October 12, 2001
Committee Workshop on
Staff Proposed
California Energy Demand Forecast

Agenda

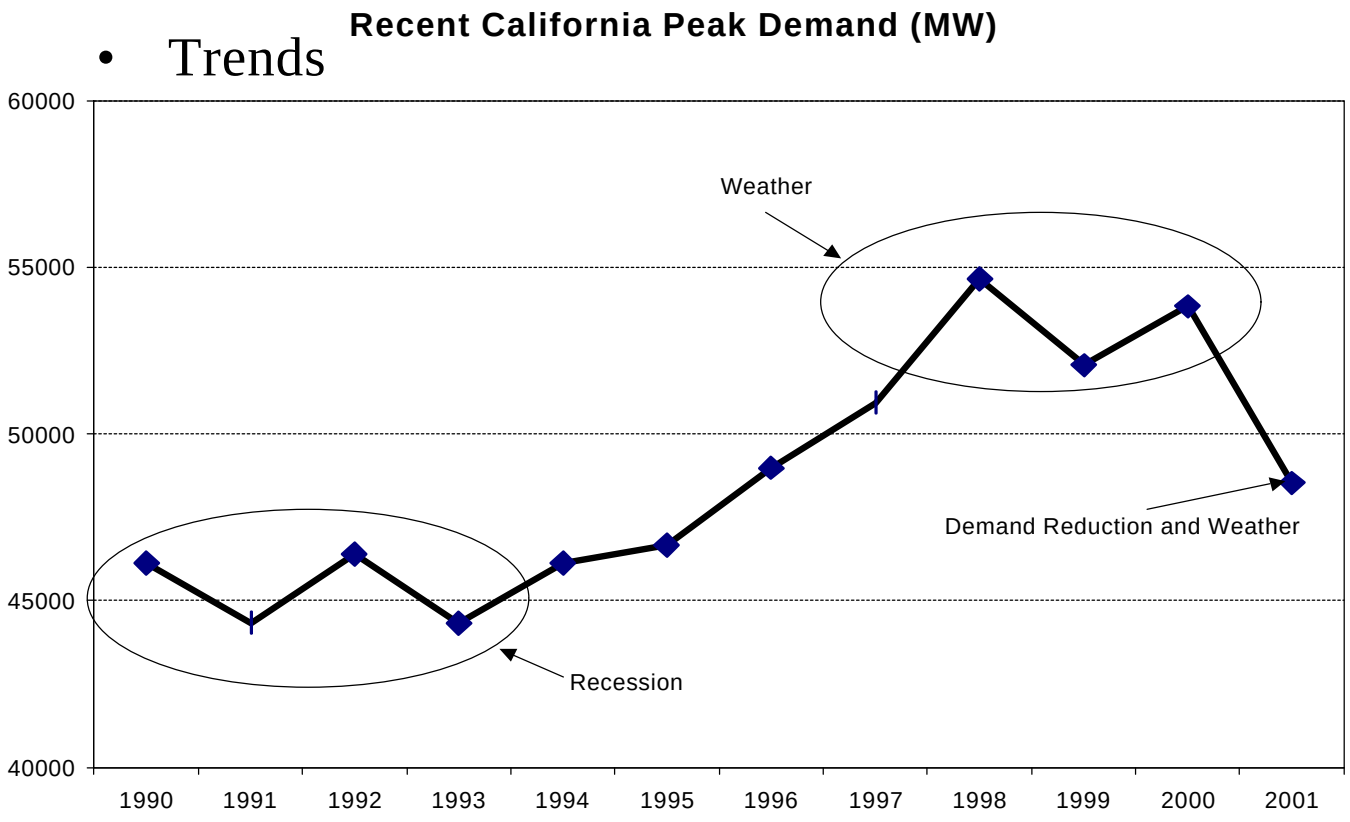
- 10:00 - 10:15 Introduction
- 10:15 - 10:30 Recent Trends/Myths
- 10:30 - 11:00 Summer 2001
- 11:00 - 11:30 Ca Economy
- 11:30 - 12:00 Utility/ISO Views
- 12:00 - 12:30 Demand Scenarios
- 12:30 - 1:00 Additional Discussion

Critical Issue - Uncertainty

- Forecasts are always uncertain
- But, recent events increase range for 2002
  - What Happened in 2001 with demand reduction
  - What is going on with the economy

Recent Trends and Myths

- Trends

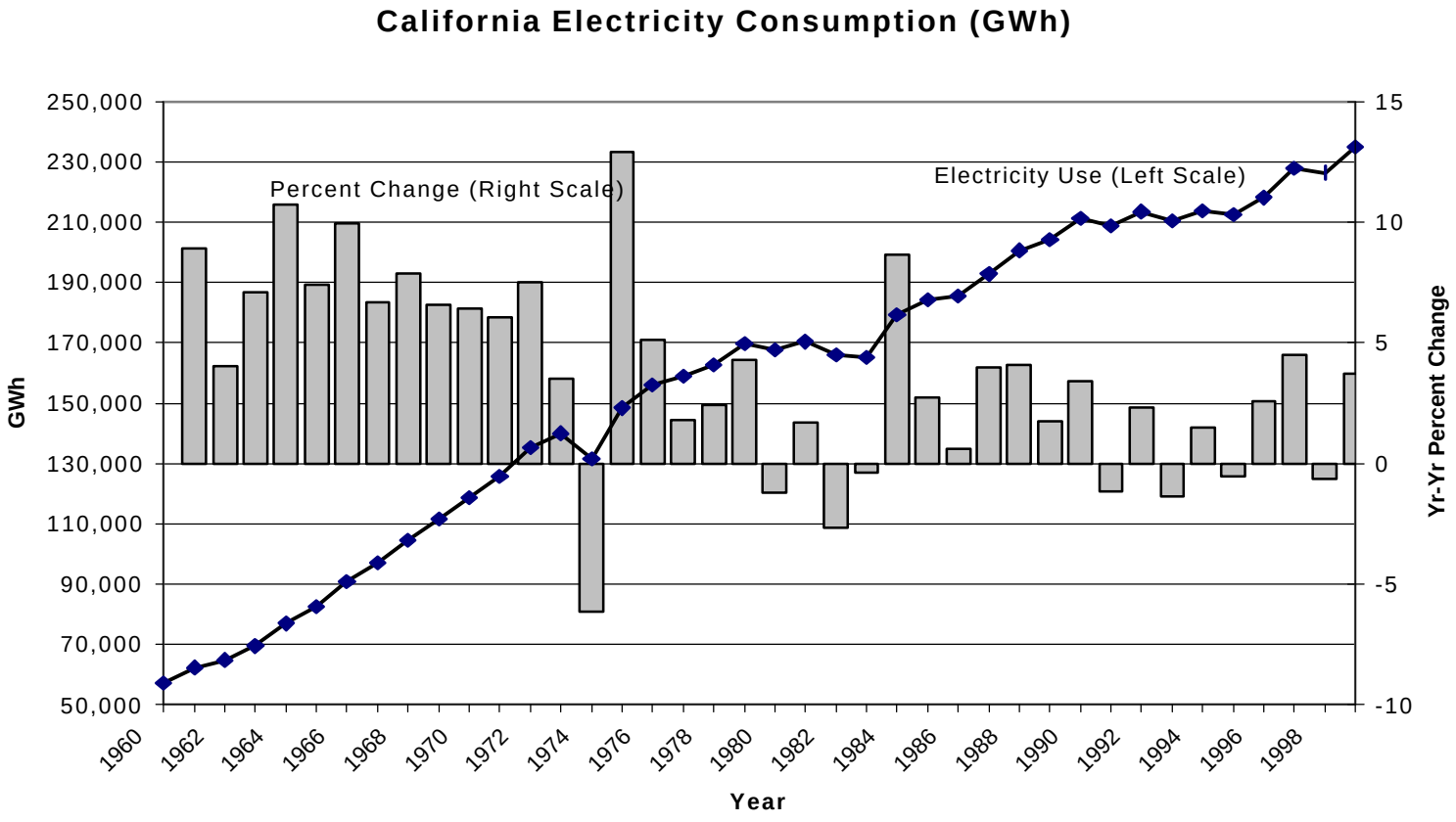


Recent Trends and Myths

- Myths:
  - Unprecedented Growth
  - Unexpected Growth
  - 2001 down because of mild weather

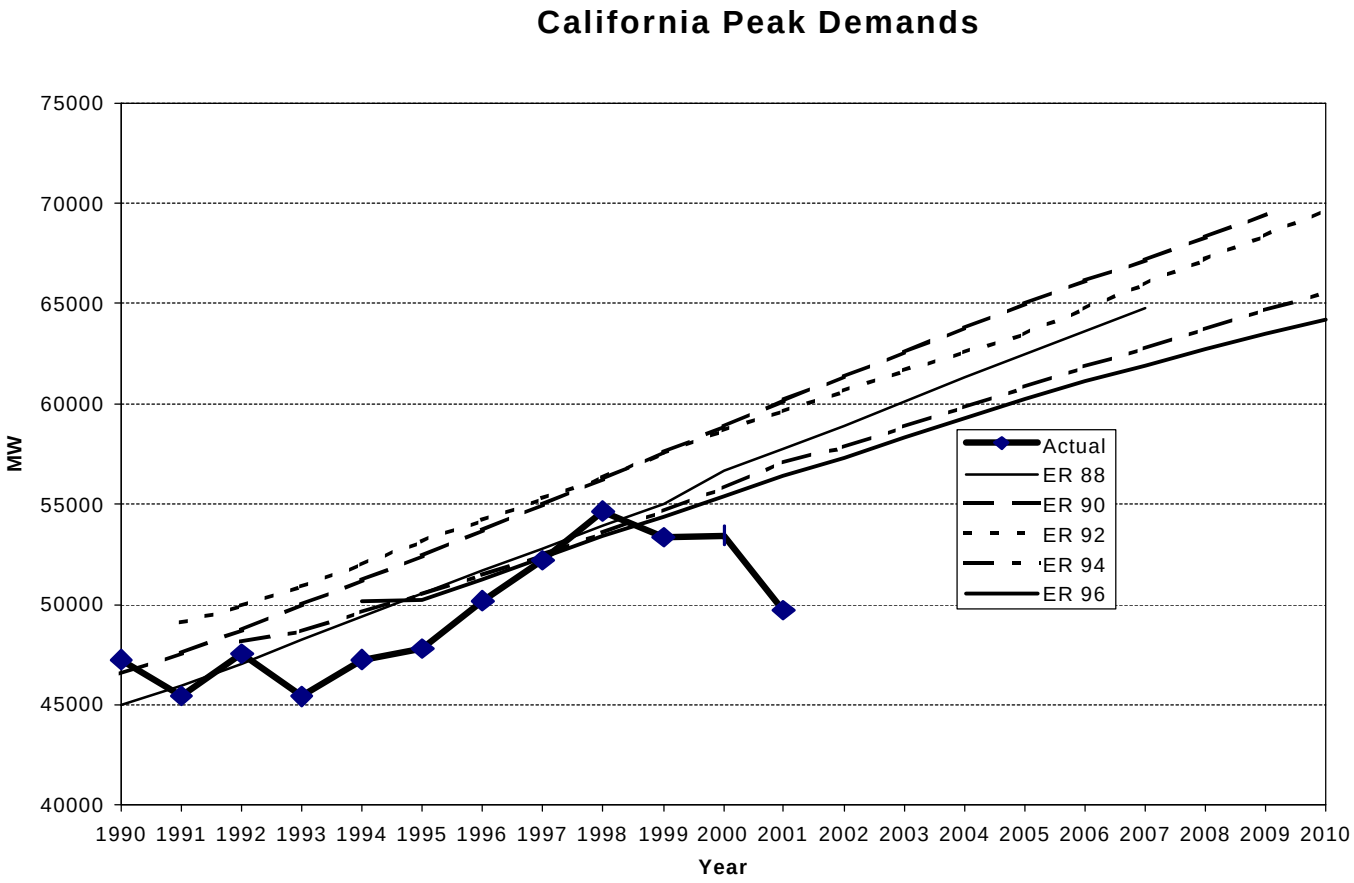
Recent Trends and Myths

Growth Not Unprecedented



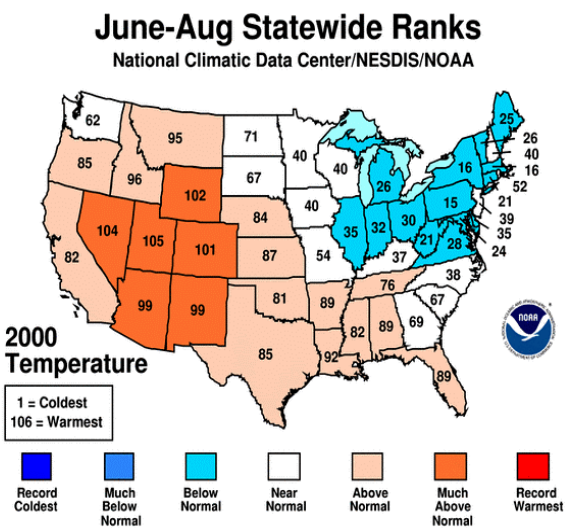
Recent Trends and Myths

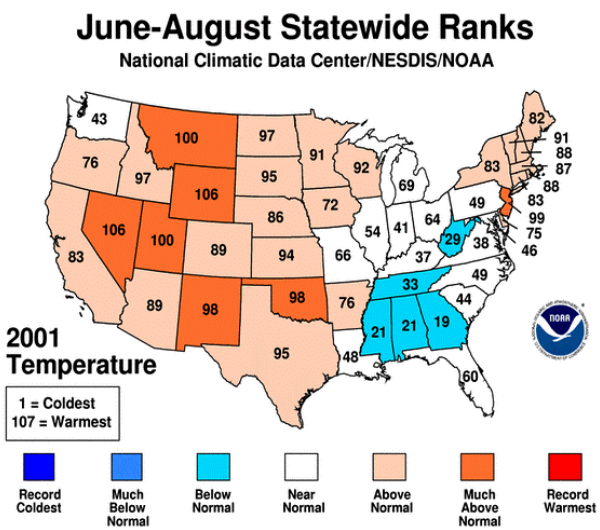
Growth Not Unexpected



Recent Trends and Myths

2001 Mild Summer





Summer 2001

What Did Not Happen

What Did Happen

Why Did It Happen

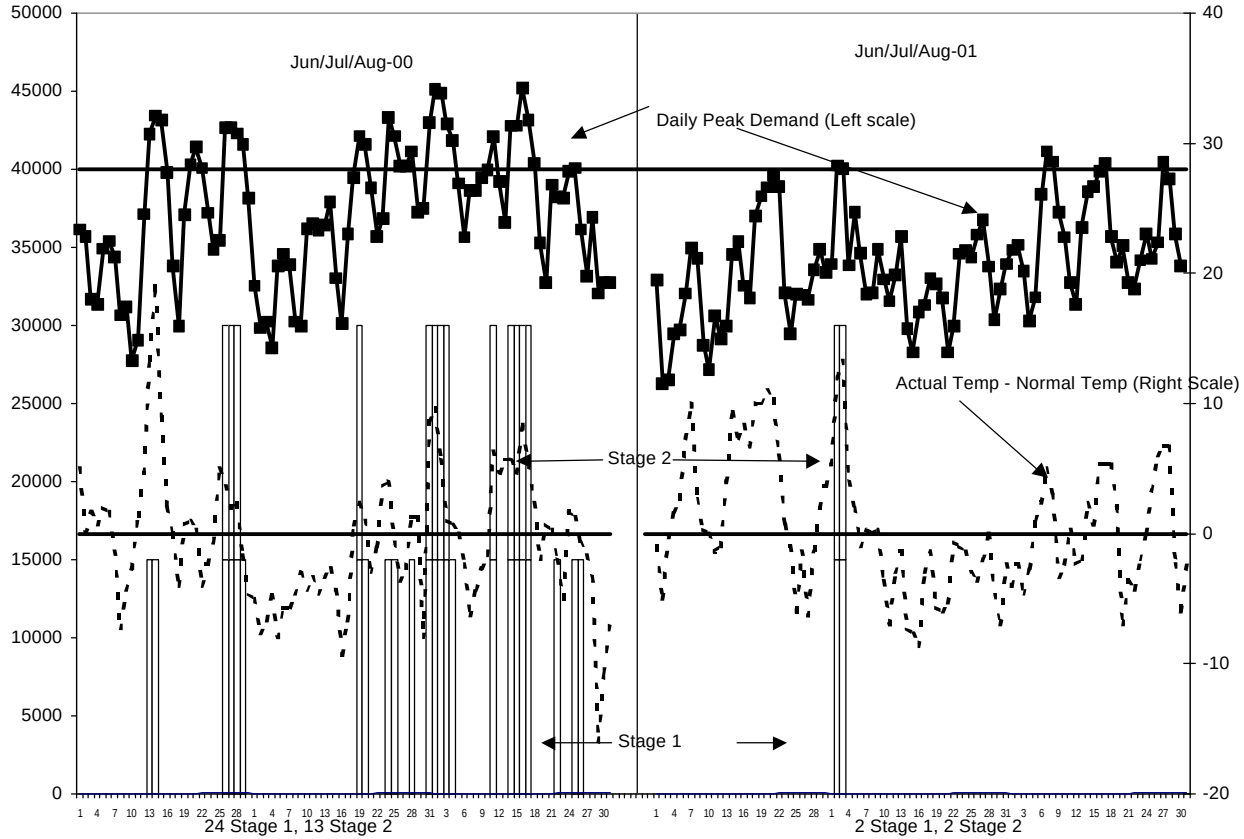
What Did Not Happen
Forecasts for California's Summer '01

Rolling blackouts will be "in the hundreds of hours. I expect Californians will grow pretty weary of them pretty quickly". Michael Zenker, Director of Cambridge Energy Research Associates. 5/9/01

"NERC's best estimate is that there will be about 260 hours" of rolling blackouts. National Electric Reliability Council. 5/01

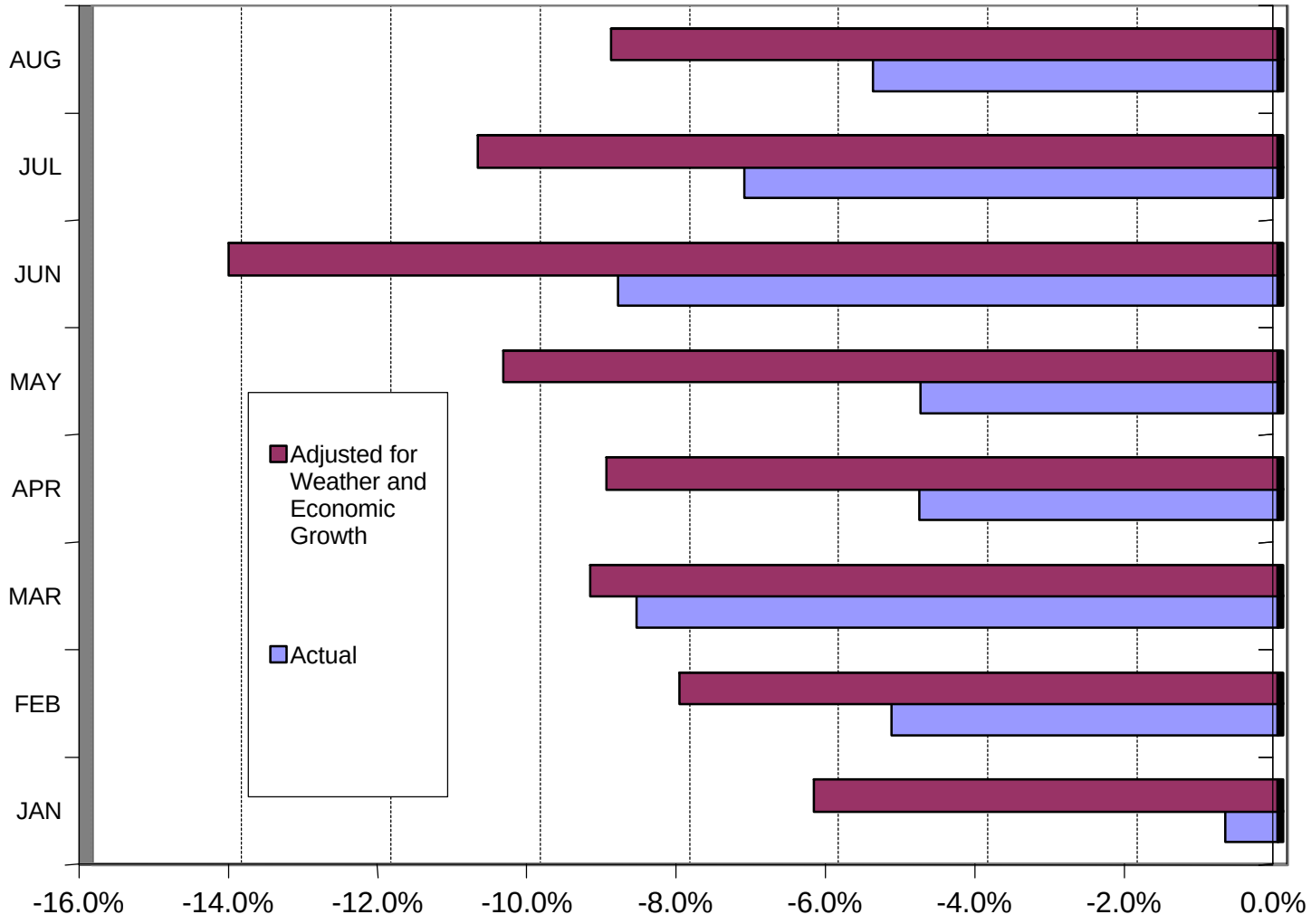
What Did Happen

Summer 2000 and 2001



Monthly Peak Demand Reduction in 2001

(Percent Change 2000 to 2001)



Summer of 2001
Why Did It Happen

- Loren Lutzenhiser - Washington State Univ
- Mike Rufo - XENERGY

What is Going on with the Economy

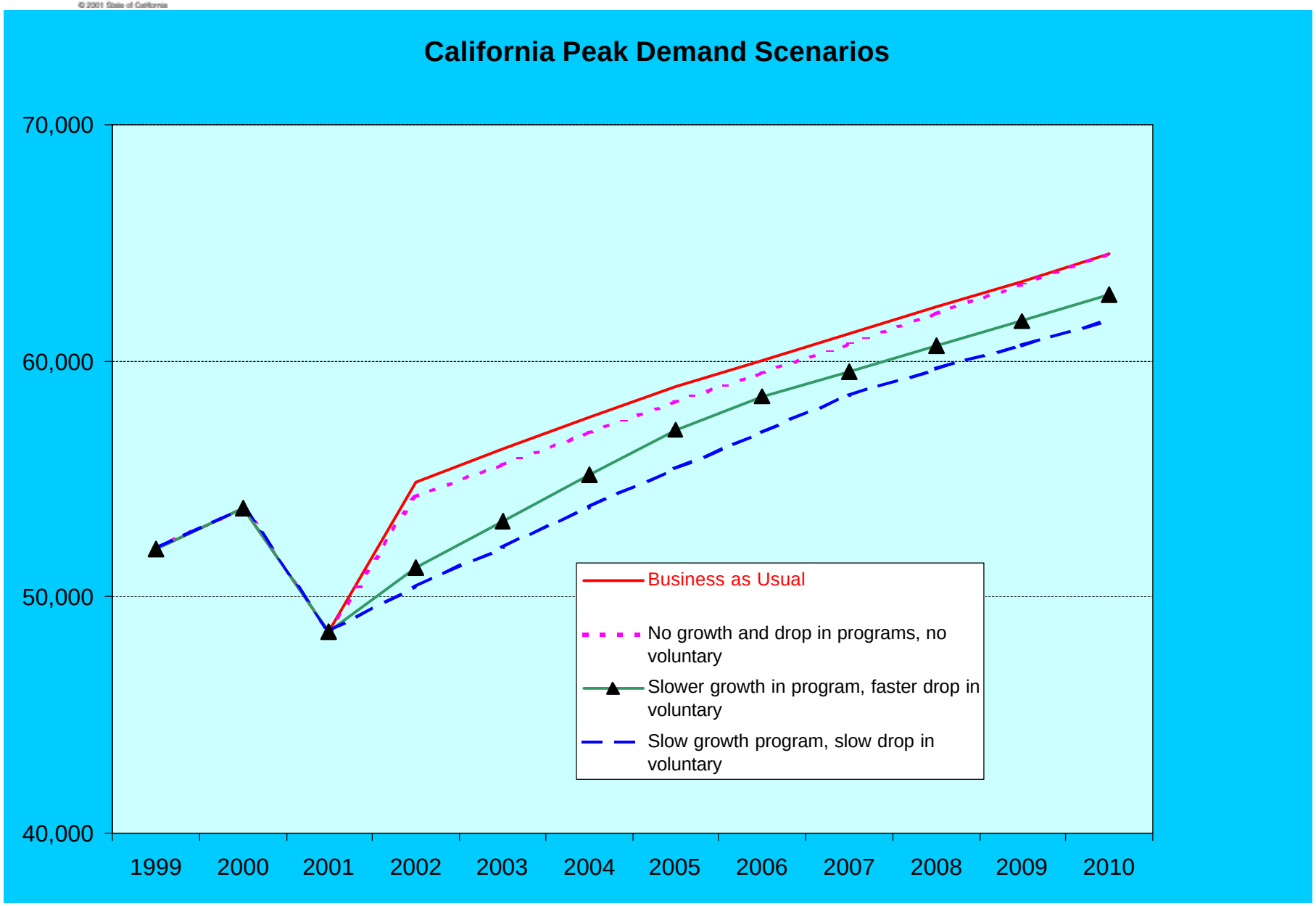
- Ted Gibson - Chief Economist, State of CA

Utility/ISO Views

- PK Sircar - ISO
- Vito Blomo - SMUD
- Rick Aslin - PG&E

CED 2002 Demand Scenarios

- Business as Usual Case
  - Commission models run ignoring 2001
- Alternate Scenarios
  - Different trend in program impacts
  - Different trends in voluntary impact


California Peak Demand Scenarios
70,000
60,000
50,000
40,000
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
Business as Usual
No growth and drop in programs, no voluntary
Slower growth in program, faster drop in voluntary
Slow growth program, slow drop in voluntary

Demand Reduction Scenarios

Scenario 1		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1) Steady pgm/slow drop vol	program	500	1100	1200	1300	1400	1500	1500	1500	1500	1500	1500	1500
	voluntary	3300	2300	1900	1500	1100	700	300	300	300	300	300	300
	total	3800	3400	3100	2800	2500	2200	1800	1800	1800	1800	1800	1800

Scenario 2		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
2) No growth pgm, fast drop vol	program	500	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
	voluntary	3300	1800	1300	800	300	100	100	100	100	100	100	100
	total	3800	2800	2300	1800	1300	1100	1100	1100	1100	1100	1100	1100

Scenario 3		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
3) Drop in pgm after 2005, no voluntary	program	500	500	500	500	500	400	300	200	100	0	0	0
	voluntary	3300	0	0	0	0	0	0	0	0	0	0	0
	total	3800	500	500	500	500	400	300	200	100	0	0	0