

**CALIFORNIA ENERGY COMMISSION**

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January 13, 2009

Mr. Gary DeShazo  
Director, Regional Transmission North  
California Independent System Operator  
151 Blue Ravine Road  
Folsom, CA 95630

Dear Mr. DeShazo:

This letter is in response to the California ISO staff request that the California Energy Commission (Energy Commission) provide a load forecast of 2010 peak demand under 1-in-10 temperature conditions. This information is expected to be used for the California ISO analysis of 2010 local capacity requirements (LCR).

The Energy Commission plans to use the draft 2009 *IEPR* electricity peak demand forecast, due in April 2009, to develop system resource adequacy requirements. Given the recent deterioration in economic conditions, Energy Commission staff evaluated current market information to assess whether it was still reasonable to use the 2007 *IEPR* adopted forecast for the 2010 LCR study. Our analysis shows that the draft 2009 *IEPR* forecast for the Southern California Edison (SCE) area is likely to be significantly lower than the current forecast. Therefore, to avoid significant inconsistency between the forecast used for the LCR study and that used for system resource adequacy requirements, we recommend reducing the forecast for the SCE area. No changes to the forecasts for San Diego Gas and Electric (SDG&E) or Pacific Gas and Electric (PG&E) are currently needed. We also recommend using a lower forecast of Department of Water Resources (DWR) SP-15 loads to reflect recent legal restrictions on pumping and more accurately represent DWR coincident peak demand.

To avoid a delay in implementation of 2010 resource adequacy requirements, in which the LCR study is a key step, we are providing an Energy Commission staff draft forecast revision, shown below in Table 1. Concurrently, we will publish a staff report documenting the methods and assumptions behind the revised forecast to solicit public comments. We will then provide, in early February, the final revised peak demand forecast to be used in the California ISO 2010 LCR study.

Table 1: Draft Energy Commission Recommended Forecast for 2010 LCR Study				
	2007 IEPR		Draft Recommended	
	1-in-2 MW	1-in-10 MW	1-in-2 MW	1-in-10 MW
Coincident Peak by Utility	2010	2010	2010	2010
SCE Service Area by Forecasting Climate Zone:				
Zone 7 (Southern San Joaquin Valley)	1,318	1,416	1,292	1,387
Zone 8 (Coastal LA Basin)	8,992	9,750	8,888	9,626
Zone 9 (Inland LA Basin)	4,076	4,412	4,018	4,344
Zone 10 (Inland Empire)	7,841	8,428	7,652	8,215
SCE Service Area Total	22,227	24,007	21,849	23,571
Anaheim Public Utilities Dept.	584	631	578	624
Riverside Utilities Dept.	619	669	603	651
Vernon Municipal Light Dept.	184	184	182	197
Metropolitan Water District	185	185	185	185
Other Publicly Owned Utilities	282	305	276	298
Pasadena Water and Power Dept.	300	324	300	324
Dept of Water Resources - South	463	463	178	178
<b>SCE Transmission Access Area Coincident Peak</b>	<b>24,845</b>	<b>26,767</b>	<b>24,152</b>	<b>26,027</b>

Please contact Lynn Marshall at (916) 654-4767 or [lmarshall@energy.state.ca.us](mailto:lmarshall@energy.state.ca.us) if you have any questions or require further information. Thank you.

Sincerely,



MELISSA JONES  
Executive Director

cc: Sylvia Bender  
Deputy Directory, Electricity Supply Analysis