PREPARED DIRECT TESTIMONY OF

JAMES SIMMERMAN

ON BEHALF OF

SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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I.   INTRODUCTION AND PURPOSE

The purpose of my prepared direct testimony is to present San Diego Gas & Electric

Company's ("SDG&E") 2026 electric sales forecast ("2026 Electric Sales Forecast"). Pursuant to

Ordering Paragraphs ("OP") 3 of Decision ("D.") 22-03-003 in SDG&E's Application for Approval

of Its 2022 Electric Sales Forecast, SDG&E is hereby submitting its annual sales forecast for 2026

in the 2026 Energy Resource Recovery Account ("ERRA") Application.

My testimony is organized as follows:

- **Section II – Background:** Describes the requirement of SDG&E to develop and propose an annual sales forecast, starting with the year 2023;

- **Section III – 2026 Electric Sales Forecast:** Presents SDG&E's 2026 Electric Sales Forecast;

- **Section IV – Electric Sales Forecast Drivers:** Describes the sources and development of the 2026 Electric Sales Forecast;

- **Section V – Sales Forecast Meet and Confer Efforts and Workshop:** Describes SDG&E's efforts to comply with various meet and confer and workshop directives set forth in Commission decisions;

- **Section VI – Monthly Rate Schedule Forecast:** Describes the process of converting the CEC's annual sales forecast into a monthly level of granularity;

- **Section VII – Summary and Conclusion:** Provides a summary of recommendations; and

- **Section VIII – Statement of Qualifications:** Presents my qualifications.

II.   BACKGROUND

In D.22-03-003, the California Public Utilities Commission ("Commission") authorized

SDG&E to file its subsequent annual Sales Forecasts in its annual ERRA Forecast applications

according to the schedule set forth in D.22-01-023. Accordingly, SDG&E is filing its annual sales

forecast update in this Application for the year 2026.

1 **III.   2026 ELECTRIC SALES FORECAST**

2   SDG&E requests that the Commission approve SDG&E's 2026 Electric Sales Forecast as

3 presented in this testimony. Table JS-1 below sets forth the forecast of energy sales for SDG&E's

4 electric customers.

5   **TABLE JS-1:**
6   **SDG&E PROPOSED 2026[1]**

Sector	Proposed 2026 (GWh)
Residential	5,529
Small Commercial	2,442
Med & Large Com/Ind	8,987
Agricultural	391
Lighting	82
Total	**17,432**

7

8 **IV.   ELECTRIC SALES FORECAST DRIVERS**

9   The 2026 overall system Electric Sales Forecast presented in the table above is based on the

10 California Energy Commission's ("CEC") 2024 California Energy Demand Update forecast ("2024

11 CEC Forecast" or "CEC Forecast"), which was adopted by the CEC on January 21, 2025.[2]

12 Additionally, SDG&E presented this proposed 2026 sales forecast during an all-party workshop on

13 March 26, 2025, as directed by ordering paragraph 4 of D.22-03-003, to work with the stakeholders

14 and consider any input they may propose prior to filing its annual sales forecast with the

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[1]   Note that the total amount reflected in the table may not sum up due to rounding.

[2]   CEC, Orders and Resolutions of the January 21, 2025 Business Meeting available at
https://efiling.energy.ca.gov/GetDocument.aspx?tn=261249&DocumentContentId=97616.

Commission for the upcoming year.[3] The 2024 CEC Forecast includes the impacts of the CEC's Private Supply, Additional Achievable Energy Efficiency ("AAEE"), Additional Achievable Fuel Substitution ("AAFS"), and Additional Achievable Transportation Electrification ("AATE"). AAEE, AAFS and AATE are additional impacts of energy efficiency, fuel substitution and transportation electrification that are not already included in the CEC's baseline forecast. Forecasts of electric sales are derived from CEC data as follows:

Electric Consumption

- Less: Private Supply (Self-Generation)
- Less: AAEE (Future Impacts of Energy Efficiency Programs)
- Plus: AAFS (Future Impacts of Fuel Switching)
- Plus: AATE (Future Impacts of Electric Vehicle Adoption)
- Equals: Electric Sales

A summary of the electric sales derivation for the 2024 CEC Forecast's 2026 Electric Sales is detailed in Table JS-2.

TABLE JS-2:
2024 CEC FORECAST 2026 ELECTRIC SALES FORECAST DERIVATION,
RESIDENTIAL, NON-RESIDENTIAL AND TOTAL SYSTEM (GWh)[4]

	Residential	Non-Residential	Total System
Electric Consumption	8,070	13,958	22,028
Private Supply	-2,894	-1,623	-4,517
Less: AAEE	-124	-214	-338
Plus: AAFS	113	11	124
Plus: AATE	42	93	135
Equals: Sales (Managed)	**5,207**	**12,225**	**17,432**

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[3] As of the date of this filing, none of the participants in the workshop have offered any additional input or proposed modifications to the CEC Forecast or SDG&E's use of the CEC Forecast as the basis for SDG&E's 2026 Electric Sales Forecast.

[4] Note that the total amount reflected in the table may not sum up due to rounding.

V. SALES FORECAST MEET AND CONFER EFFORTS AND WORKSHOP

A. Sales Forecast Workshop

D.22-03-003 directed SDG&E to hold an all-party workshop no later than March 31 of each year to work with stakeholders and to consider any input they may propose prior to filing its annual sales forecast with the Commission for the upcoming year.[5] In preparation for filing its ERRA forecast application (which includes the annual sales forecast), SDG&E held an all-party workshop on March 26, 2025. Participants to the workshop included San Diego Community Power ("SDCP"), Clean Energy Alliance ("CEA"), The Direct Access Customer Coalition ("DACC"), MRW Associates, CPUC Energy Division, New Gen Strategies, and The Public Advocates Office at the California Public Utilities Commission ("Cal Advocates"). The agenda included a review of the CEC forecasting process, SDG&E's proposed 2026 sales forecast (based on the CEC forecast), and a description of how the CEC sales forecast is used to establish the rate schedule level forecast. There were no specific areas of disagreement, including on SDG&E's proposal to base the 2026 overall system sales forecast on the 2024 CEC Forecast.

B. Departing Load Meet and Confer Efforts

D.19-06-026 adopted a meet-and-confer requirement whereby: (a) A meeting between load-serving entities ("LSEs") that anticipate load migration shall occur reasonably in advance of the filing deadline for initial year ahead forecasts; and (b) in each LSE's initial year ahead forecast filing, each LSE shall describe the dates of meetings with other LSEs to discuss load migration, any agreements, and any continued areas of disagreement.[6]

Additionally, in OP 1 of D.20-03-019, the Commission ordered SDG&E to report in each regulatory filing its meet-and-confer activities and information exchange with Community Choice

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[5] D.22-03-003 at OP 4.

[6] D.19-06-026 at OP 14.

1 Aggregators in SDG&E's service territory, if the regulatory filing involves a departing load

2 forecast.[7]

3   SDG&E held a meet-and-confer meeting regarding load forecasting on March 28, 2025.

4 SDG&E invited numerous entities to participate in that meet-and-confer meeting. Attendees to the

5 meeting included representatives for SDCP, CEA, PEA, Calpine PowerAmerica, New Gen

6 Strategies, and CalCCA. The items addressed at the meet-and-confer meeting included: (1) an

7 overview of the meet-and-confer requirement; (2) an overview of the recently adopted 2024 CEC

8 Forecast and SDG&E's proposed 2026 overall system sales forecast; (3) an overview of SDG&E's

9 process to determine bundled sales; (4) an overview of the data request process to coordinate CCA's

10 annual sales forecasts; and (5) an overview of regulatory proceedings and schedules. The parties

11 have reached agreement on the process by which the non-investor-owned utility ("IOU") LSEs are

12 to provide forecast data to SDG&E as well as the templates to be used to submit their data. There

13 were no specific areas of disagreement, including on SDG&E's proposal to base the 2026 overall

14 system sales forecast on the 2024 CEC Forecast. Information provided by the non-IOU LSEs to

15 SDG&E includes monthly energy sales, peak demand and customer forecast data.

16 **VI.   MONTHLY RATE SCHEDULE FORECAST**
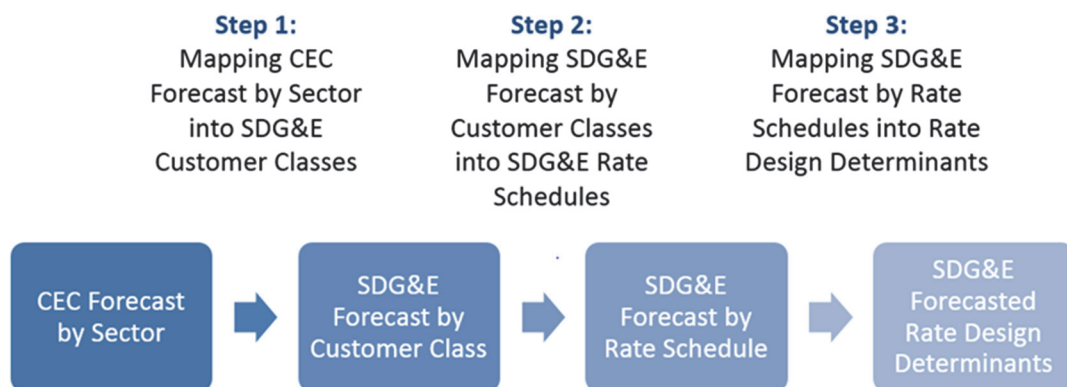
17   This section describes the process to turn the 2024 CEC Forecast into SDG&E's rate

18 schedule forecast. This process was previously presented in a joint workshop during SDG&E's

19 Application for Approval of its 2019 Electric Sales Forecast.[8]

20   **A.   SDG&E's Rate Schedule Process**

21   SDG&E's process for the development of forecasted rate design determinants from the 2024

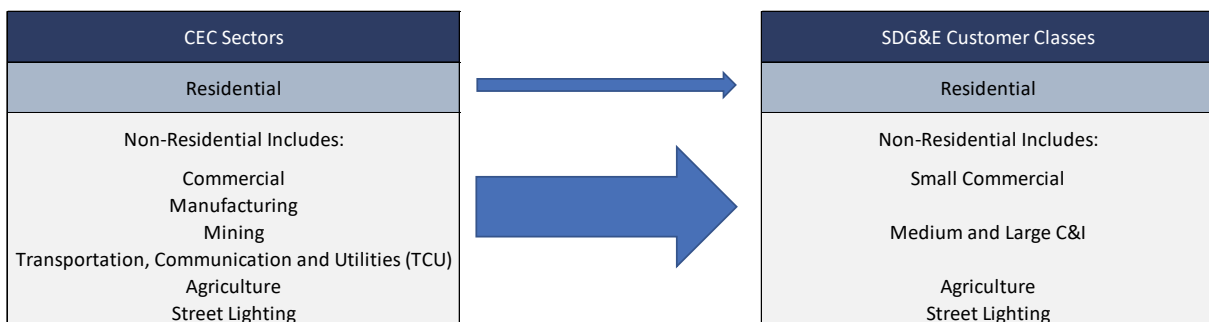22 CEC Forecast involves three steps:

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[7]   D.20-03-019 at OP 1.

[8]   *See* D.18-11-035.

Step 1: Mapping CEC Forecast by Sector into SDG&E Customer Classes

Step 2: Mapping SDG&E Forecast by Customer Classes into SDG&E Rate Schedules

Step 3: Mapping SDG&E Forecast by Rate Schedules into Rate Design Determinants

CEC Forecast by Sector → SDG&E Forecast by Customer Class → SDG&E Forecast by Rate Schedule → SDG&E Forecasted Rate Design Determinants

1

2   As depicted above, the process begins with the mapping of the CEC Forecast by sector to

3 SDG&E's customer classes. The sales forecast developed at the CEC includes a forecast by sectors

4 that differs from SDG&E's customer classes, as presented in Figure 1 below.

5 **Figure 1**
6 **Mapping CEC Forecast by Sector in SDG&E Customer Classes**

CEC Sectors	SDG&E Customer Classes
Residential	Residential
Non-Residential Includes: Commercial Manufacturing Mining Transportation, Communication and Utilities (TCU) Agriculture Street Lighting	Non-Residential Includes: Small Commercial Medium and Large C&I Agriculture Street Lighting

7

8   While the Residential sector from the CEC forecast maps directly into SDG&E's Residential

9 customer class SDG&E made an adjustment to Residential sales based on the most recent SDG&E

10 historic sales. This adjustment is made to re-bench the Residential sector to align with the historical

11 ratio of class sales. The Non-Residential sectors do not map directly into SDG&E Non-Residential

12 customer classes (Small Commercial, Medium and Large Commercial and Industrial ("M/L C&I"),

13 Agricultural, and Street Lighting). To assign the CEC Non-Residential sector sales to SDG&E's

14 Non-Residential customer classes, SDG&E uses an adjustment factor based on the most recent

15 SDG&E historic sales and the 2024 CEC forecast to re-bench the Agriculture and Street Lighting

1 sectors as a method to map the CEC Forecast for the Agricultural and Street Lighting sectors with

2 SDG&E's Agricultural and Street Lighting customer classes. Next, SDG&E uses a historical ratio

3 of Small Commercial to Total Commercial to split out the Small Commercial and Medium and

4 Large Commercial and Industrial classes. SDG&E's monthly historical billing-cycle data are then

5 used to further break out the customer class sales forecast into rate schedule seasonal sales for use in

6 the rate design process.

7 SDG&E creates monthly rate schedule billing determinants on a net and delivered basis by

8 adding back excess generation on a monthly and hourly basis, respectively. A comparison of the

9 forecasted sales concepts is shown in Table JS-3.

10 **TABLE JS-3:**
11 **COMPARISON OF NET AND DELIVERED SALES (GWh)**

Forecast Basis	TY 2026
Net Sales	**17,432**
Hourly Delivered Sales Adjustment	*+2,045*
Delivered Sales	**19,477**

12
13 **VII.   SUMMARY AND CONCLUSION**

14 SDG&E requests that the Commission approve SDG&E's 2026 Electric Sales Forecast, as

15 presented in this testimony.

16 This concludes my prepared direct testimony.

1   **VIII.   QUALIFICATIONS**

2   My name is James Simmerman. My business address is 8306 Century Park Court, San

3 Diego, California, 92123. I have been employed as a Principal Business and Economic Advisor in

4 the Electric Forecasting Department of San Diego Gas & Electric since August 2024. My primary

5 responsibilities include developing and coordinating forecasts of customer growth and electric

6 energy usage. I began work at SDG&E in September 2022 as a Project Manager II in the Electric

7 Forecasting Department.

8   I received a Bachelor of Science degree in Business Administration with an emphasis in

9 Finance and Business Economics from the University of Arizona in 2008.

10   I have previously submitted testimony before the California Public Utilities Commission.