seems to be working with more recent information than we have. Staff offered to share their information with us. Aside from their assumptions regarding PEV's, SDG&E finds Staff's preliminary forecast reasonable and looks forward to working with Staff during the forecast revision period.

Finally, Staff has recast their presentation of energy efficiency savings to show the combined impacts of standards, utility programs, prices, and "other" effects, rather than showing the impacts of separate component sources. SDG&E believes it is appropriate that this graphic, presented in the Executive Summary and again in the chapter on Energy Efficiency, portrays only the aggregate energy savings since Staff acknowledges that they cannot yet reliably quantify the contribution of each component of savings. Staff has indicated that during this forecast revision period they will continue working toward being able to show component attribution. SDG&E supports Staff in this effort and will continue to work with them to carry out this challenging task.

Respectfully submitted,