



Item 6: Resolution Adopting the California Energy Demand Forecast, 2025-2045

January 21, 2026 Business Meeting

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Why does CEC forecast energy demand?

Warren-Alquist Act

Established the CEC

Public Resources Code 25301(a)

Requires the CEC to "conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices."



Source: CEC



Source: CEC



Benefits & Purpose of the Forecast

- Foundational for procurement and system planning in the state
- Informs:
 - Resource adequacy requirements
 - Integrated resource planning
 - Reliability assessments
 - Transmission system planning
 - Distribution system planning



Updates to the Forecast

- Minimal modeling changes to preserve stability
- Refreshed economic/demographic projections
- Updated inputs and scenario design for:
 - PV and battery storage
 - Data centers
 - Energy efficiency
 - Fuel substitution
 - Transportation electrification
- New analysis of utility “known loads”



Assessing Known Loads

What are Known Loads?

- Energization requests at the distribution system level
- Project-level data from each Investor-owned utility



Potential Reliability Risks

- Gap between transmission and distribution planning
- Backlog of projects that exceed growth in the IEPR forecast

Other Considerations

- First year that CEC has used the known load data
- Lack of historical record
- Interaction with CEC modeling
- Balance resource procurement obligations with grid planning



Joint Agency and CAISO Decision on Forecast Composition by Use Case

	System/Flex Resource Adequacy	Local Capacity Studies	Transmission Local Studies	Integrated Resource Planning & Transmission Bulk System
Forecast Composition	2025 IEPR Planning without Known Loads	2025 IEPR Local Reliability without Known Loads	2025 IEPR Local Reliability Forecast with Known Loads	2024 IEPR Planning Forecast

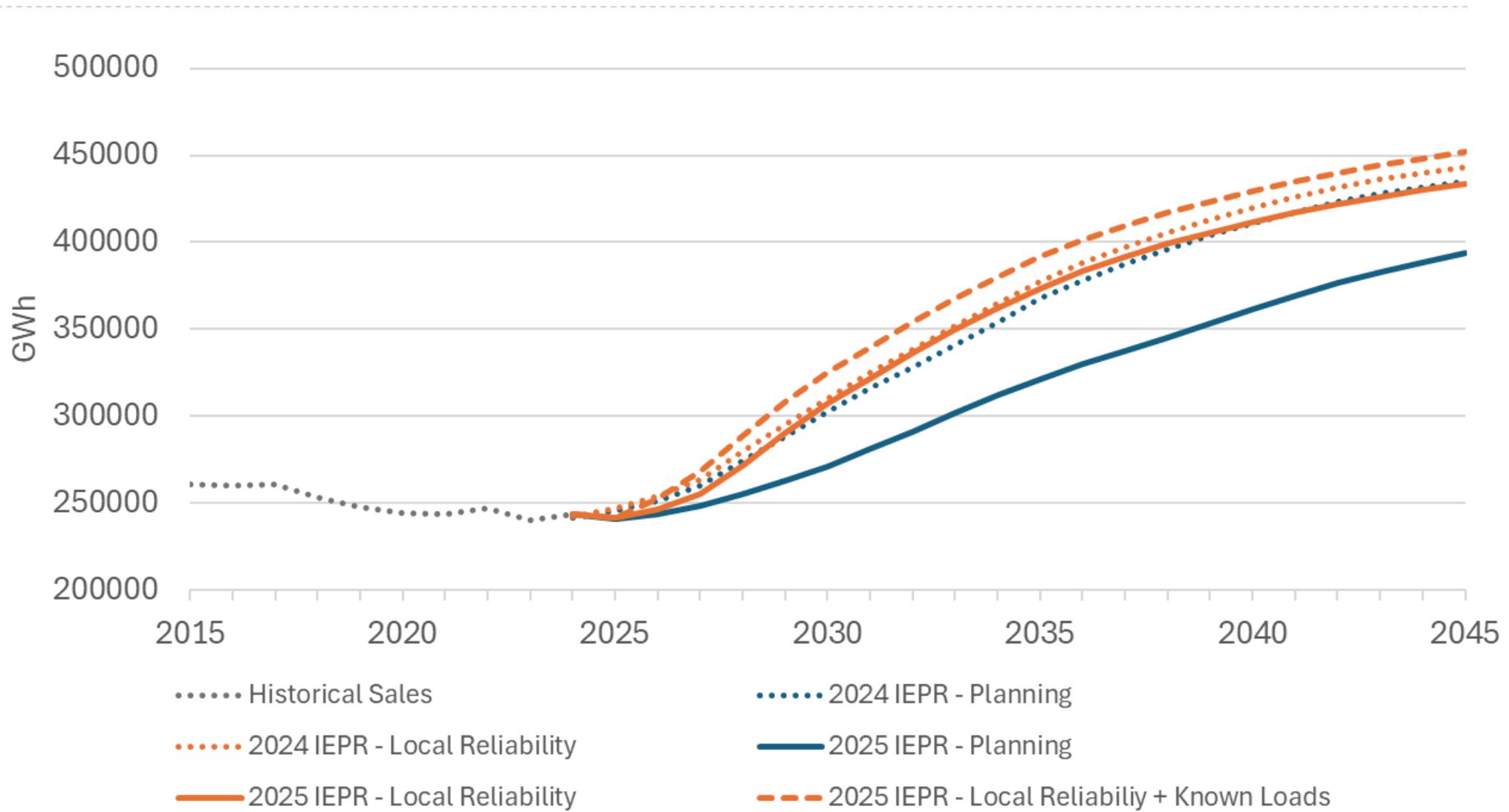
- Monitor known loads throughout 2026 for 2027 reliability
- Run CEC's summer reliability assessment with and without known loads

- CAISO to use separate scenarios for Local Capacity Studies and Transmission Local Studies

- Uncertainty with known loads, data centers
- Stability in resource and infrastructure planning

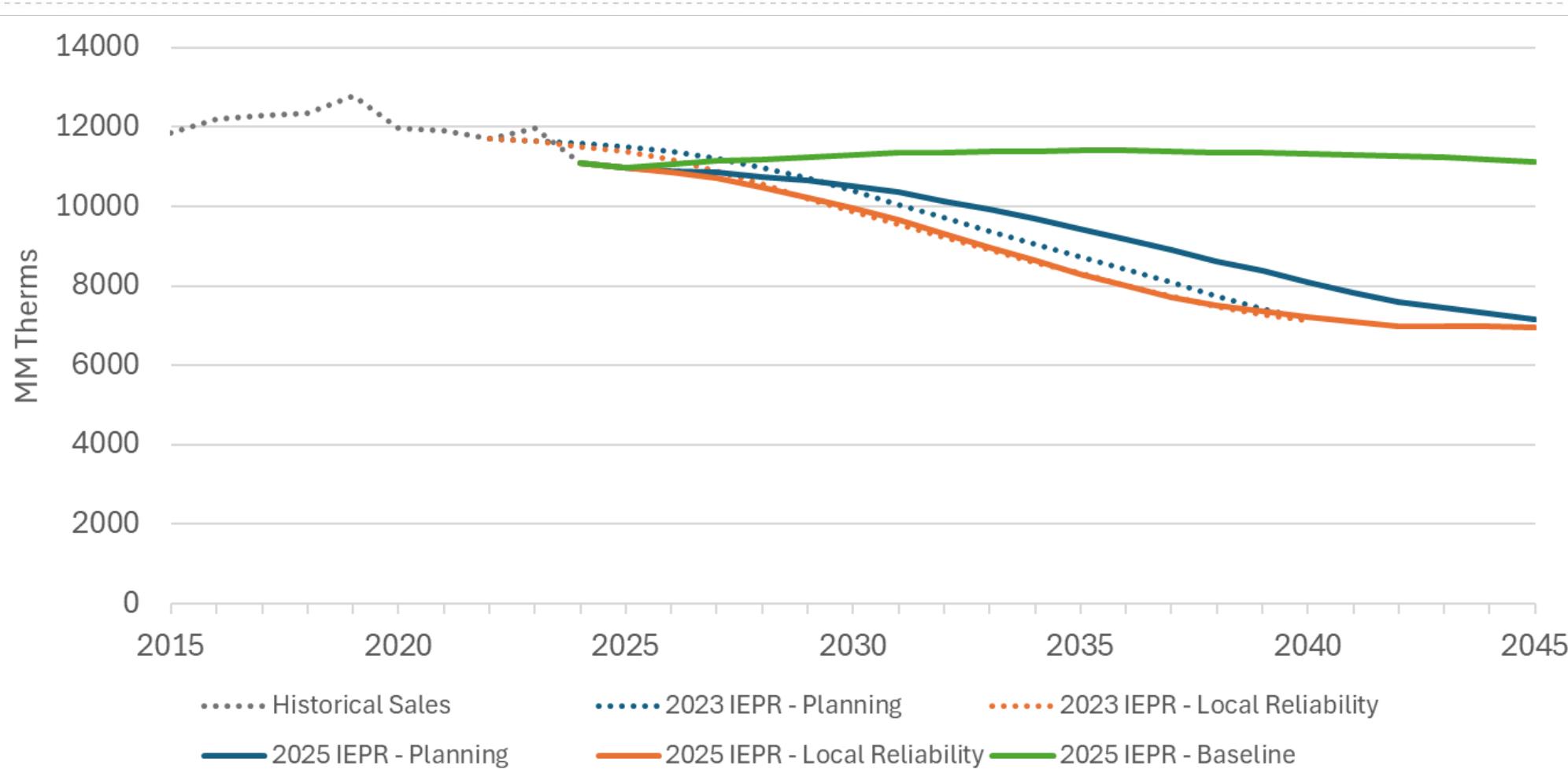


Statewide Electricity Sales Forecast





Statewide Gas Sales Forecast

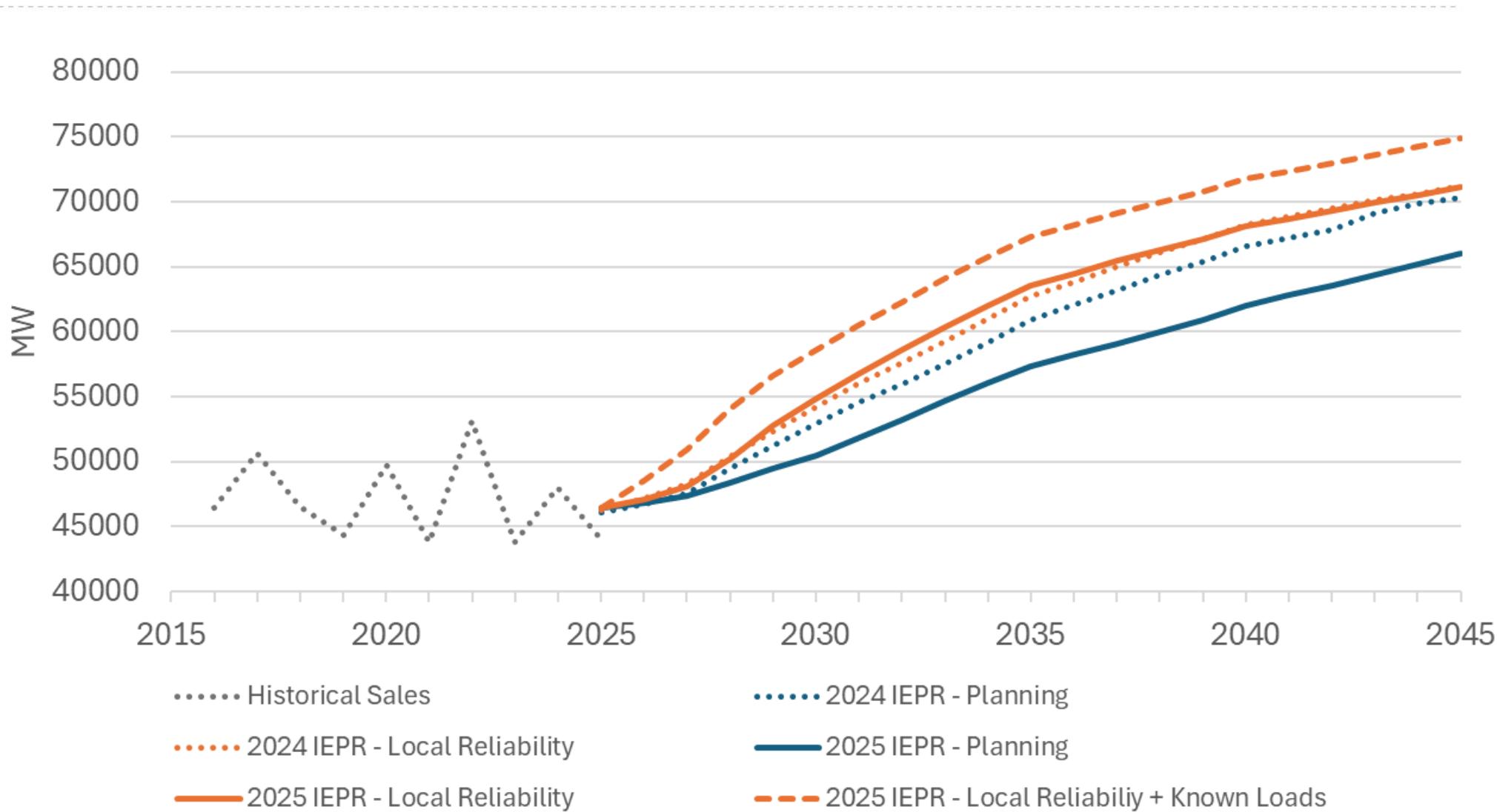


Source: CEC

Gas sales forecast implied by electricity system planning assumptions

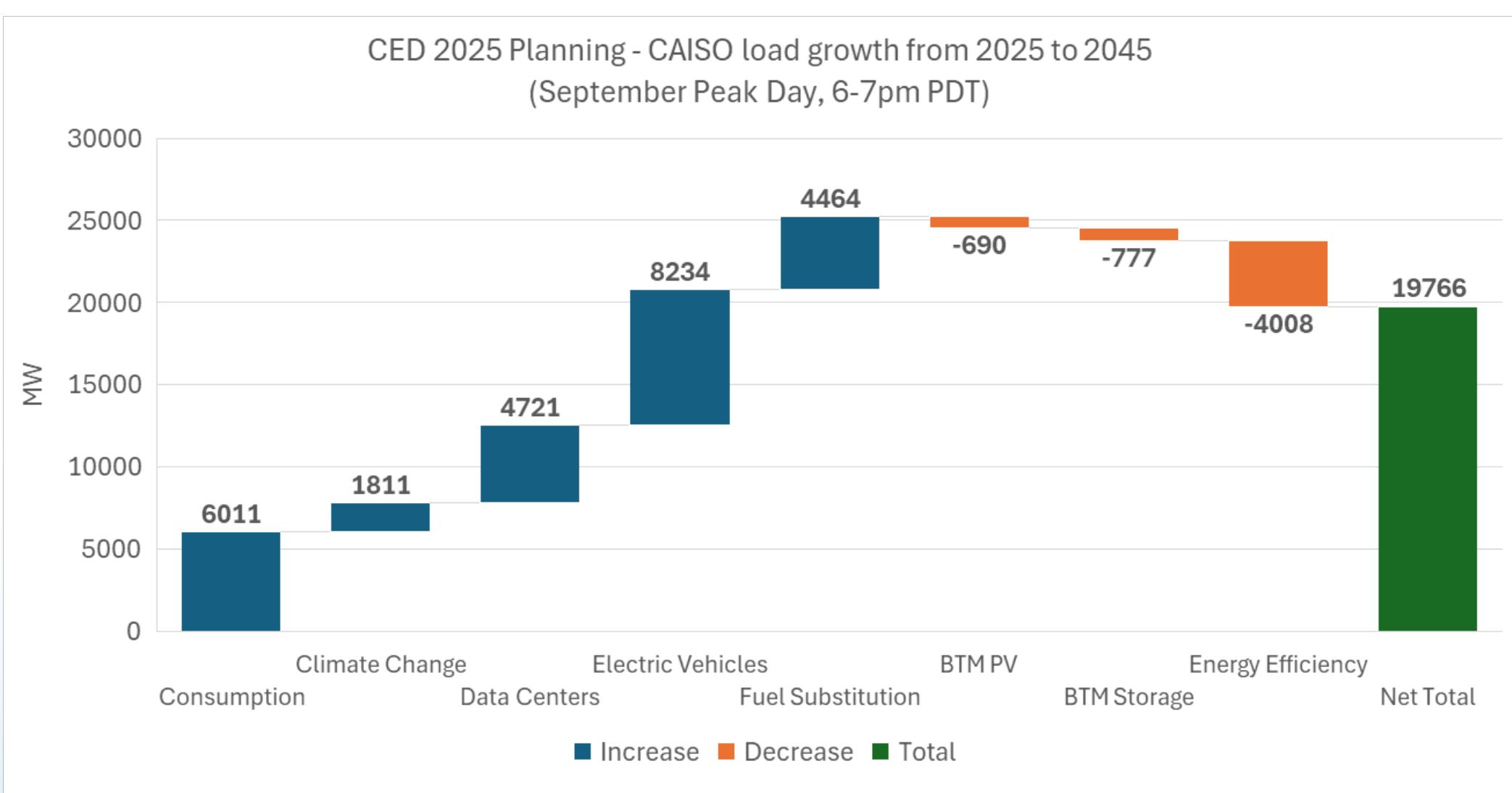


CAISO System Annual Peak Forecast





Main Drivers of Peak Load Growth





2025 IEPR Forecast Workshops and Meetings

Meeting Type	Topic	Date
IEPR Workshop	California's Economic Outlook	February 26
DAWG Meeting	Economic and Demographic Inputs and Data Center Forecasting	July 16
IEPR Workshop	Inputs and Assumptions	August 6
DAWG Meeting	Load Modifier Assumptions	August 18
IEPR Workshop	Load Modifier Scenario Updates	August 26
DAWG Meeting	Draft Load Modifier Results	October 30
IEPR Workshop	Draft Load Modifier Results	November 13
IEPR Workshop	Draft Overall Forecast Results	December 17
DAWG Meeting	Revised Results & Forecast Composition	January 5, 2026



Staff Recommendation

- Adopt the California Energy Demand Forecast, 2025-2045
- Approve staff's recommendation that this action is exempt from CEQA