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R2005003

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes.

Rulemaking 20-05-003

**ADMINISTRATIVE LAW JUDGE'S RULING  
ESTABLISHING PROCESS FOR FINALIZING LOAD FORECASTS  
AND GREENHOUSE GAS EMISSIONS BENCHMARKS  
FOR 2022 INTEGRATED RESOURCE PLAN FILINGS**

**Summary**

This ruling establishes a process by which load serving entities (LSEs) may update their load forecasts, leading to final load forecasts and greenhouse gas (GHG) emissions benchmarks, for purposes of the filing of the individual integrated resource plans due from all LSEs on November 1, 2022. In addition, this ruling seeks party feedback on the GHG emissions planning targets for the electric sector in 2035.

All LSEs wishing to modify their load forecasts shall file and serve energy and peak demand load forecast templates in this proceeding and also submit them to California Public Utilities Commission and California Energy Commission (CEC) staff no later than May 16, 2022. If appropriate for the data being filed as detailed further in this ruling, all LSEs may file their templates under seal without the need to file a separate motion seeking confidential treatment. If an LSE is satisfied with its load forecast from the CEC, it may

simply state this in its filed written comments by May 16, 2022, without filing a new template.

All parties are invited to file and serve comments on the proposed electric sector GHG targets in 2035 by no later than May 16, 2022. Reply comments from any party on the GHG targets and LSE energy and peak demand forecast filings are due by no later than May 23, 2022.

## **1. Background**

This proceeding has, in the past, relied upon the public load forecasts of individual load serving entities (LSEs) prepared by the California Energy Commission (CEC) staff and which are a disaggregation of CEC planning area forecasts developed as part of the Integrated Energy Policy Report (IEPR). For this Integrated Resource Planning (IRP) cycle, the CEC's 2021 IEPR forecast (Mid Baseline – [Additional Achievable Energy Efficiency] AAEE Scenario 3, [Additional Achievable Fuel Substitution] AAFS Scenario 3), adopted on January 26, 2022, will be used.<sup>1</sup> The adopted planning area forecasts are disaggregated to individual LSEs in Form 1.1c, and to investor-owned utility (IOU) service are annual peak demands in Form 1.5b.<sup>2</sup>

The Form 1.1c LSE forecasts incorporate information on near-term load growth and load migration based on historical sales data, forecasts submitted to the IEPR by LSEs, and recent implementation plans. The longer term trends on Form 1.1c reflect the overall planning area trend, given the sector mix of the LSE forecasts.<sup>3</sup>

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<sup>1</sup> Available at the following link: <https://www.energy.ca.gov/filebrowser/download/3930>.

<sup>2</sup> Available at the following link: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=241382&DocumentContentId=75338>.

<sup>3</sup> Available at the following link: <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2021-integrated-energy-policy-report>.

As was the case prior to the filing of the individual IRPs in 2020, there may be some new LSEs who may be serving load as soon as 2023, but because implementation plans were not available during the 2021 IEPR cycle, they are not explicitly itemized in the IEPR forecast. In addition, some other LSEs may be planning for a service expansion or contraction, have lost load, or have made other changes relative to their initial plans, and may need to provide an updated load forecast as part of their IRP filing.

For IRP purposes, the total load of all LSEs within an IOU planning area is considered fixed based on the disaggregation of the adopted IEPR, and the aggregation of LSE forecasts must be consistent with this total. This ensures that IRP forecasts are consistent with the single forecast set agreement among the joint agencies and the California Independent System Operator, and memorialized in the 2021 IEPR, Volume IV. The load forecasts, in addition to being the basis for the load the LSEs must plan for in their individual IRP filings, are also used as the basis for the greenhouse gas (GHG) benchmarks that individual LSEs are required to plan for in the IRP process.

In addition, and as part of reliability planning requirements for IRP purposes, specific peak demand forecasts need to be developed for all LSEs. This will be the basis of individual LSE planning for their individual IRP filings to meet their capacity requirements over the IRP planning horizon.

## **2. Process to Finalize Load Forecasts**

For purposes of the individual IRP filings due on November 1, 2022, this ruling lays out a process for establishing the final load forecasts (energy and peak demand) to be used by each LSE. California Public Utilities Commission (Commission) staff will provide a template for LSEs who wish to update their energy forecasts from the IEPR figures and/or provide peak demand and/or

behind-the-meter photovoltaic (BTM PV) information. The template will be available by April 25, 2022, on the Commission web site and a notice of its availability will be sent to the service list.

If an LSE does not wish to change its energy forecast from the CEC's IEPR and will allow Commission and CEC staff to calculate its peak demand forecast based on resource adequacy or other pre-existing information, then the LSE may simply state that it does not intend to file a template in its written comments in response to this ruling. Otherwise, the LSE should follow the more detailed instructions below for filing a load forecast template.

For electric service providers (ESPs), individual load forecasts are considered confidential. Therefore, an ESP may file a template under seal without the need to file a separate motion seeking confidential treatment. Likewise, for all LSEs who are filing updated peak demand forecasts and/or BTM PV forecasts, those portions of the templates are confidential, and therefore their templates may be filed under seal without the requirement to file a separate motion seeking confidential treatment. The confidential material shall be sent to the Docket Office directly in hard copy or on CD-ROM, following normal procedures for materials to be filed under seal.<sup>4</sup>

However, the energy forecasts of the IOUs and CCAs are considered public information, and therefore those types of LSEs must also include any updated energy forecast information in the public version of their comments in response to this ruling. They must also provide the other confidential

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<sup>4</sup> More detailed information may be found at the following link: <https://www.cpuc.ca.gov/about-cpuc/divisions/administrative-law-judges/practitioners-page>.

information to Commission staff in the template format. Commission staff will hold the confidential information confidential.

LSEs shall file their new or updated load forecasts in the template provided by Commission staff by no later than May 16, 2022. Any other LSE or other party may file and serve a response to the LSE load forecasts by no later than May 23, 2022.

### **2.1. Energy Forecasts**

To account for the updates or changes not reflected in the 2021 IEPR demand forecast, and also for purposes of coordinated planning, the Commission needs LSE annual forecasts that add up to the total IEPR forecast for LSEs within the Commission's purview.

LSEs that are satisfied with their load forecast in the 2021 IEPR demand forecast (Form 1.1c) should state that in their comments to be filed by no later than May 16, 2022. Such LSEs should consider the adopted IEPR containing their load forecast for 2022 individual IRP filing purposes.

For LSEs wishing to update their load forecasts, or for LSEs that did not have a load forecast included in the 2021 IEPR, those LSE shall file and serve a load forecast in the template provided by Commission staff, and also provide the template to Commission staff, by no later than May 16, 2022. The load forecast must include years 2023 through 2035.

For LSEs not needing to update their load forecast, but updating their peak capacity or BTM PV forecasts, those LSEs may leave the energy forecast section of the template blank. Their energy forecast will then be based on the 2021 IEPR demand forecast.

All LSEs submitting a new or updated energy load forecast must include an explanation describing their methodology for calculating their new load forecast.

After receiving all of these submissions, Commission and CEC staff will evaluate and adjust the LSEs' individual load forecasts (energy) using the criteria described below.

- Total load of all LSEs within an IOU service area is considered fixed based on the adopted IEPR planning area forecast, disaggregated to IOU service area, and accounting for non-Commission-jurisdictional load.
- Commission and CEC staff will evaluate submitted forecasts given historical load data, load migration activity, and reasonableness of forecast assumptions as compared to the IEPR forecast, to determine whether LSE-specific forecast adjustments are needed.
- Commission and CEC staff will apply pro-rata adjustments, if needed, to bring the total load of all LSEs into equal alignment with the CEC service area forecast.
- Aggregated adjustments to ESP forecasts will stay consistent with the cap on direct access enrollment (which is public, even though individual ESP forecasts will remain confidential).
- Commission and CEC staff will evaluate the reasonableness of the adjustments applied and the total forecast for each LSE and service area.

A subsequent ruling will finalize the load forecast that each LSE shall use as the basis for its individual IRP by June 15, 2022. In the case of individual ESPs, their load forecasts will be provided individually by Commission staff, with the aggregate direct access loads being public information that will be contained in the subsequent ruling.

## **2.2. Peak Demand Forecasts**

As part of the reliability planning requirements for IRP purposes, specific peak demand forecasts need to be developed for all LSEs. These will form the basis for individual LSE planning to meet their capacity requirements over the IRP planning horizon. For this purpose, all LSEs, except as noted, will need to submit their noncoincident annual peak demand forecasts by May 16, 2022, using the template and instruction to be designed and distributed by Commission and CEC staff.

If an LSE does not wish to submit an updated energy forecast or a peak demand forecast, then a template filing is not required and the LSE should state this in its filed comments in response to this ruling. In such cases, the LSE's peak demand forecast will be developed using the IEPR Form 1.1c sales forecast, the LSE's 2023 resource adequacy adjusted peak forecast, and associated load factor.

Otherwise, each LSE will need to submit its annual peak demand and behind-the-meter photovoltaic information, including the years 2023 through 2035. Annual peak demand forecasts for 2023 should be consistent with the peak demand forecast recently submitted in the resource adequacy proceeding. If desired, since this information is market sensitive, all LSEs may submit this information under seal without the need to file a separate motion seeking confidential treatment.

All LSEs submitting annual peak demand and BTM PV forecast information must include an explanation describing the methodology used to develop the calculations.

After receiving all submissions, Commission and CEC staff will evaluate and adjust the LSEs' individual annual peak capacity using the criteria described below.

- Forecasts for 2023 will be adjusted consistent with adjustments made to the LSE's 2023 resource adequacy forecast. LSE-specific and coincident adjustments developed for 2023 will be applied to the remaining forecast years.
- Commission and CEC staff will apply pro-rata adjustments, if needed, to align the total peak demand with the CEC service area forecast, as disaggregated from the annual coincident IOU area peaks.<sup>5</sup>
- Aggregated adjustments to ESP forecasts will remain consistent with the total direct access enrollment cap.
- Commission and CEC staff will evaluate the reasonableness of the adjustments applied and the peak demand for each LSE and service area.

Commission and CEC staff will finalize the peak capacity forecast for use by each LSE by no later than July 1, 2022, and will distribute this information individually to each LSE on a confidential basis. While all other filing requirement assumptions and guidance will be finalized by June 15, 2022, Commission staff will need a bit more time to finalize the peak capacity forecasts. LSEs are encouraged to start developing their individual IRPs using their submitted peak demand forecasts while staff finalizes the forecasts by July 1, 2022.

### **3. GHG Emissions Planning Targets for 2035**

As stated in Decision 22-02-004 adopting the most recent Preferred System Plan (PSP), the next round of IRP filings should be planning for 2035 as the target year. The PSP decision also adopted a GHG planning target for 2030 of 38 million metric tons (MMT) of GHG emissions in aggregate for the electricity sector. In addition, LSEs are required to include in their individual IRPs a plan for

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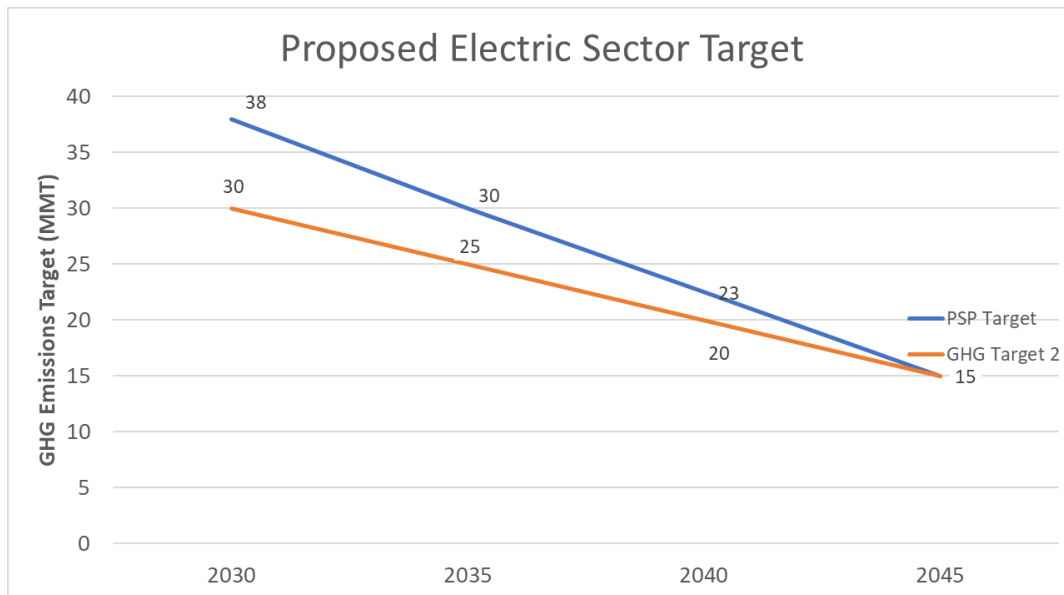
<sup>5</sup> See <https://efiling.energy.ca.gov/GetDocument.aspx?tn=241173>.



achieving a 30 MMT GHG target in 2030. In order to continue meaningful progress toward an ultimate zero-carbon goal for the sector in 2045, as included in Senate Bill 100 (Stats. 2018, Ch. 312), LSEs will need GHG targets to plan for in 2035, which will be the terminal planning year for the next set of IRPs. Those targets should correspond to the 38 MMT and 30 MMT targets included in the PSP decision.

To establish these planning targets for 2035, this ruling proposes to use a straightline projection of GHG targets between 2030 and 2045, as depicted in Figure 1 below. The straightline projection connects the 2030 targets to a 2045 target of 15 MMT, which is the 2045 GHG target used in the modeling for the PSP decision.

**Figure 1. Proposed 2035 Electric Sector GHG Targets**



The result of this analysis leads to a GHG target for the electric sector of 30 MMT in 2035 corresponding to the adopted PSP, and 25 MMT GHG target in 2035 for the more stringent planning target. This ruling proposes to use these targets as the basis for the individual GHG benchmarks to be assigned to individual LSEs for use in their IRP filings due November 1, 2022. Further detail

on how these individual GHG benchmarks will be calculated is given in Section 4 below.

All parties are invited to file comments on the appropriateness of the 30 MMT and 25 MMT GHG targets in 2035 for LSE IRP planning purposes for this round of IRP by filing and serving comments by no later than May 16, 2022. Parties may file and serve reply comments by no later than May 23, 2022. A subsequent ruling will finalize these planning targets by no later than June 15, 2022.

#### **4. Individual GHG Benchmarks**

Once the load forecasts are finalized by Commission and CEC staff, the GHG benchmarks for each LSE will be calculated, for both the 30 MMT and 25 MMT targets in 2035.

Based on current information, the GHG benchmark for each LSE is given in Table 1 below, for both the 30 MMT target and 25 MMT target for the electric sector in 2035. These benchmarks will be adjusted once the LSEs provide the updated load forecasts discussed in Section 2 above. In the meantime, parties are invited to comment on this general approach to assigning individual LSE emissions benchmarks for IRP purposes.

Note that 4.4 MMT of behind-the-meter combined heat and power (BTM CHP) GHG emissions were netted out at the system level when calculating these benchmarks. While individual LSEs are not required to plan to reduce BTM CHP emissions, these emissions nevertheless count towards the electric sector emissions total. Commission staff plans to account for BTM CHP emissions when calculating electric sector emissions of the aggregated LSE portfolios during the development of the next PSP. Thus, LSE GHG benchmarks have BTM CHP emissions netted out.

**Table 1. Load Forecast and GHG Emissions Benchmarks by LSE**

LSE	Proportion of 2035 emissions	2035 Load (gigawatt-hours)	Proportion of 2035 Load within IOU Territory (%)	2035 GHG emissions benchmark (MMT) – 30MMT scenario	2035 GHG emissions benchmark (MMT) – 25 MMT scenario
Bear Valley Electric Service	0.06%	142	NA	0.015	0.012
Liberty Utilities	0.26%	599	NA	0.064	0.051
PacifiCorp	0.75%	825	NA	0.207	0.169
<b>PG&amp;E Area</b>					
Bundled	33.84%	30,497	37.4	3.166	2.533
Direct Access		11,393	14.0	1.183	0.946
Central Coast Community Energy		4,936	6.1	0.512	0.410
CleanPowerSF		3,391	4.2	0.352	0.282
East Bay Community Energy		6,171	7.6	0.641	0.513
King City Community Energy		38	0.5	0.004	0.003
Marin Clean Energy		6,457	7.9	0.670	0.536
Peninsula Clean Energy Authority		4,368	5.3	0.453	0.363
Pioneer Community Energy		2,090	2.6	0.217	0.174
Redwood Coast Energy Authority		642	0.8	0.067	0.053
San Jose Clean Energy		4,227	5.1	0.439	0.351
Silicon Valley Clean Energy		4,044	5.0	0.420	0.336
Sonoma Clean Power		2,458	3.0	0.255	0.204
Valley Clean Energy Alliance	825	1.0	0.086	0.069	
<b>SCE Area</b>					
Bundled	33.17%	54,836	58.8	4.718	3.743
Direct Access		13,457	14.4	1.158	0.918
Apple Valley Choice Energy		276	0.3	0.024	0.019

LSE	Proportion of 2035 emissions	2035 Load (gigawatt-hours)	Proportion of 2035 Load within IOU Territory (%)	2035 GHG emissions benchmark (MMT) - 30MMT scenario	2035 GHG emissions benchmark (MMT) - 25 MMT scenario
Baldwin Park, City of		0	0	0.000	0.000
Central Coast Community Energy		4,956	5.3	0.425	0.337
Clean Power Alliance		11,744	12.6	1.010	0.802
Desert Community Energy		600	0.6	0.052	0.041
Energy for Palmdale’s Independent Choice		735	0.5	0.037	0.030
Lancaster Choice Energy		635	0.7	0.055	0.043
Orange County Power Authority		4,874	5.2	0.419	0.333
Pico Rivera Innovative Municipal Energy		244	0.3	0.021	0.017
Pomona Choice Energy		420	0.5	0.036	0.029
Rancho Mirage Energy Authority		299	0.3	0.026	0.020
San Jacinto Power		180	0.2	0.016	0.012
Santa Barbara Clean Energy		311	0.3	0.027	0.021
Western Community Energy		0	0	0.000	0.000
<b>SDG&amp;E Area</b>					
Bundled	8.84%	4,005	22.3	0.508	0.410
Direct Access		3,940	21.9	0.500	0.403
Clean Energy Alliance		1,553	8.6	0.197	0.149
Solana Energy Alliance		0	0	0.000	0.000
San Diego Community Power		8,477	47.2	1.076	0.867

**IT IS RULED** that:

1. Any load serving entity wishing to update its energy forecast from the forecast contained in the 2021 California Energy Commission's Integrated Energy Policy Report may file and serve an updated annual energy forecast out to 2035 using the forthcoming template to be provided by Commission staff by no later than May 16, 2022.

2. Any load serving entity may file and serve annual peak demand forecasts and/or behind-the-meter photovoltaic information using a template to be provided by Commission staff by no later than May 16, 2022.

3. Electric service providers shall, and any other load serving entity including peak demand forecast and behind-the-meter photovoltaic information in its template may, file a load forecast template under seal without the requirement to file an accompanying motion seeking confidential treatment. The confidential material shall be sent to the Docket Office directly in hard copy or on CD-ROM, following all other normal procedures for materials to be filed under seal.

4. Any community choice aggregator or investor-owned utility filing a load forecast template under seal shall also include the energy forecast information 2023-2035 in the public version of its comments filed in response to this ruling.

5. All load serving entities filing a load forecast template shall include with the template an explanation of the methodology used to calculate all numbers included in the template.

6. If a load-serving entity does not wish to update its energy forecast, peak demand forecast, or behind-the-meter photovoltaic information, it shall so state in its comments filed by May 16, 2022 in response to this ruling.

7. Any party may file and serve comments on the proposed 2035 electric sector greenhouse gas targets of 30 million metric tons (MMT) and 25 MMT, as

well as the method to assign individual benchmarks to the load-serving entities, by no later than May 16, 2022. For the load serving entities, these comments may be combined with their updated load forecast filings, if desired.

8. Any party may file and serve reply comments in response to the May 16, 2022 responses to this ruling by no later than May 23, 2022.

Dated April 20, 2022, at San Francisco, California.

/s/ JULIE A. FITCH  
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Julie A. Fitch  
Administrative Law Judge