Pacific Gas and Electric Company

Sidney Bob Dietz II
Director
Regulatory Relations

Pacific Gas and Electric Company
300 Lakeside Drive
Oakland, CA 94612

February 27, 2026

Advice 7850-E
(Pacific Gas and Electric Company ID U 39 E)

Advice 5747-E
(Southern California Edison Company U 338-E)

Public Utilities Commission of the State of California

Subject: **PG&E and SCE Advice Letter Submittal in Response to Ordering Paragraph 3 of Decision 24-10-030 Concerning a Process for Improving the Methods for Setting Caps on Load Growth Based on The California Energy Commission Integrated Energy Policy Report**

Purpose

Pacific Gas & Electric Company (PG&E) on behalf of itself, and Southern California Edison Company (SCE), hereby submits this Tier 3 Advice Letter (AL) in response to Ordering Paragraph (OP) 3 of Decision (D.) 24-10-030 concerning a process for improving the methods for setting caps on load growth based on the California Energy Commission (CEC's) Integrated Energy Policy Report (IEPR). PG&E and SCE request that the California Public Utilities Commission (CPUC) issue a Resolution approving the method described below for determining and applying the Non-Coincident IEPR Cap[1]

Background

The CPUC's staff proposal in the High Distributed Energy Resources Future (High DER) proceeding (R.21-06-017) pointed out that, historically, the Investor-Owned Utilities' (IOUs') Distribution Planning Processes (DPPs) have used load growth forecasts that are capped at either the IEPR system-level load growth for each year or for the overall 10-year forecast period. To account for "existing energization requests" (also known as "known loads"), the utilities made changes to their historical load forecasting methods by comparing the IEPR forecast to utility known loads and pending loads.

[1] The Joint IOUs use the term "Non-Coincident IEPR Cap" to distinguish the load growth cap used in the IOUs' Distribution Planning Processes (DPPs) from the IEPR's forecast of coincident system-level peak load growth. The IEPR's forecast of 1-in-2 coincident system-level peak load for each of the IOUs is provided on CEC Form 1.5b. The IEPR's forecast of annual system-level peak load growth is the difference between one year's coincident peak demand and the prior year's coincident peak demand

The staff proposal observes that the utilities' current methods to accommodate the differences between the forecasts distort the IEPR system-level load forecasts to accommodate bottom-up known load information or distort known load information by delaying the inclusion of some known loads to later years of their forecast to match the IEPR forecast. The difference between IEPR's system-level load forecasts and utilities' circuit-level known loads leads to a "discrepancy" between the loads used for system-level planning (i.e. transmission and generation planning) and the loads used for circuit-level planning (i.e. distribution planning). According to the staff proposal these discrepancies can lead to needed distribution upgrades being delayed or being identified late.[2]

The staff proposal found that "In the near term, it may be reasonable to adjust how the IEPR is incorporated into the Distribution Planning and Execution Process (DPEP) to account for the difference between circuit-level peaks and system-wide peaks, as seen in currently available data" and suggests that "In the long term, it seems reasonable for utilities to move toward using the IEPR energy forecasts as the basis for their modelling, disaggregating new energy needs to the circuit level and then modelling the capacity needs of each circuit based on this added energy and appropriate load curves."[3]

Based on its analysis, the staff proposal recommended the Commission "direct the IOUs to submit proposals via Tier 2 AL for how they will improve their methods for setting caps on load growth based on the IEPR forecasts and other data." This recommendation has both a near-term and long-term element:

> In the near term, IOUs may propose and enact temporary adjustments to their current methods that aim to account for differences between circuit-level peak loads and system-wide peak loads, and/or any other potential differences between the IOU's current estimates and actual load growth that can be both theoretically grounded and shown in concrete data. These near-term proposals can be enacted immediately and then updated once the ALs are approved.
>
> In the long term, these plans should describe how the IOUs will move toward using IEPR data in a way that is directly comparable between the system and the circuit level.[4]

CPUC Decision (D.) 24-10-030, issued on October 23, 2024, approved the recommendation in the staff proposal with the modification that the IOUs file Tier 3, not Tier 2, ALs. Additionally, the Decision directed the IOUs to work with Commission and CEC staff "in developing proposals for cap setting methods."[5] Specifically, OP 2 of D.24-10-030 states that:

---

[2] March 13, 2024 *Staff Proposal for the High DER Proceeding,* p. 34-37.
[3] Staff Proposal, p. 39.
[4] Staff Proposal, p. 67.
[5] D.24-10-030, p. 47.

> "*Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company (Utilities) must improve the method for setting caps on load growth from the Integrated Energy Policy Report data with the objective of accurately estimating load growth. Beginning with the 2025- 2026 Distribution Planning and Execution Process, Utilities shall work with Commission and California Energy Commission staff in developing proposals for the method and accounting for discrepancies between the system and circuit level. Utilities shall discuss the proposals, including implementation, in annual Distribution Planning Advisory Group, or successor, workshops."*

OP 3 of D.24-10-030 further directs that:

> "*No later than December 31, 2025, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall submit a Tier 3 advice letter requesting to establish a process for improving the methods for setting caps on load growth based on the California Energy*."[6]

On October 13, 2025 the CPUC Executive Director extended the submittal date for the Tier 3 AL from December 31, 2025 to February 27, 2026.

As required by OP 2, PG&E and SCE engaged with both CPUC and CEC in developing their proposed method for setting caps on load growth based on the IEPR system-level load forecast. The IOUs met with the CPUC staff in January and February 2026, and with the CEC staff on February 9, 2026.

Discussion

The CEC's IEPR forecast is focused on forecasting loads at the system-level, with no forecast information provided for individual distribution circuits. To use the IEPR forecast products in utilities' DPPs, it is necessary for utilities to disaggregate the system-level forecast to individual circuits and account for the fact that some circuits do not peak at the same time as the system peaks.

The maximum amount of power needed to reliably serve all loads on the grid (also called the coincident peak) will always be lower than the sum of peak loads across each individual circuit (also called the non-coincident peak). While transmission and resource planning at the system-level use coincident peaks, distribution planning at the circuit-level plans for each individual circuit's peak load, or the non-coincident peak. Based upon this difference between the system-level and the circuit-level the forecast loads used for transmission and generation planning are not easily comparable to those used for distribution planning.[7]

---

[6] CPUC D.24-10-030. Issued October 17, 2024. Available at: 544154869.PDF

[7] Staff Proposal, p. 37.

PG&E and SCE have used the IEPR forecast as a load growth cap in prior DPP cycles through the "borrow forward" method (i.e. where known loads are pushed out into future forecast years) by comparing the IEPR forecast to utility known loads and pending loads across the 10-year planning horizon. This process has been reviewed and validated by the Independent Professional Engineer (IPE).[8] However, the Commission has never formally adopted a methodology for determining a method for limiting the utility's load growth forecast under the IEPR forecast, i.e. the IEPR Cap and, further, Resolution E-5413 approved specific categories of pending loads to be permitted to *exceed* the IEPR system level.[9] Therefore, it is important to understand of how utilities will use the IEPR forecast with regard to load growth planning. This Tier 3 AL provides an opportunity for the Commission to formally approve PG&E's and SCE's proposed method for setting the Non-Coincident IEPR Cap. The primary change proposed in this AL for PG&E's and SCE's method for setting Non-Coincident IEPR caps is the application of Pending Loads and Scenario Planning to the existing processes.

Objective

PG&E's and SCE's general approach for load growth forecasting would first allocate high and medium confidence loads into the planning forecast and then include pending loads from categories capped by the IEPR forecast (per E-5413) without exceeding the IEPR forecast. This proposed methodology for capping utility load growth in relation to the CEC's IEPR forecast enables circuit-level, bottom-up known load data and high- and medium-confidence pending loads data to exceed IEPR forecasts where needed but appropriately limits lower-confidence pending loads data to be capped under the IEPR forecast. This methodology satisfies both the requirements of OP2 and OP3 per D. 24-10-030 as well as the requirements established for pending loads in Resolution E-5413.

Method for Setting Individual Component Level Cap

PG&E and SCE's application of the methodology described above would use the IEPR forecast to limit inclusion of pending loads in utility load growth forecasts, consistent with Table 1 of the Scenario Planning Resolution (E-5414); shown below.

[8] IPE V&V Step 2.
[9] Resolution E-5413 on SCE AL 5567-E, SDG&E AL 4676-E, PG&E AL 7630-E

Table 1 from Resolution E-5414

Pending Load Category	Description	Low Scenario	Base Scenario	High Scenario
A	High Confidence, Customer Based Projects	Included Can Exceed IEPR	Included Can Exceed IEPR	Included Can Exceed IEPR
Bl	Medium Confidence, Customer Based Projects	Excluded	Included Can Exceed IEPR	Included Can Exceed IEPR
B2	Bottom-Up Study	Excluded	Included Capped at IEPR except for hot spots	Included Can Exceed IEPR
C	Low Confidence, Customer Based Projects and Studies	Excluded	Included Capped at IEPR always	Included Capped at IEPR except for hot spots

As shown above, PG&E's and SCE's method for capping on load growth using IEPR data integrates the Commission-adopted pending load categories within each utility's existing method for setting annual IEPR-derived caps on load growth. This integrated method avoids the double-counting of known loads and pending loads within each of the applicable IEPR system-level load component forecasts, accounts for the timing difference ("discrepancies") between system-level and circuit-level peak loads, and produces a Non-Coincident IEPR Cap on load growth.

The method combines the following forecasting elements and approaches:

- IEPR system-level unmanaged load forecast (variously known as "Residential/Industrial/Commercial (R/I/C)" load growth, "econometric" load growth, "baseline" load growth, "spatial" load growth, or "organic" load growth)
- IEPR system-level load modifier components[10]
- Known loads
- Pending load categories[11]
- Hourly load shapes applicable to each load component

[10] Load modifying components included in calculating peak load in comparison with IEPR include baseline load growth (R/I/C), LDEV, MD/HD EV, and AAFS.
[11] Resolution E-5414, Table 1 at 14

- Reconciliation of known loads and pending load categories with the applicable IEPR system-level load component categories.
    - Known loads modeled at their known circuit locations
    - Pending loads modeled at relevant locations
    - Disaggregation of remaining baseline and load components' load growth to the circuit level

This methodology is designed to work for either system energy-based or system peak-based load growth, reflecting the variation in how forecasting is performed by the utilities and for different forecast elements. PG&E and SCE currently use energy for some forecast elements and peak for other forecast elements. This reflects the fact that PGE and SCE may have additional and more diverse methods of modeling load profiles than what is currently in the IEPR for certain forecast elements. When using system energy, the IEPR energy forecast is compared to the load growth and converted to energy using corresponding shapes. When using system peak, the IEPR forecast is compared to the coincident peak load growth. PG&E and SCE will specify whether energy or peak load growth is used for each forecast element in their annual Distribution Forecast Working Group (DFWG) and Grid Needs Assessment (GNA).

PG&E and SCE's DPPs require a peak load forecast for each circuit. To maintain consistency with the IEPR, the utilities utilize the IEPR's system-level energy or peak demand forecast to cap the individual component level load growth. When using system energy as the cap, the IEPR energy forecast is compared to the load growth converted to energy using corresponding shapes. In this energy-based approach, aggregated circuit-level energy growth is consistent and can be matched directly to the IEPR's system-level energy forecast, effectively accounting for the non-coincidence between system and circuit peaks. When using peak demand as the cap, the IEPR forecast is separated into the forecast element level peak load growth caps. When combining each forecast elements cap with the corresponding load shapes, growth is preserved that is consistent with the IEPR while accounting for the non-coincidence between system and circuit peaks.

Application of the Non-Coincident IEPR Cap in the DPP

Utility load growth is represented as either (i) system peak demand, or (ii) system energy with a corresponding hourly shape, which is then compared to the adjusted IEPR energy or MW value on a year-by-year basis to determine if an adjustment to the capped pending loads is needed.

The illustrative examples below demonstrate how the known and pending loads would be allocated for the one forecast element, IEPR Consumption or Demand:

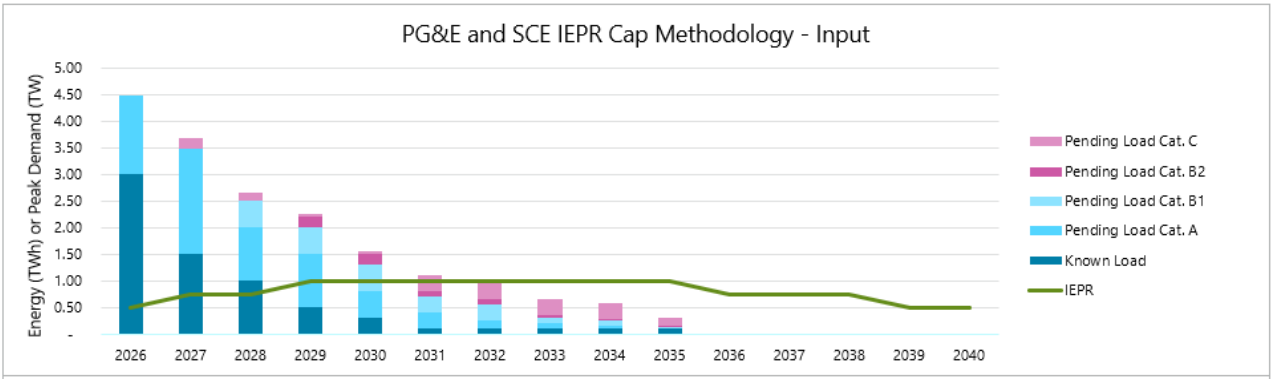

FIGURE 2: ILLUSTRATIVE EXAMPLE FOR ONE FORECAST ELEMENT (INPUT)

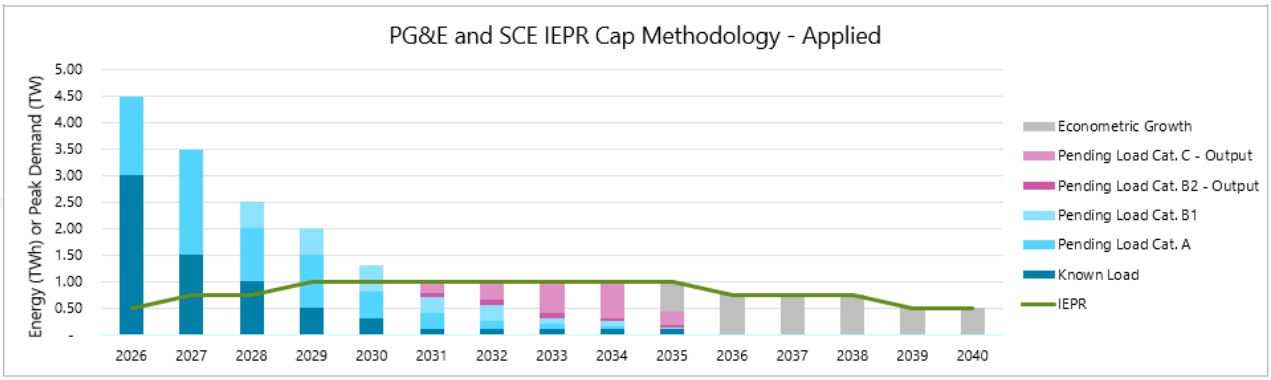

FIGURE 3: ILLUSTRATIVE EXAMPLE FOR ONE FORECAST ELEMENT (APPLICATION OF CAP)

The following sections describe how the three conditions apply when determining if capping pending loads under the IEPR forecast is required. Each figure is shown as an illustrative example in MW, after the energy forecast is converted to peak demand for distribution circuit capacity planning. Please reference Figure 4 for legend. Capped load includes pending load categories that cannot exceed IEPR, consistent with both Resolutions E-5413 and E-5414. Similarly, non-capped load includes known loads and pending load categories that are permitted to exceed IEPR.

Condition 1: Non-Capped pending loads greater than IEPR

If non-capped pending loads are greater than the Non-Coincident IEPR Cap, then no capped pending loads will be allocated in that year, and all capped pending loads may be added to the next year's capped pending load total.

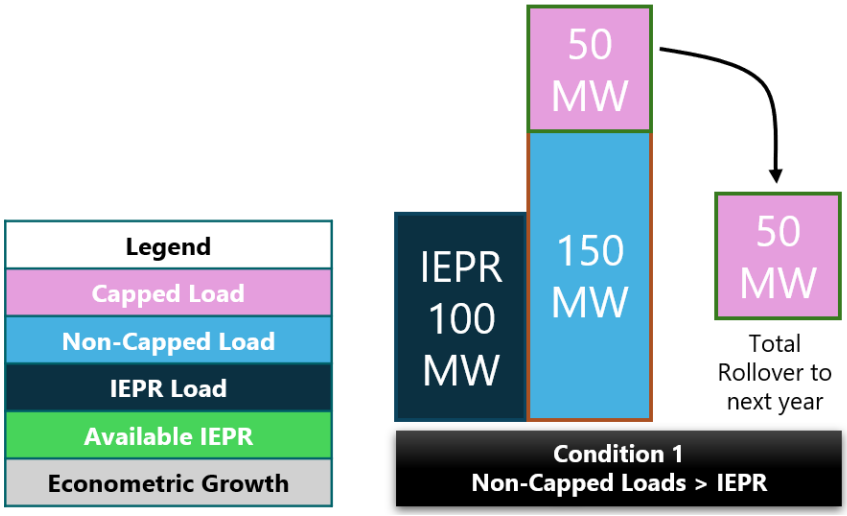

FIGURE 5: CONDITION 1 FOR PG&E AND SCE IEPR CAPS METHODOLOGY

Condition 2: Non-Capped pending loads less than IEPR and Total Load greater than IEPR

If non-capped pending loads are less than IEPR, capped pending loads will be allocated until the total load growth is equal to IEPR in that year. The remainder of the capped pending load, if any, may be added to the next year. Additionally, Category B2 non-hot spot pending load will be allocated before Category C due to the increased certainty of the load.

For each unique capped pending load, an allocation factor is calculated from the ratio of allocated load and total capped pending load in that year. The result of this calculation will spread the capped load over subsequent years such that the total load is allocated, and the system total does not exceed IEPR.

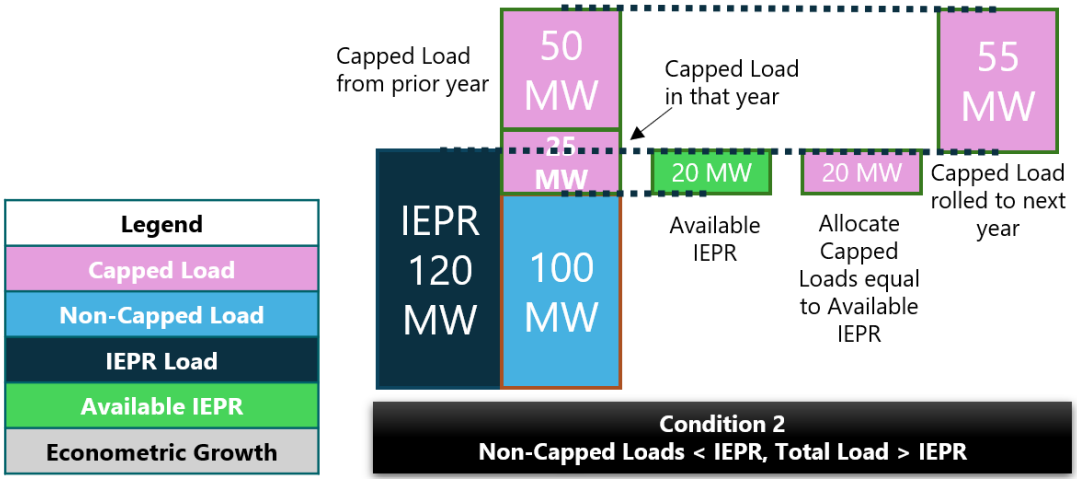

FIGURE 6: CONDITION 2 FOR IEPR CAPS METHODOLOGY

Condition 3: Total load less than IEPR

If the total of non-capped and capped load is less than the IEPR, then the total load is allocated; no cap is applied. The remaining IEPR load is allocated using econometric data.

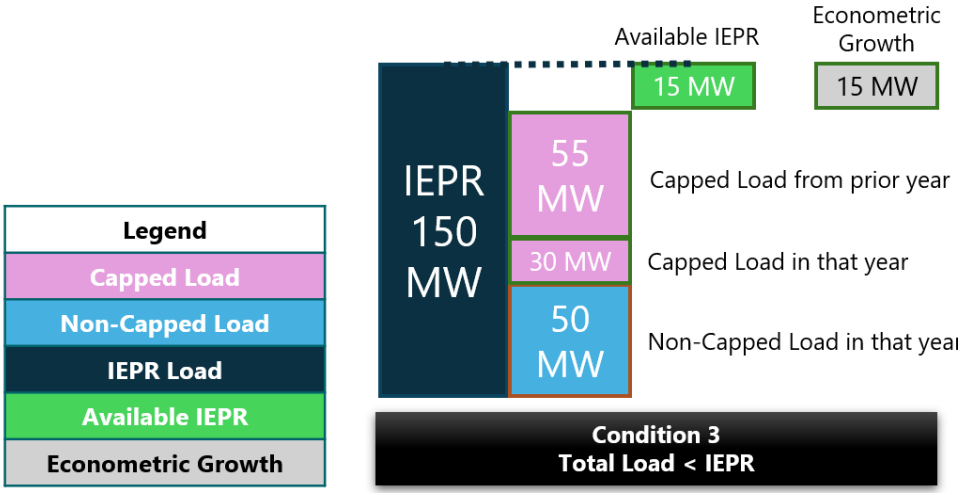

FIGURE 7: CONDITION 3 FOR IEPR CAPS METHODOLOGY

Conclusion

PG&E and SCE's method for determining the Non-Coincident IEPR Cap on load growth is tied to the IEPR, thereby recognizing the importance and value of the CEC's load forecast in minimizing the risk of under- or over-building upstream distribution capacity. Additionally, by incorporating Known Loads and uncapped pending loads, the circuit-level loads used in each IOU's DPP will support OP 2's objective of "accurately estimating load growth" across the full forecast horizon; particularly important given California's focus on increased energization.

PG&E and SCE request that the Commission issue a Resolution approving the presented method of determining and applying the Non-Coincident IEPR Cap.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than **March 19**, **2026**, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E and SCE via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

For PG&E:
Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
E-mail: PGETariffs@pge.com

For SCE:
Rebecca Furman
Managing Director, State Regulatory Operations
Southern California Edison Company
E-mail: AdviceTariffManager@sce.com

and

Adam Smith
Director, Regulatory Relations
Southern California Edison Company
c/o Karyn Gansecki
E-mail: Karyn.Gansecki@sce.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name and e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

Pursuant to General Order (GO) 96-B, Rule 5.3, this advice letter is submitted with a Tier 3 designation. PG&E requests that this Tier 3 advice submittal become effective upon Commission approval.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for R.21-06-017. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: http://www.pge.com/tariffs/.

/S/

Sidney Bob Dietz II
Director, Regulatory Relations
CPUC Communications

cc: Service List R.21-06-017

California Public Utilities Commission

ADVICE LETTER SUMMARY

ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (U 39 E)

Utility type:
☑ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Michael Finnerty
Phone #: (279) 789-6216
E-mail: PGETariffs@pge.com
E-mail Disposition Notice to: michael.finnerty@pge.com

EXPLANATION OF UTILITY TYPE
ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 7850-E, et al.

Tier Designation: 3

Subject of AL: PG&E and SCE Advice Letter Submittal in Response to Ordering Paragraph 3 of Decision 24-10-030 Concerning a Process for Improving the Methods for Setting Caps on Load Growth Based on The California Energy Commission Integrated Energy Policy Report

Keywords (choose from CPUC listing): Compliance

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.24-10-030

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? ☐ Yes ☑ No

If yes, specification of confidential information:
Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☑ Yes ☐ No

Requested effective date: No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed[1]: N/A

Pending advice letters that revise the same tariff sheets: N/A

[1]Discuss in AL if more space is needed.

Clear Form

Protests and correspondence regarding this AL are to be sent via email and are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidney Bob Dietz II, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV

AT&T

Albion Power Company
Alta Power Group, LLC

Anderson & Poole
BART

Ava Community Energy

BART
Buchalter
Barkovich & Yap, Inc.
Biering & Brown LLP
Braun Blaising Smith Wynne, P.C.

California Community Choice Association
California Cotton Ginners & Growers Association
California Energy Commission
California Hub for Energy Efficiency
California Alternative Energy and Advanced Transportation Financing Authority
California Public Utilities Commission
Calpine
Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity
Chevron Pipeline and Power

Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC

Davis Wright Tremaine LLP
Day Carter Murphy
Dept of General Services
Douglass & Liddell
Downey Brand LLP

Ellison Schneider & Harris LLP

Electrical Power Systems, Inc. Fresno
Engie North America
Engineers and Scientists of California

GenOn Energy, Inc.
Green Power Institute

Hanna & Morton LLP

ICF consulting
iCommLaw
International Power Technology Intertie
Intestate Gas Services, Inc.

Kaplan Kirsch LLP
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP

Leviton Manufacturing Co., Inc.
Los Angeles County Integrated Waste Management Task Force

MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McClintock IP
McKenzie & Associates
Modesto Irrigation District
NLine Energy Inc.
NOSSAMAN LLP
NRG Energy Inc.

Pacific Gas and Electric Company
Peninsula Clean Energy
Pioneer Community Energy

Public Advocates Office
Redwood Coast Energy Authority

Regulatory & Cogeneration Service, Inc.
Resource Innovations
Rockpoint Gas Storage

San Diego Gas & Electric Company
San Jose Clean Energy
SPURR
Sempra Utilities
Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company

Spark Energy

Sun Light & Power
Sunshine Design
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

Utility Cost Management

Water and Energy Consulting

Yep Energy