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

RE: Docket # 12-IEP-1B Staff Report 2012-2022 Revised Staff Electricity and Natural Gas Demand Forecast

Dear Commissioners:

SDG&E has reviewed Staff's revised demand forecast for the 2012 IEPR Update and generally finds that the energy and peak demand forecast for the SDG&E planning area is reasonable. However, we offer suggestions regarding electric vehicle load and uncommitted energy efficiency, as indicated below.

1. Electric Vehicle Load:

Staff adjusted EV load downward for all IOUs in their revised forecast by adjusting their assumptions for EVs. SDG&E finds that it was appropriate for Staff to update their EV assumptions, but certain new evidence indicates that SDG&E's EV load was lowered too much. That new evidence shows that there is a stronger demand for EVs in SDG&E's planning area than in other utility planning areas and that we have other operational and charging characteristic parameter values relating to PEVs that will lead to a higher energy and peak load in the San Diego region. For example, Staff allocated approximately ten percent of the Statewide EV charging load to the San Diego region. However, SDG&E has learned from the California Center for Sustainable Energy that twenty percent of PEV rebates for qualified electric vehicles given to PEV customers in California during 2011 were given to San Diego regional residents. Staff assumed that thirty-six percent of the PHEV miles driven would be applicable to charging. SDG&E can show that the driving habits of PHEV owners in the San Diego region leads to a higher percentage. SDG&E finds that Staff has made a reasonable attempt at revising their EV forecast but that we could help improve it even further.

2. Uncommitted Energy Efficiency:

Only committed energy efficiency impacts that are *reasonably expected to occur* are included in Staff's forecast. Italics were added in Staff's forecast documentation to emphasize importance. Italics are also added here, too, for the same reason. Committed EE measures are reasonably expected to occur because they have final authorization, firm funding and a design that can be translated into characteristics capable of being evaluated. It makes good sense to include them in a demand forecast. No uncommitted energy efficiency is included in Staff's forecast or

presented on any other form as supplemental information to the revised forecast. According to Staff, a new slate of uncommitted EE should be available soon as a product of the potential study/goals study process that is currently underway at the CPUC. Staff's goal is to analyze these new uncommitted EE data by year end, 2012. SDG&E believes that it is important to consider uncommitted EE along with committed EE when developing a long-term demand forecast. SDG&E also agrees that the slate of uncommitted EE coming from the potential study/goals study should be carefully scrutinized to make sure that these data can be considered *reasonably expected to occur*. Since the CEC's adopted demand forecast, along with a suitable slate of uncommitted EE, which is treated as a first-order supply-side resource, is a key input to the CPUC's Long-Term Resource Planning Process (LTPP), it is very important that both sets of EE be considered together by the CEC Staff. Just as the CEC requires that in order for EE to be considered for demand forecasting purposes it must be reasonably expected to occur, in the CPUC's LTPP process uncommitted EE must be, as per a statutory requirement, *cost effective, reliable and feasible* in order to be accepted as a first-order supply-side resource (California Public Utilities Code Section 454.5(b)(9)(C)). It is for these reasons that SDG&E strongly recommends that as Staff analyzes the information on uncommitted EE that it will receive from the potential study/goals study process that two sets of EE be developed: One set being all uncommitted EE, which is appropriate for EE program planning purposes, and another set, which will most likely be a subset of the first set, that is appropriate for demand forecasting and long-term resource planning purposes. This subset should be incremental to the adopted demand forecast and should meet the above mentioned statutory requirements for resource planning.

Respectfully submitted,

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