

Electricity Sales and Peak Demand in the SCE Service Area

**Energy Commission Staff Preliminary
Energy Demand Forecast for 2010-2020
June 26, 2009**

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**SOUTHERN CALIFORNIA
EDISON**
An EDISON INTERNATIONAL Company

A Comparison of CEC 2007 and 2009 IEPR Forecasts

- **The CEC has made very significant downward adjustments to the forecasts of SCE's Retail Sales and Peak Demand.**
- **A lower level of Sales and Peak Demand in 2009 and 2010 seems reasonable given the deep recession in California.**
- **But the reason for the low growth rate in the post recession recovery (2010-2020) period in sales and demand is unknown to us.**
- **Economic indicator data (households, floor space, real income) are similar to 2007 IEPR.**



CEC Economic & Demographic Assumptions

Average Annual Growth Rates:

	<i>Households</i>		<i>Real Income</i>		<i>Comm Floorspace</i>	
	<i>2007 IEPR</i>	<i>2009 IEPR</i>	<i>2007 IEPR</i>	<i>2009 IEPR</i>	<i>2007 IEPR</i>	<i>2009 IEPR</i>
1991-2001	0.9%	0.9%	2.4%	2.3%	2.0%	2.0%
2001-2007	1.3%	1.2%	3.2%	2.9%	2.3%	2.2%
2007-2010	1.1%	1.1%	3.1%	0.0%	2.0%	1.7%
2010-2020*	1.1%	1.1%	2.0%	2.5%	1.7%	1.4%

* 2010 to 2018 for 2007 IEPR

- There does not appear to be sufficient difference in the CEC's economic and demographic assumptions to fully explain the wide divergence in forecasts after 2010.



A Comparison of CEC 2007 and 2009 IEPR Forecasts

Annual Average Growth Rates

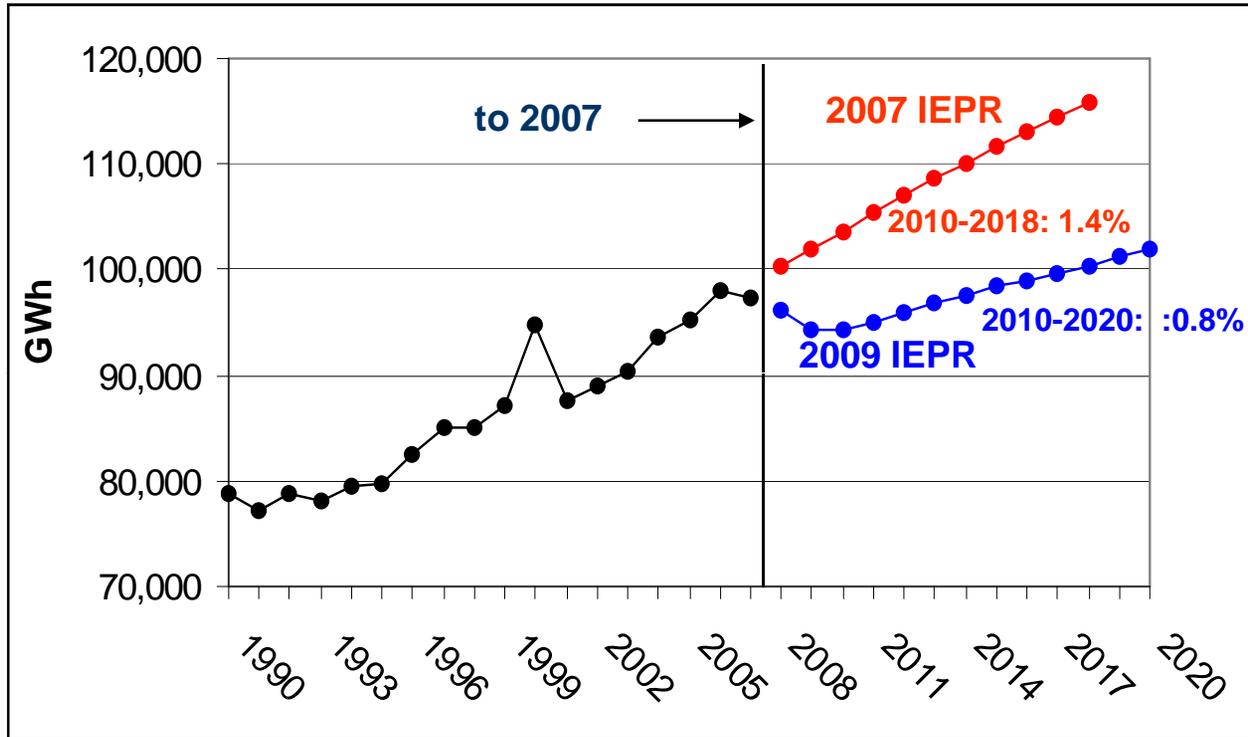
	Retail Sales		Area Peak		
	2007 IEPR	2009 IEPR	2007 IEPR	2009 IEPR	
1991-2001	1.2%	1.3%	0.6%	0.7%	<i>Trough to Trough</i>
2001-2007	2.1%	1.8%	4.3%	4.3%	<i>Recovery/Boom</i>
2007-2010	1.7%	-1.0%	1.7%	-0.3%	<i>Recession</i>
2010-2020*	1.4%	0.8%	1.5%	1.2%	<i>Recovery</i>

* 2010 to 2018 for 2007 IEPR

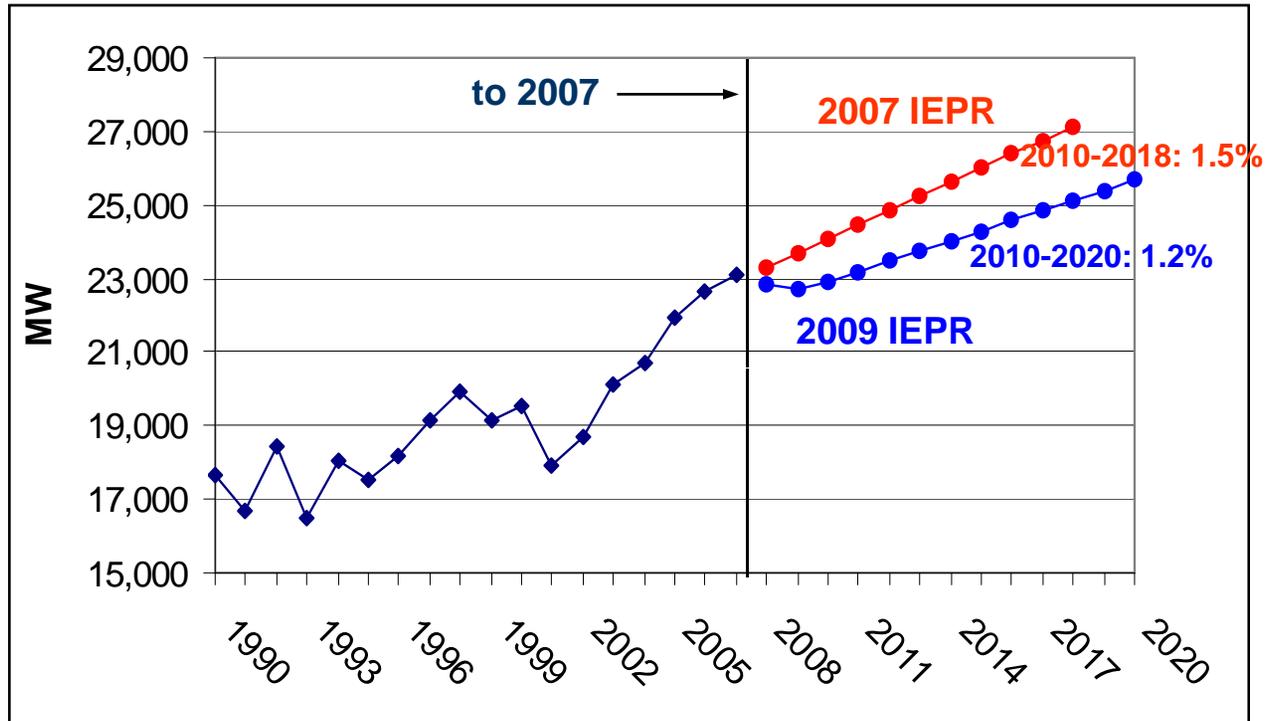
- The reduction in growth between 2007 and 2010 seems reasonable given the severity of the recession.
- But the reduction in Sales and Peak demand growth from 2010 to 2020 is not clear to us.



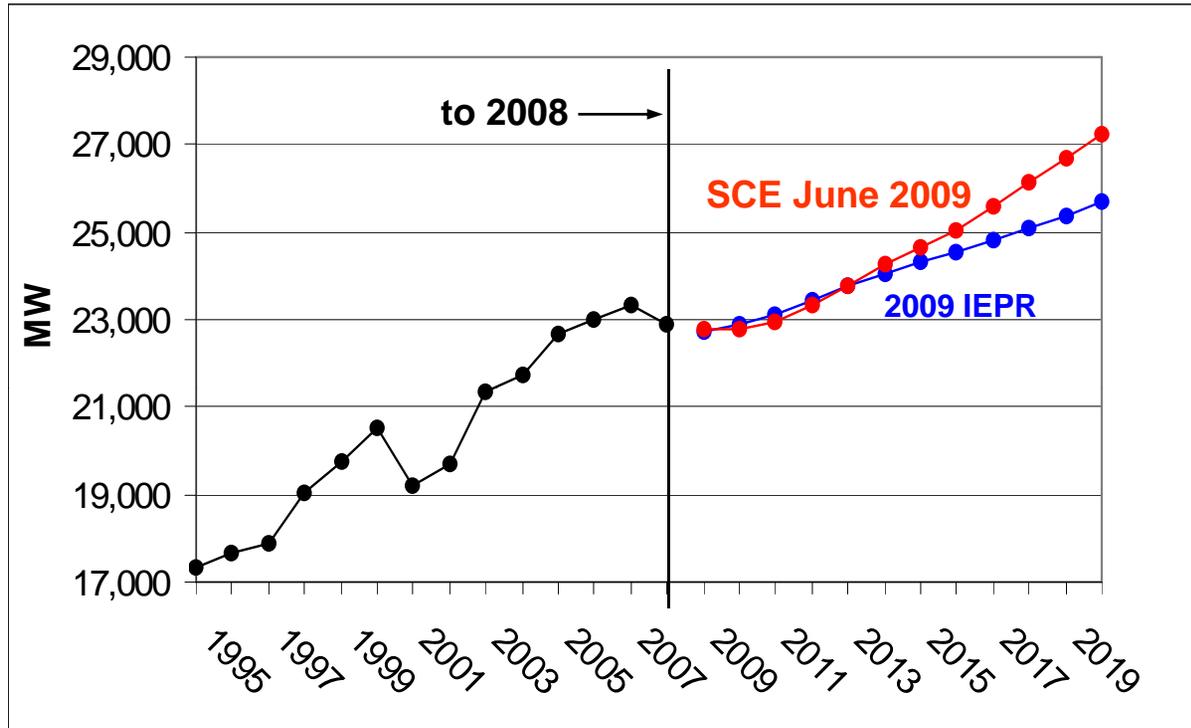
A Comparison of CEC 2007 and 2009 IEPR Forecasts of SCE Retail Sales



A Comparison of CEC 2007 and 2009 IEPR Forecasts of SCE Peak Demand



A Comparison of CEC 2009 IEPR & SCE Forecasts of SCE Peak Demand



- CEC and SCE forecasts of Peak Demand are reasonably close to 2013, but the difference widens steadily thereafter.



A Comparison of CEC 2009 IEPR & SCE June 2009 Forecasts

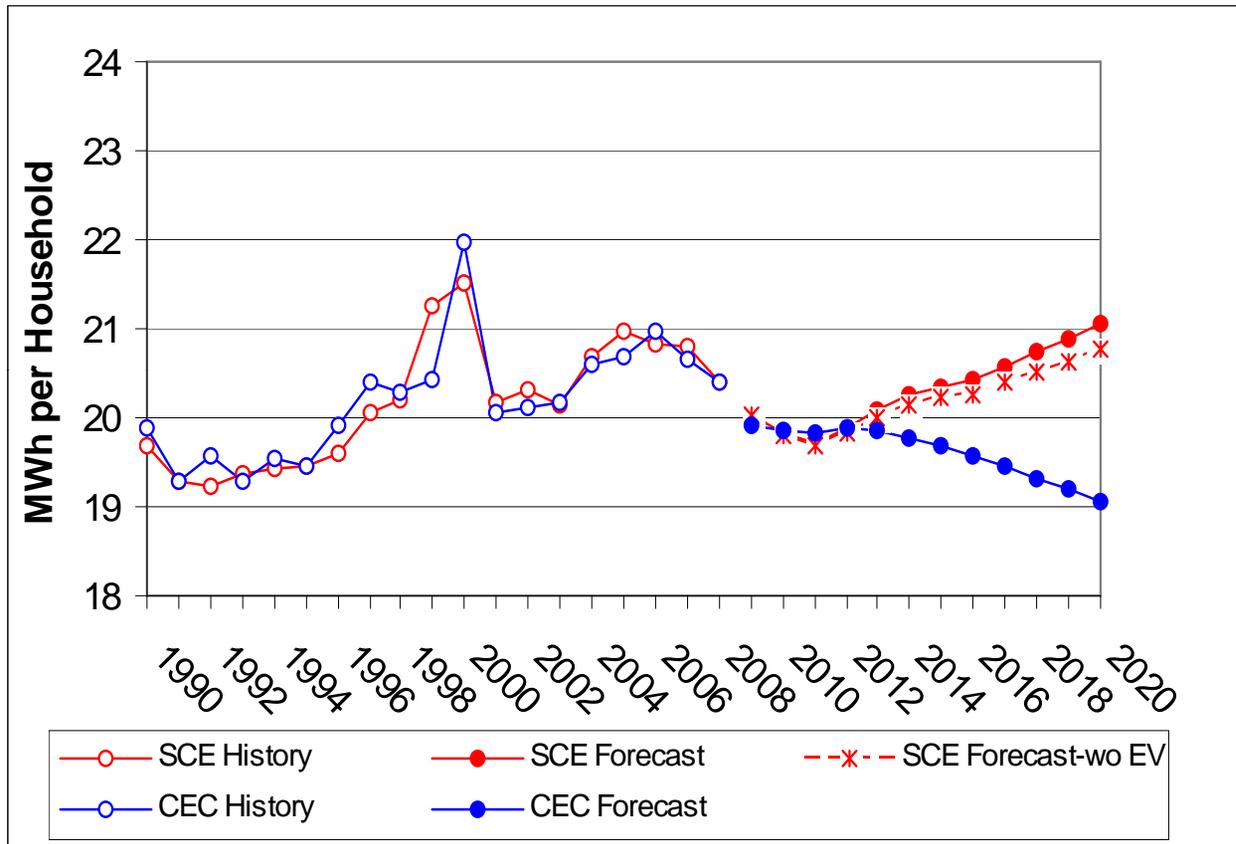
Average Annual Growth Rates:

	<i>Households</i>		<i>Real Income</i>		<i>Comm. Floorspace</i>	
	<i>SCE</i>	<i>2009 IEPR</i>	<i>SCE</i>	<i>2009 IEPR</i>	<i>SCE</i>	<i>2009 IEPR</i>
2007-2010	0.4%	1.1%	-0.3%	0.0%	1.4%	1.7%
2010-2020	1.2%	1.1%	2.8%	2.5%	1.5%	1.4%

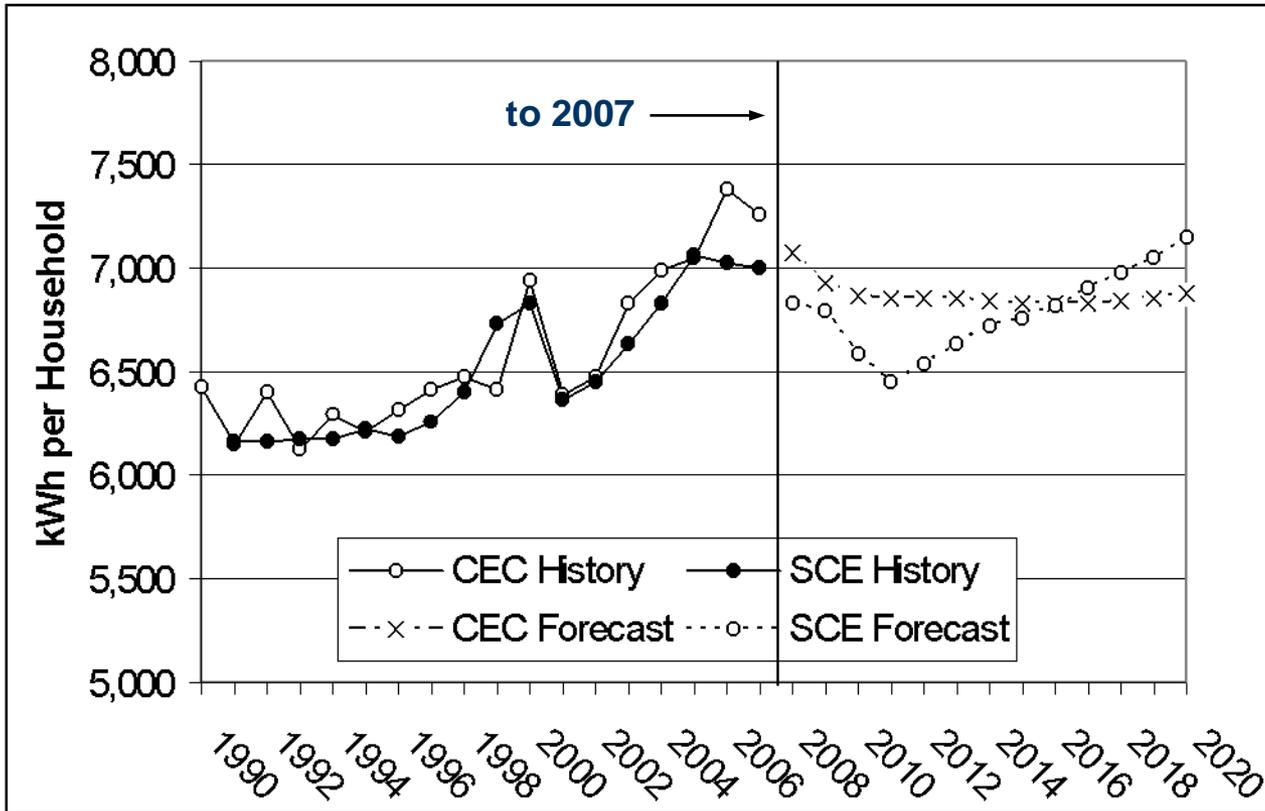
	<i>Retail Sales</i>		<i>Area Peak</i>	
	<i>SCE</i>	<i>2009 IEPR</i>	<i>SCE</i>	<i>2009 IEPR</i>
2007-2010	-1.3%	-1.0%	-0.8%	-0.3%
2010-2020	1.8%	0.8%	1.8%	1.2%



A Comparison of CEC 2009 IEPR & SCE Forecasts of SCE Sales



A Comparison of CEC 2009 IEPR & SCE Forecasts of SCE Residential Sales



A Comparison of CEC 2009 IEPR & SCE Forecasts of SCE Commercial Sales

