CALIFORNIA ENERGY COMMISSION

CALIFORNIA ENERGY DEMAND 2010-2020 ADOPTED FORECAST

COMMISSION REPORT

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Arnold Schwarzenegger, *Governor*

Conservation/Efficiency Impacts

Energy Commission demand forecasts seek to account for all conservation that is *reasonably expected to occur*. Since the 1985 *Electricity Report*, reasonably expected to occur conservation programs have been split into two types: committed and uncommitted. *CED 2009 Adopted* continues that distinction. Committed programs are defined as programs that have been implemented or for which funding has been approved and include some form of program plan. While conservation reasonably expected to occur includes both committed and uncommitted programs, only the effects of committed programs are included in the demand forecast. However, the Energy Commission models include naturally occurring or market driven energy efficiency. Therefore, the forecasts include some impacts associated with the historical and ongoing levels of programs to the extent they represent impacts associated with replacement of aging building stock and equipment, or installation of new stock and equipment at efficiency levels that comply with current building and appliance standards. Uncommitted effects are thus defined as the incremental impacts of the level of future programs (for example, savings associated with new equipment that exceeds current standards or early replacement of existing stock), impacts of new programs, and impacts from expansion of current programs.

Chapter 8 gives details regarding the committed energy efficiency impacts projected for *CED 2009 Adopted*. Staff will also provide a forecast of the impacts of uncommitted programs on energy demand later this year.

Demand Response

The term *demand response* encompasses a variety of programs, including traditional direct control (interruptible) programs and new price responsive demand programs. A key distinction is whether the program is dispatchable. Dispatchable programs, such as direct control, interruptible tariffs, or demand bidding programs, have triggering conditions that are not under the control of, and cannot be anticipated by, the customer. Energy or peak load saved from dispatchable programs is treated as a resource and is therefore not accounted for in the demand forecast. Non dispatchable programs are not activated using a predetermined threshold condition but allow the customer to make the economic choice whether to modify usage in response to ongoing price signals. Impacts from committed non dispatchable programs should be included in the demand forecast.

At this time, all of the existing demand response programs have some form of triggering condition. Although the utility or California ISO may not have direct control, only the customer has the opportunity to participate in the program when the program operator has called an event, either because of high market prices or resource scarcity. Therefore, in this forecast, no demand response impacts are counted on the demand side.