

DOCKETED

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Additional submitted attachment is included below.



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June 4, 2015

California Energy Commission
Docket Office
1516 Ninth Street
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RE: Comments of Southern California Gas Company on the IEPR Commissioner Workshop on Preliminary Natural Gas Outlook. Docket No. 15-IEPR-03

Dear Commissioners:

The Southern California Gas Company (SoCalGas) appreciates the opportunity to comment on the 2015 Integrated Energy Policy Report (IEPR) Workshop on Preliminary Natural Gas Outlook which described the inputs, assumptions, and results of modeling natural gas market scenarios. We offer the following comments on energy efficiency projections and the impacts of climate change, and we request a meeting with staff to obtain and discuss SoCalGas specific data and assumptions used to inform the preliminary results presented.

Energy Efficiency Projections

The California Public Utilities Commission (CPUC), in Rulemaking (R.) 13-11-005, issued a Ruling on May 15, 2015, requesting comments from parties on the CPUC Staff's proposal for energy savings goals for Program Administrators for the period after 2015.¹ As noted in the Ruling, the CPUC Staff recommendation is based on the "Energy Efficiency Potential and Goals Study for 2015 and Beyond" study that Navigant Consulting prepared for the CPUC (hereafter, the Navigant Study). Comments are due to be submitted to the CPUC on June 8, 2015.

SoCalGas' comments to the CPUC will include recommendations as to the substance and results of the Navigant Study that may impact their work, assumptions, and goals. It is thus important that the IEPR remain in sync with CPUC activities related to potential and goals, and when available, incorporate the adopted goals set by the CPUC for Program Administrators. The Ruling mentions a potential decision on goals in the month of August.

Although not included in the presentation slides from the workshop, CEC staff indicated that the level of energy efficiency associated with natural gas will decline substantially by 2026. SoCalGas is evaluating the assumptions associated with the reduction of natural gas goals in the Navigant Study, and generally is concerned whether the study takes into account the potential of programs (such as with Emerging Technology Programs), and initiatives (such as To-Code Programs and pilot projects) being developed by the CPUC to expand the bandwidth of energy efficiency programs.

¹ Administrative Law Judge's Ruling Regarding Post-2015 Energy Efficiency Potential and Goals, and Database for Energy Efficient Resources Updates, dated May 15, 2015, in R.13-11-015.

Climate Change Impacts

In the workshop, staff presented the impacts of climate change on its preliminary natural gas forecast. Climate warming is demonstrated through changes in HDD and cooling degree-days (CDDs), based on a Scripps Institute study. The global warming trend results in lower HDDs in winter months (reflecting less cold winter) and higher CDDs in summer months (reflecting warmer summer) over time. As a consequence, natural gas demand for heating load decreases over time in the presence of a global warming trend.

Forecasting long-term weather is extremely difficult SoCalGas and SDG&E's long-term demand forecasts are based on the concept of "normal" weather where normal is defined as the moving 20-year average of calendar year HDDs with the most recent year's HDDs as the last year included in the average. While SoCalGas and SDG&E do not explicitly model global warming, the moving average process captures the trends in historical weather pattern.

SoCalGas and SDG&E intend to review the Scripps Institute's global warming study and the resulting lowering of HDDs. We hope to discuss their findings and our methodology with CEC staff and provide more substantive comments in a subsequent workshop.

In closing, SoCalGas appreciates the opportunity to provide comments on the IEPR Workshop, Preliminary Natural Gas Outlook and looks forward to working with staff to discuss utility specific data.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Amara Raly".