Proceeding No.: A.16-04-
Exhibit No.:
Witness: Yvonne M. Le Mieux

PREPARED DIRECT TESTIMONY OF

YVONNE M. LE MIEUX

ON BEHALF OF

SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

April 15, 2016

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PREPARED DIRECT TESTIMONY OF

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SAN DIEGO GAS & ELECTRIC COMPANY

I. OVERVIEW AND PURPOSE

The purpose of my testimony is to present San Diego Gas & Electric Company's ("SDG&E") rate recovery proposals for the procurement activities addressed in the Application of SDG&E for Approval of its 2017 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts ("Application"), and specifically:

(1) to present the rate changes associated with the cost recovery of SDG&E's 2017 forecast of its Energy Resource Recovery Account ("ERRA") (including Greenhouse Gas ("GHG") costs), Ongoing Competition Transition Charge ("CTC"), Local Generation ("LG") procurement revenue requirements, San Onofre Nuclear Generating Station ("SONGS") Unit 1 Offsite Spent Fuel Storage revenue requirement, and the 2017 GHG revenue return, which is discussed further in Section IV;

(2) to present the rate changes associated with item (1) above and additionally the cost recovery associated with the December 31, 2014 Local Generating Balancing Account ("LGBA") undercollection and the forecasted December 31, 2016 Market Redesign Technology Upgrade Memorandum Account ("MRTUMA") undercollection;

(3) to propose rates for non-bypassable charges, including:

(a) the 2017 Power Charge Indifference Adjustment ("PCIA") component of

the cost responsibility surcharge ("CRS") applicable to departing load customers, and

(b) the Local Generation Charge ("LGC") applicable to all benefiting customers;

(4) to present the methodology for the calculating the GHG revenue return allocations, including:

(a) identifying the 2017 forecasted GHG revenue return to eligible customers allocation amounts (including the residential semi-annual California Climate Credit ("CCC")),[1] and

(b) supporting the 2017 forecasted GHG Revenue Returned to Eligible Customers and California Climate Credit information set forth in Templates D-1 "Annual Allowance Revenue Receipts and Customer Returns" and D-4 "Costs and Revenues by Rate Schedule"[2] of Attachment G to the Application; and

(5) to present proposed rates for the 2017 rate components associated with the Green Tariff ("GT") and Enhanced Community Renewables ("ECR") programs.

As discussed below, my testimony requests that the Commission grant the following relief to SDG&E in this proceeding:

[1] The "California Climate Credit" was previously referred to as the "climate dividend." Pursuant to Decision ("D.") 14-01-012, the Energy Division issued a letter on January 27, 2014 notifying the electric utilities that "California Climate Credit" will be used as the name for the on-bill credit of GHG revenue that small business and households will receive as directed by D.12-12-033 and subsequent implementing decisions.

[2] *See* SDG&E's GHG Revenue and Reconciliation Application Form, dated April 15, 2016.

- adopt SDG&E's proposed vintage 2017 PCIA rates, as indicated in Attachment A;
- adopt SDG&E's proposed 2017 LGC rates, as indicated in Attachment B to this testimony;
- adopt SDG&E's forecasted 2017 GHG revenue return to eligible customers amount of $5.355 million for Emission-Intensive and Trade-Exposed ("EITE") entities and qualifying small businesses to be distributed as set forth in Template D-1 (see Attachment G to the Application);
- adopt SDG&E's proposed 2017 residential semi-annual California Climate Credit of $30.77; and
- adopt SDG&E's proposed rates for the 2017 rate components associated with the GT and ECR programs, as indicated in Attachment C and D, respectively, to this testimony.

My testimony is organized as follows:

- **Section II – 2017 ERRA, CTC, LG, SONGS and GHG Rate Changes**: presents the rate changes associated with the 2017 forecasted ERRA, CTC, LG, SONGS Unit 1 Offsite Spent Fuel Storage, and GHG revenue return;
- **Section III - Cost Recovery of the LGBA AND MRTUMA Undercollections:** present the rate changes associated with Section II and additionally the cost recovery associated with the December 31, 2014 LGBA undercollection and the forecasted December 31, 2016 MRTUMA undercollection;
- **Section IV – Non-Bypassable Charges**

  A. PCIA applicable to departing load customers:

1. provides background on the non-bypassable PCIA component of the CRS;
2. presents the Indifference Amount methodology including:
    a) the methodology for the vintage 2017 Market Price Benchmarks ("MPB"), and
    b) the methodology for the vintage 2017 Indifference Amounts and resulting PCIAs;

B. LGC applicable to bundled, direct access ("DA") and community choice aggregation ("CCA") customers:
1. provides background on the LGC, and
2. presents the methodology for the 2017 LGC;

- **Section V – Greenhouse Gas Revenue Return Allocations**

A. Provides background on Cap-and-Trade program emission allowances;

B. Presents the methodology for the GHG revenue return allocations, including:
1. the methodology to determine the net amount of GHG revenues available for customers; and
2. the methodology to determine how the net amount of GHG revenue available for customers will be returned to:
    a) EITE,
    b) Small Businesses, and
    c) Residential customers;

C. Presents the 2017 net GHG revenues available for customers calculation;

D. Provides background and details of the revenue return allocations for the 2017 clean energy and energy efficiency project pursuant to:

1. California Public Utilities Code ("PUC") Section 748.5(c), and

2. PUC Section 2870(c); and

E. Presents the allocation of 2017 forecasted GHG revenue return to eligible customers, including:

1. EITE,

2. Small Businesses, and

3. Residential customers;

- **Section VI – Green Tariff Shared Renewables Program**

A. Background on Green Tariff Shared Renewables program,

B. Presents the methodology for the 2017 rate components for the Green Tariff[3] and Enhanced Community Renewables[4] programs, and

C. Proposes the 2017 rate components for the Green Tariff and Enhanced Community Renewables programs;

- **Section VII – Summary and Relief Requested:** summarizes the items for which SDG&E is requesting Commission approval; and
- **Section VIII – Qualifications**: presents my qualifications.

[3] Tariff Schedule GT.

[4] Tariff Schedule ECR.

II. 2017 ERRA, CTC, LG, SONGS, AND GHG RATE CHANGES

SDG&E's 2017 ERRA, CTC, LG and SONGS revenue requirement forecasts,[5] as set forth in the direct testimony of SDG&E witness Norma Jasso, are shown in Lines 1 – 4 of Table 1. SDG&E's 2017 forecasted GHG revenues available for return, as described in detail in Section V, are shown in Lines 5 – 6 of Table 1.

In accordance with Section 2.5 of the Amended Joint Investor-Owned Utility Cap-and-Trade Greenhouse Gas Revenue Allocation Return Implementation Plan approved in D.13-12-003, any variance between the forecast of GHG costs incorporated into rates and actual GHG costs incurred will be captured as part of the larger ERRA true-up process. SDG&E will true-up total ERRA balances either through its Annual Regulatory Account Update advice letter filing (pursuant to D.09-04-021) or through the ERRA Trigger Mechanism (pursuant to D.07-05-008). Therefore, the GHG costs, which are included in the total ERRA costs, do not include the prior year's reconciliation.

The GHG revenue requirements that are currently effective in rates[6] reflect the 2016 authorized revenue requirements approved in D.15-12-032 regarding SDG&E's 2016 ERRA forecast application. The rate impact below compares the currently effective revenue requirements to the 2017 proposed revenue requirements.

[5] The revenue requirement figures in my testimony include franchise fees and uncollectible expenses ("FF&U") unless otherwise noted.

[6] Effective 1-1-16 per Advice Letter ("AL") 2840-E.

Table 1 - ERRA, CTC, LG, SONGS and GHG Revenue Requirements Included in Rates ($000)

Line	Description	Currently Effective Revenue Requirement[1]	2017 Revenue Requirement		Change from Current[2]
1	ERRA[3]	$ 1,308,712	$ 1,295,038		$ (13,674)
2	CTC	$ 24,466	$ 22,662		$ (1,804)
3	LG	$ 7,160	$ 60,255		$ 53,095
4	SONGS Unit 1 Offsite Spent Fuel Storage	$ 1,077	$ 1,035		$ (41)
5	GHG Revenue Return[4]	$ (3,648)	$ (4,446)		$ (798)
6	GHG CCC	$ (45,570)	$ (80,877)		$ (35,306)
7	Total[5]	$ 1,292,196	$ 1,293,668		$ 1,472

Notes:
[1] Effective 1-1-16 per AL 2840-E.
[2] Differences may not equal due to rounding.
[3] Includes GHG costs.
[4] The EITE revenue return is not included in rates.
[5] Sums may not equal due to rounding.

The rate changes associated with the revenue requirement changes identified in this table are described below. SDG&E is requesting recovery in rates beginning January 1, 2017.

The net $1.5 million increase from the currently effective revenue requirements would decrease the system average rate by 0.007 cents per kilowatt hour ("kWh"), or -0.03%. Without the residential semi-annual California Climate Credit, the system average rate would increase by 0.166 cents per kWh, or 0.81%. Included as Attachment C to the Application is a table summarizing the illustrative rate changes by customer class.

III. COST RECOVERY OF THE LGBA AND MRTUMA UNDERCOLLECTIONS

As described in Section IV of the direct testimony of Norma G. Jasso, in SDG&E's 2014 ERRA Compliance Application (Application "A." 15-06-002), SDG&E proposed to request cost recovery of the undercollected balances in the LGBA and the MRTUMA in its 2017 ERRA

Forecast Application. Accordingly, SDG&E seeks cost recovery of these undercollected balances in this application, pending disposition of A.15-06-002. As discussed in the direct testimony of Norma Jasso, SDG&E is seeking cost recovery associated with the December 31, 2014 LGBA balance of $5.4 million ($5.449 million including FF&U) and the forecasted December 31, 2016 MRTUMA balance of $0.3 million ($0.266 million including FF&U). The total rate change associated with the LGBA and MRTUMA undercollections is $5.6 million, or $5.716 million including FF&U.

Table 2 below compares the currently effective revenue requirements to the 2017 proposed revenue requirements with the addition of the undercollected balances in the LGBA and MRTUMA.

Table 2 - ERRA, CTC, LG, SONGS and GHG Revenue Requirements Included in Rates ($000)

Line	Description	Currently Effective Revenue Requirement[1]	2017 Revenue Requirement including Undercollections		Change from Current[2]
1	ERRA[3]	$ 1,308,712	$ 1,295,038		$ (13,674)
2	CTC	$ 24,466	$ 22,662		$ (1,804)
3	LG	$ 7,160	$ 60,255		$ 53,095
4	SONGS Unit 1 Offsite Spent Fuel Storage	$ 1,077	$ 1,035		$ (41)
5	GHG Allowance Revenue Return[4]	$ (3,648)	$ (4,446)		$ (798)
6	GHG CCC	$ (45,570)	$ (80,877)		$ (35,306)
7	Subtotal[5]	$ 1,292,196	$ 1,293,668		$ 1,472
8	LGBA Undercollection	$ 0	$ 5,449		$ 5,449
9	MRTU Undercollection	$ 0	$ 266		$ 266
10	Total[5]	$ 1,292,196	$ 1,299,383		$ 7,187

Notes:
[1] Effective 1-1-16 per AL 2840-E.
[2] Differences may not equal due to rounding.
[3] Includes GHG costs.
[4] The EITE allowance revenue return is not included in rates.
[5] Sums may not equal due to rounding.

The rate changes associated with the revenue requirement changes identified in Table 1 above including the addition of the undercollected balances in the LGBA and the MRTUMA are described below. SDG&E is requesting recovery in rates beginning January 1, 2017.

The total increase in revenue requirements is $7.2 million, which would increase the system average rate by 0.022 cents per kWh, or 0.11%. Without the residential semi-annual California Climate Credit, the system average rate would increase by 0.195 cents per kWh, or 0.95%.

IV. NON-BYPASSABLE CHARGES

Non-bypassable charges are charges that specific customers, such as DA or CCA, are required to pay even if they take service from another service provider. My testimony presents the rate proposals associated with two non-bypassable charges authorized by the Commission: (1) the PCIA applicable to departing load customers to preserve bundled customer indifference and (2) the LGC applicable to all benefiting customers including bundled, DA and CCA customers, for resources needed for local reliability purposes.

A. Power Charge Indifference Adjustment

1) Background

In D.06-07-030, as modified by D.07-01-030, the Commission established authority for the PCIA component of the CRS to preserve bundled customer indifference and ensure departing load customers pay their share of the cost responsibility associated with the above-market costs, or indifference amount, of the utilities' total procurement resource portfolio.[7] Although there are

[7] In D.07-01-025, the Commission adopted the PCIA methodology for CCA customers.

currently no CCA parties in SDG&E's service territory, SDG&E is required to provide PCIA rates for potential CCA customers.

In D.08-09-012, the Commission continued to refine the indifference amount methodology to ensure bundled customer indifference by introducing the requirement to vintage departing load customers, based on their departure date, when determining the customers' cost responsibility for the total portfolio of resources. Assigning customers to a vintage ensured that departing load customers pay their fair share of above-market costs associated with the specific vintage portfolio of resources that were acquired to serve them prior to their departure from bundled load service in order to preserve bundled customer indifference. After departure from bundled service, the departing load customers are not required to pay for above-market costs associated with utility procurement commitments after that load departs.

In D.11-12-018, the Commission adopted further reform to the indifference amount methodology recognizing that regulatory and industry changes had impacted energy procurement practices. Changes to the MPB methodology, used to determine the market value of electricity, now included the addition of a renewables portfolio standards adder ("RPS adder") to more accurately reflect the market value of renewable resources and a revised resource adequacy capacity adder ("CAP adder") which results in vintage MPBs. The vintage portfolio of resources calculation was revised to better reflect time-of-use load variations and also removed load-related costs incurred by the California Independent System Operator ("CAISO") that are then charged to the utilities.

My testimony takes into account these various decisions and directives of the Commission.

2) Indifference Amount Methodology

Under Commission rules, departing customers are responsible for their fair share of above-

market costs, or an indifference amount, incurred by the utility on behalf of those customers when electric generation costs exceed the current market price, or market price benchmark. To maintain bundled customer indifference to the departure of SDG&E's customers to non-utility service, SDG&E calculates the indifference amount to determine the cost responsibility for DA, CCA and other departing load, specifically:

Indifference Amount = CTC + PCIA

3) 2017 Market Price Benchmark Methodology

The above-market costs for both the CTC and PCIA are determined using a MPB, a calculated proxy, which represents the market value of electricity. This methodology is consistent with Commission directives, specifically D.11-12-018 and Resolution E-4475. The Energy Division provides the utilities with input factors for the MPB's Utility Retained Generation green ("URGgreen") component of the RPS adder and the CAP adder for the current forecast year. In calculating the above-market costs for the CTC, SDG&E used a MPB of $46.54/MWh which is based on the 2016 Energy Division input factors since the 2017 input factors are not available. Once the updated 2017 Energy Division input is available, I will update my testimony in November to reflect the revised 2017 MPB for calculating the CTC and present the 2017 MPBs associated with each vintage for calculating PCIA rates for each of the vintages.[8]

4) 2017 Indifference Amount and PCIA Methodology

In this Application, SDG&E is proposing to update the currently effective vintage PCIA rates and to calculate the vintage 2017 PCIA rates to account for customers' departing load in the second half of 2017. With respect to this 2017 ERRA proceeding, SDG&E's portfolio of

[8] The Energy Division has historically provided the input factors annually in November.

resources to calculate the vintage 2017 indifference amounts and the resulting 2017 PCIAs will include applicable costs from SDG&E's forecasted 2017 ERRA and CTC revenue requirements, authorized 2017 Department of Water Resources ("DWR") costs allocated to SDG&E, and SDG&E's authorized 2017 Non-Fuel Generation Balancing Account ("NGBA") revenue requirement. However, the 2017 DWR and 2017 NGBA revenue requirements as well as the vintage 2017 MPBs are not yet available; therefore, the 2016 DWR and 2016 NGBA revenue requirements were used in the calculation of the vintage 2017 PCIA rates. I will update the vintage 2017 PCIA rates in the November update filing when the final 2017 revenue requirement amounts and vintage 2017 MPBs are available.

5) SONGS-related Adjustments

The PCIA is intended to ensure that DA customers bear their fair share of above market total portfolio costs and to preserve bundled customer indifference. PCIA rates are calculated on a prospective basis and do not incorporate any balancing account adjustment. Because there is not a mechanism in place to account for adjustments, the Commission approved the *DA Customer Ratemaking Consensus Protocol for SONGS Outages and Retirement* ("Consensus Protocol") in D.14-05-022 to govern the ratemaking treatment of SONGS-related adjustments for DA customers. The Consensus Protocol is intended to ensure that the impacts of the SONGS outages and closure are borne by both bundled and DA customers equitably and symmetrically (upward or downward).

Consistent with the Consensus Protocol, SDG&E is including a SONGS-related adjustment to the total portfolio costs to calculate PCIA rates. This SONGS-related adjustment was credited to bundled customers through the ERRA. To ensure that this adjustment is borne by both bundled and DA customers equitably and symmetrically, SDG&E will also adjust the total portfolio of

costs used to calculate the 2017 PCIA rates for DA customers. SDG&E has identified one SONGS-related ERRA adjustment for bundled customers in 2015 that will adjust the total portfolio of costs used to calculate the 2017 PCIA rates which is described below.

In December 2015, SDG&E expected to receive approximately $80 million from its share of recoveries from a settlement reached with the Nuclear Energy Insurance Limited ("NEIL") insurance company. Of the $80 million, pursuant to the SONGS OII Settlement, SDG&E forecasted a credit of $74 million to the ERRA for bundled customers. Consistent with the SONGS OII Settlement, on April 29, 2015, SDG&E filed AL 2718-E that shows the calculation of the sharing of the proceeds (95% ratepayers, 5% shareholders).[9] A credit of $74.989 million was recorded to the ERRA for bundled customers that was $0.989 million lower than the forecast of $74 million. Therefore the total portfolio of costs in the calculation of PCIA rates for DA customers will be reduced by $0.989 million to ensure that the impacts of the SONGS outages and closure are borne by both bundled and DA customers equitably and symmetrically (upward or downward).

The vintage 2017 PCIA rates which include the SONGS-related adjustments are presented in Attachment A of my testimony.

B. Local Generation Charge

1) Background

In D.13-03-029, the Commission authorized SDG&E to implement the LGC rate component, which is designed to recover new generation costs for local reliability that are deemed

[9] The proceeds are net of the NEIL-related litigation costs. NEIL recoveries and litigation costs related to pursuing recovery and planning to pursue recovery from NEIL are recorded to the NEIL Net Litigation Memorandum Account ("NNLMA").

to be subject to the Cost Allocation Mechanism ("CAM") policy adopted in D.06-07-029 and D.11-05-005, as a per kilowatt hour non-bypassable charge from all benefiting customers including all bundled service, DA and CCA customers.

2) 2017 LGC Methodology

As discussed in the direct testimony of Mrs. Norma Jasso, SDG&E forecasts a 2017 LG revenue requirement of $60.255 million for its approved new generation resources. SDG&E intends to recover the costs through the LGC consistent with the Commission's CAM policy, as established in D.06-07-029. The revenue requirement will be allocated among all customer classes based on the 12-month coincident peak ("12 CP") demand methodology and then the customer class allocated revenues will be divided by the authorized sales by customer class. The proposed resulting per kilowatt hour rates by customer class to be charged to all benefiting customers through the LGC rate component are presented in Attachment B of my testimony.

V. GREENHOUSE GAS REVENUE RETURN ALLOCATIONS

A. Background

On January 1, 2012, California's Air Resource Board's ("ARB") approved cap-and-trade program was implemented to achieve California's GHG emissions reduction targets.[10] This market-based regulation sets a cap on GHG emissions and incentivizes firms to accomplish GHG reduction goals at minimum costs. Some facilities subject to the cap are allocated GHG emission allowances which can be traded or used directly for compliance. These facilities have the option of either reducing their own GHG emissions or purchasing GHG emission allowances at an ARB allowance auction from others who have made GHG emissions cuts beyond their obligations;

[10] On June 29, 2011, the ARB announced that the enforceable compliance obligation for the cap-and-trade program would be delayed until 2013.

however, the total GHG emissions must remain below the cap. Investor-owned utilities ("IOUs"), such as SDG&E, are allocated free GHG allowances on behalf of their customers and are required to consign their GHG allowances into the allowance auctions.

On March 24, 2011, in response to the new cap-and-trade requirements for electric utilities, the Commission opened the GHG Order Instituting Rulemaking ("R.") 11-03-012 ("GHG OIR") to address the use of GHG revenues that electric utilities may receive. In accordance with Ordering Paragraph ("OP") 3 of D.12-12-033, the utilities were directed to allocate the revenues to all customers in the applicable customer groups set forth in the decision including DA and CCA customers.

B. GHG Revenue Return Allocation Methodology

Pursuant to OP 1 of D.12-12-033, the Commission directed the utilities to distribute GHG revenues to eligible customers using a hierarchy (see Table 3 below) after first setting aside appropriate amounts for customer outreach and education activities and administrative activities. Furthermore, under PUC Section 748.5(c), the Commission may allocate up to 15% of the revenues received by an electrical corporation from its sales of allocated GHG allowances to specific Clean Energy and Energy Efficiency Projects that are not funded by another source and are already approved by the Commission. In addition, Assembly Bill 693 ("AB 693") directs the Commission to authorize the allocation of $100 million or 10% of available funds, whichever is less, for the Multifamily Affordable Housing Solar Roofs Program. Section IV.D below further describes the allocation of allowance revenues for Clean Energy and Energy Efficiency Programs.

Table 3 – GHG Revenue Return to Eligible Customers Hierarchy

Hierarchy	Description	Credit Type
1	Emission-Intensive and Trade-Exposed entities	Annual, fixed-amount on-bill credit
2	Offset cap-and-trade program rate impacts for small business	Monthly, volumetrically-calculated on-bill credit (known as the small business California Climate Credit)
3	Neutralize cap-and-trade program rate impacts for residential customers	Volumetrically-calculated rate offset (known as the residential volumetric GHG rate offset)
4	Climate Dividend for residential customers	Semi-annual, on-bill credit (known as the residential semi-annual California Climate Credit)

On July 3, 2015, the Commission issued D.15-07-001 on Residential Rate Design Reform. In this decision, the Commission determined that the residential volumetric GHG rate offset would end and instead residential customers would receive their revenue return only through the residential semi-annual California Climate Credit: "The volumetric GHG rate offset for upper tier residential customers should be eliminated starting January 1, 2016. Beginning in 2016, GHG costs should be reflected in residential customer's electricity rates."[11] In addition, in OP 18, the Commission stated that "…the revenue return allocated to the residential class will consist solely of the semi-annual California Climate Credit." Accordingly, I have updated the GHG Revenue Return to Eligible Customers Hierarchy in Revised Table 3 to reflect the Commission's decision.

[11] D.15-07-001, Conclusions of Law ("COL") 29.

Revised Table 3 – GHG Revenue Return to Eligible Customers Hierarchy

Hierarchy	Description	Credit Type
1	Emission-Intensive and Trade-Exposed entities	Annual, fixed-amount on-bill credit
2	Offset cap-and-trade program rate impacts for small business	Monthly, volumetrically-calculated on-bill credit (known as the Small Business California Climate Credit)
3	Climate Dividend for residential customers	Semi-annual, on-bill credit (known as the Residential Semi-annual California Climate Credit)

C. 2017 Net GHG Revenues Available for Customers Allocation

For 2017, SDG&E forecasts the net GHG revenue available for customers as follows:

Table 4 – 2017 Net GHG Revenues Available for Customers

Line	Description	Amount ($000)	Reference
1	2017 Forecasted GHG Allowance Revenues[1]	$ (88,672)	BAM-22, Line 14; Template D-1, Lines 6-7
2	Less Forecasted Expenses:		
3	Outreach and Education Activities	$ 140	RJ-1, Line 25; Template D-3, Line 13
4	Administration Activities[2]	$ 48	RJ-2, Line 1; Template D-3, Line 12
5	Less Estimate Funds for Clean Energy/Energy Efficiency Programs	$ 1,316	BAM-23, Line 5; Template D-1, Line 14
6	Prior Year Revenue and Expense Reconciliation	$ 937	Template D-1, Line 4
7	2017 Forecasted Net GHG Revenues Available for Return	$ (86,231)	

Notes:
[1] Includes revenues of $87,727,369 (Direct Testimony of Mr. Benjamin A. Montoya at BAM-22, line 14), less interest of $96,857 (Template D-1, line 6), plus FF&U of $1,041,258 (Template D-1, line 7).
[2] Includes $35,000 for SDG&E bill inserts and $12,500 for ongoing administrative costs (Template D-3, line 9 and line 10).

Template D-1, "Annual Allowance Revenue Receipts and Customer Returns," sets forth SDG&E's calculation of the proposed 2017 GHG revenue return including: (1) forecasted allowance revenues; (2) forecasted expenses; (3) forecasted allowance revenue approved for Clean

Energy and Energy Efficiency Programs; and (4) forecasted revenue returns for each customer class. In addition, Template D-1 includes the comparison of the 2015 forecasted vs "recorded" amounts in the GHG Revenue Balancing Account ("GHGRBA"), the GHG Customer Outreach and Education Memorandum Account ("GHGCOEMA"), and the GHG Administrative Costs Memorandum Account ("GHGACMA") while the comparison of the 2015 "recorded" vs actual balances in these balancing accounts are discussed in the direct testimony of Mrs. Norma Jasso. Sections IV.E.1 – IV.E.3 describe the inputs that are used for calculating the 2017 forecasted GHG revenue return to eligible customers allocation.

D. 2017 Clean Energy and Energy Efficiency Project Allocation

1) PUC Section 748.5(c)

In accordance with PUC Section 748.5(c), the Commission may allocate up to 15% of the revenues received by an electric corporation from its sales of allocated GHG allowances to specific Clean Energy and/or Energy Efficiency Projects that are not funded by another source and are already approved by the Commission. At this time, the Commission has not approved any Clean Energy and/or Energy Efficiency Projects. However, the Commission has provided direction to the IOUs to account for the allocation of Clean Energy/Energy Efficiency Project funds for the Multifamily Affordable Housing Solar Roofs Program ("Multifamily Program") as described below.

2) PUC Section 2870(c) – Assembly Bill 693 ("AB 693")

a. Background

On October 8, 2015, Section 3 of AB 693 added Chapter 9.5 (commencing with Section 2870) to Part 2 of Division 1 of the PUC, to read:

> "The commission shall annually authorize the allocation of one hundred million dollars ($100,000,000) or 10 percent of available funds, whichever is less,

> from the revenues described in subdivision (c) of Section 748.5 for the Multifamily Affordable Housing Solar Roofs Program, beginning with the fiscal year commencing July 1, 2016, and ending with the fiscal year ending June 30, 2020. The commission shall continue authorizing the allocation of these funds through June 30, 2026, if the commission determines that revenues are available after 2020 and that there is adequate interest and participation in the program."

On March 18, 2016, in response to AB 693, the Commission issued *Administrative Law Judge's Ruling (1) Adding Respondents and (2) Providing Interim Direction to California Electric Utilities on Accounting for Funds for Implementation of Assembly Bill 693* ("ALJ Ruling") in the Order Instituting Rulemaking to Develop a Successor to Existing Net Energy Metering Tariffs proceeding (Rulemaking 14-07-002). The ALJ Ruling provides interim direction to the IOUs to account for the allocation of funds to the Multifamily Program". Furthermore, the ALJ Ruling directs the IOUs, in their respective 2017 ERRA forecast applications, to take steps to estimate the funds to be allocated to the Multifamily Program[12] and to include the estimated funds in Template D-1. Specifically, the ALJ Ruling requires the IOUs to:

> *1. "…estimate the funds to be allocated to the Multifamily Program from July 1, 2016 through December 31, 2016, each IOU should:…*
>
> *b. Include this value on line 14, "Allowance Revenue Approved for Clean Energy or Energy Efficiency Programs ($)" in the 2016 "recorded" column of Template D-1*"; and
>
> *2. "…estimate the funds to be allocated to the Multifamily Program from January 1, 2017 through December 31, 2017, each IOU should:…*
>
> *b. Include this value on line 14, "Allowance Revenue Approved for Clean Energy or Energy Efficiency Programs ($)" in the 2017 "forecast" column of Template D-1.*"

In addition, the IOUs are directed to clarify the process in testimony accompanying its ERRA and identify the ALJ Ruling as the source of the values entered.

[12] The calculation to estimate the funds to be allocated to the Multifamily Program is described in the direct testimony of Mr. Benjamin A. Montoya.

b. Multifamily Program Allocation

As described in the direct testimony of Mr. Benjamin A. Montoya, SDG&E estimates the allocation associated with the Multifamily Program for 2016 to be $0.6 million which is included on line 14 of Template D-1 in the 2016 "recorded" column and for 2017 to be $1.3 million which is included on line 14 of Template D-1 in the 2017 "forecast" column.

For 2016, the $0.6 million allocated to the Multifamily Program including FF&U is $0.6 million. Including the $0.6 million funding in 2016 will decrease the 2016 revenue balance that is carried forward to 2017, resulting in a reduction to the net GHG revenues available for customers in 2017. The $0.6 million is included on line 6 of Table 4 shown above.

For 2017, the $1.3 million allocated to the Multifamily Program including FF&U is $1.3 million. Including the $1.3 million Multifamily Program funding in the 2017 forecast results in a reduction to the net GHG revenues available for customers in 2017. The $1.3 million funding is included on line 5 of Table 4 while the $0.016 million in FF&U is included on line 1 of Table 4 shown above.

E. 2017 Forecasted GHG Revenue Return to Eligible Customers Allocation

In accordance with the GHG allocation methodology adopted in D.12-12-033, as shown in Revised Table 3 above, SDG&E's GHG revenue return to eligible customers will be allocated to ratepayers, including DA and CCA[13] customers, using the following hierarchy:

[13] SDG&E currently does not have CCA customers.

Table 5 – 2017 Forecasted GHG Revenue Return to Eligible Customers Allocation

Line	Description	Amount ($000)
1	Emission-Intensive and Trade-Exposed Entities	$ 909
2	Small Business California Climate Credit	$ 4,446
3	Residential Semi-Annual California Climate Credit	$ 80,877
4	2017 Forecasted GHG Revenue Return to Eligible Customers[1]	$ 86,231

Notes:
[1] Total may not sum due to rounding.

1) Emission-Intensive and Trade-Exposed Entities ("EITE")

Facilities identified as EITE currently are more formally referred to as Industrial Covered Entities that qualify for Industry Assistance in the ARB cap-and-trade Regulation; but the EITEs may be expanded for purposes of revenue return. Using the Energy Division's allocation methodology put forth in D.14-12-037, as outlined in the direct testimony of Benjamin A. Montoya, the forecasted amount of revenue return set aside for EITE customers in 2017 is $0.898 million.[14] Including FF&U, the forecasted amount of revenue return set aside for EITE customers in 2017 is $0.909 million. Bundled, DA and CCA customers identified as EITE will receive an annual, fixed-amount on-bill credit based on Commission calculations.[15]

2) Small Business California Climate Credit

Small businesses are defined as non-residential customers on a general service or agricultural tariff with monthly demand not exceeding 20 kW for more than three months in a twelve-month period. Small businesses entitled to receive revenue return bill credits, as defined above, will include customers in SDG&E's Small Commercial, Medium and Large Commercial

[14] Amount does not include FF&U.
[15] On April 6, 2016, the Energy Division issued a letter for each utility to email to their respective EITE customers informing them that 1) distribution of the EITE credits will be delayed past spring of 2016 and 2) a workshop is scheduled for May 3, 2016 to provide a status update on the credits.

and Industrial, and Agricultural customer classes. Bundled, DA and CCA small business customers will receive the volumetric return in dollars per kilowatt hour ("kWh"). To meet the OP 1 of D.12-12-033, which directs the utilities to offset the rate impacts of the cap-and-trade program in the electricity rates of small businesses, the credit rate is volumetrically-calculated based on the amount of GHG-related costs that are allocated to the defined bundled small business customers, differentiated by customer class. The same credit rate that is applied to bundled customers, differentiated by customer class, will apply to DA and CCA customers to ensure they receive their share of GHG revenues. Monthly, the revenue return bill credit, referred to as the Small Business California Climate Credit, appears as a separate line-item on the customers' bills.

The small business factor helps dictate the amount of assistance that small businesses will receive from the GHG revenues. In D.12-12-033, as modified by D.13-12-002, the Commission directed the utilities to apply industry factors to the small business return. The factors ensure that the transition assistance level declines more smoothly in order to avoid discrete and large changes, which can be problematic for small business customers from year to year. As a result, SDG&E applied the 2017 small business factor of 80%, as set forth in Table 2 of Appendix 2 of D.13-12-002, to the revenues allocated to small business customers.

Because there are potential variances between forecasted and actual GHG costs, the Commission directed the utilities to adjust the cost-based volumetric returns to small business customers based on the reconciliation of GHG costs. The forecasted return to small business customers in 2017, including the small business industry factor, is $4.446 million.

3) Residential Semi-Annual California Climate Credit ("CCC")

The remaining GHG revenues available for customers will be allocated to all residential customers on an equal cents-per-household basis, which will be credited to customers semi-

annually as an on-bill credit, also known as the Residential Semi-annual California Climate Credit. The forecasted 2017 CCC is approximately $80,877 million, which amounts to approximately $30.77 per household twice a year.

VI. GREEN TARIFF SHARED RENEWABLES PROGRAM

Decision 15-01-051, issued January 29, 2015, began the implementation of Senate Bill ("SB") 43, which set a formal requirement for the three large California electric utilities to implement the Green Tariff Shared Renewables Program ("GTSR"). SB 43 was signed into law by Governor Brown on September 28, 2013. The GTSR program includes both a Green Tariff ("GT") component and an Enhance Community Renewables ("ECR") component. The GTSR Program is intended to 1) expand access to "all eligible renewable energy resources to all ratepayers who are currently unable to access the benefits of onsite generation," and 2) "create a mechanism whereby institutional customers…Commercial customers…and groups of individuals...can meet their needs with the electrical generation from eligible renewable energy resources."

Findings of Fact ("FOF") 136 of D.15-01-051, states that "Each IOU's revenue requirements and associated forecasts of fuel and purchase power…are currently reviewed and approved in the annual ERRA forecast proceeding…" and COL 59 states that "Coordinating review of true-up of GTSR and credits with the ERRA process will provide greater certainty that entries to the GTSR accounts are stated correctly and are consistent with Commission decisions." Furthermore, SDG&E proposed to update the PCIA in the annual ERRA Forecast proceeding and the Commission agreed that the approach is fair, reasonable and consistent with SB 43.[16]

[16] D.15-01-051 at 103.

Accordingly, the commodity-related costs and credits as well as the resulting rates applied to GTSR customers are presented in this 2017 ERRA Forecast application. Consistent with COL 53, SDG&E is updating the 2017 RPR referred to by SDG&E as the cost of local solar, and the other components of GTSR rates as described below.

A. Schedule Green Tariff

The Green Tariff ("GT"), SDG&E's SunRate program, provides customers with the ability to purchase energy which contains a higher percentage of renewable power than offered under other scheduled service. The GT has nine components including 1) cost of local solar, 2) value of solar energy and capacity, 3) administrative costs, 4) marketing costs, 5) SDG&E's adjusted class average commodity cost, 6) Western Renewable Energy Generation Information System ("WREGIS") charges, 7) CAISO charges, 8) PCIA and 9) Renewable Integration Cost ("RIC"). Each of the nine components is described in more detail below.

1) Cost of Local Solar

The cost of local solar is the price that GT customers pay for the commodity portion of the GT which is based on the cost of the incremental local solar projects that the Utility procures for the GT program. The average price of the renewable energy costs in the 2017 Interim GT Pool, as described in the direct testimony of Mr. Benjamin A Montoya, is $92.56/megawatt hour ("MWh"). Accordingly, the 2017 cost of local solar component of the GT is $93.69/MWh or $0.09369/kWh which is the average price of renewable energy costs of $92.56/MWh including FF&U.

2) Value of Solar Energy and Capacity Adjustment

The solar value adjustment calculates the relative value of energy and capacity for the solar resources supporting the GT program compared to the Utility's current portfolio of resources serving all bundled load.

a. Value of Solar Energy

The PCIA, as updated in D.11-12-018, includes a ratio of on-peak and off-peak energy based on SP15 prices which is used to establish the energy value in SDG&E's balance of resources for the MPB used in the PCIA calculation. It is therefore consistent with the indifference amount calculation to make an adjustment to account for the energy value of solar for the ECR relative to the energy in the bundled portfolio. The $/kWh adjustment is determined by calculating the difference of the GT energy value in SDG&E's portfolio and energy value from the solar projects used to serve GT participants using the same SP15 prices and on-peak and off-peak energy ratios. Using the methodology described, the 2017 GT value of solar energy is $0.00135/kWh or $0.00136/kWh including FF&U.

b. Value of Solar Capacity

The PCIA, as updated in D.11-12-018, also includes a methodology for establishing a $/MWh value of Resource Adequacy ("RA") capacity included within SDG&E's balance of resources. The same calculation is used to establish any incremental difference in RA capacity value associated with the solar energy used to serve GT and SDG&E's balance of resources. This methodology passes the incremental value that GT solar energy provides on to program participants. Using the methodology described, the 2017 GT value of solar capacity is $0.00736/kWh or $0.00745/kWh including FF&U.

Combined, the 2017 value of solar energy and capacity adjustment component of the GT is $0.00871/kWh or $0.00881/kWh including FF&U.

3) Administrative Costs

Administrative costs include incremental costs such as labor and non-labor for GT program management and policy support, Green-e certification, and information technology ("IT") costs.

There is no change to the charge for GT administrative costs, therefore, the charge remains at $0.00385/kWh.

4) Marketing Costs

Marketing costs include Incremental costs needed to implement the GT marketing plan. These costs are composed of labor (spent for planning, managing to the marketing plan, and community outreach), and, non-labor tactical implementation, i.e., creative design, production, translation and mailing fees, and customer. There is no change to the charge for GT marketing costs, therefore, the charge remains at $0.00117/kWh.

5) SDG&E's Average Commodity Cost Adjustment

SDG&E's class average commodity cost is credited to the GT customer. This cost is used as a proxy to reflect SDG&E's avoided commodity costs, which ideally would be reflected in the average commodity rate by customer class. SDG&E finds that it is necessary to make the following adjustments to the average commodity rate in order to better reflect the avoided cost. There can potentially be a timing disconnect between the incurrence of ERRA-related costs and the timing of SDG&E's ERRA forecast implementation. Furthermore, balances related to ERRA trigger proceedings can impact commodity rates. SDG&E has noted the impact of this timing disconnect in ERRA trigger proceedings because this can cause the ERRA portion of the commodity rate to differ from the costs. For this reason, SDG&E is substituting the ERRA component of the average commodity rate by customer class with an ERRA forecast value in order to adjust for ERRA Trigger Balances to better approximate avoided costs, as authorized in D.15-01-051. However, currently, SDG&E's commodity rate does not include any ERRA Trigger Balances. SDG&E's 2017 adjusted class average commodity rate, based on the forecasted total portfolio by customer class is shown in the table below.

Table 6 – Green Tariff – Class Average Commodity Adjustment (kWh)

	Residential	Small Commercial	Medium/Large Commercial & Industrial	Agricultural	Streetlighting
Adjusted Class Average Commodity Rate	$0.09839	$0.08938	$0.09561	$0.08044	$0.06495

6) WREGIS

The WREGIS charge may include, but is not limited to, the annual WREGIS fee and a per MWh certificate fee that is charged as Renewable Energy Credits ("RECs") are retired. As discussed in the direct testimony of Mr. Benjamin A. Montoya, the WREGIS costs are $0.00001/kWh. This results in a 2017 WREGIS charge component of $0.00001/kWh including FF&U for the GT.

7) CAISO GMC

CAISO charges are associated with grid management charges ("GMC") and energy scheduling. GMCs may include, but are not limited to, energy usage charges, energy transmission service charges, and reliability services costs, all of which are allocated to load and resources by the CAISO. These are service costs incurred on behalf of all bundled customers and embedded in the class average commodity cost that is credited to participating customers. Because these are costs for services provided to all bundled customers including program participants they are added back to prevent cost shifts from participants to non-participants. The 2017 CAISO costs, as described in the direct testimony of Mr. Benjamin A. Montoya, are $0.00070/kWh. Therefore, the CAISO charge component of the GT is $0.00071/kWh including FF&U.

8) PCIA

The PCIA component of the GT rate comprises the indifference adjustment or the above

market cost of the Utility's existing procurement portfolio and is calculated annually. FOF 100 of D.15-01-051 states, "The PCIA calculated for DA and CCA customers provides a reasonable proxy for the GTSR customer indifference charge". Accordingly, the utilities were directed to use vintaged PCIA as a proxy for the indifference adjustment.[17] This is a cost that is ultimately born by all customers for resources that were procured on their behalf. GT customers' PCIA rates will be billed by customer class using the new non-continuous rates identified below.

Table 7 – Green Tariff – Power Charge Indifference Adjustment

	Residential	**Small Commercial**	**Medium/Large Commercial & Industrial**	**Agricultural**	**Streetlighting**
New Non-Continuous	$0.02347	$0.02438	$0.01983	$0.01322	$0.00000

9) RIC

The RIC charge is based on the costs of integrating renewables onto the grid and is currently set at $0/kWh. At this time, the Commission is endeavoring to quantify the costs of renewable integration. A RIC Charge that is greater than $0/kWh may be imposed in the future on a going-forward basis only to all Customers served under this Schedule, unless otherwise directed by the Commission. In accordance with D.15-01-051 at 119, "In order to make GTSR customers aware of this likely charge from the beginning of the program, the IOUs are directed to set a RIC charge of $0 as a placeholder."

The detailed components of the GT rate and the total GT rate, is presented in Attachment C of my testimony.

[17] D.15-01-051 at 103.

B. Schedule Enhanced Community Renewables

The Enhanced Community Renewables ("ECR") program, SDG&E's Share the Sun program, provides customers with the ability to purchase renewable energy from community-based projects directly through the developers of those projects ("Developer"). SDG&E's ECR program has eight components including 1) value of solar energy and capacity, 2) administrative costs, 3) marketing costs, 4) SDG&E's adjusted class average commodity cost, 5) WREGIS charges, 6) CAISO charges, 7) PCIA and 8) RIC. Each of the eight components is described in more detail below.

1) Value of Solar Energy and Capacity Adjustment

The solar value adjustment calculates the relative value of energy and capacity for the solar resources supporting the ECR program compared to the Utility's current portfolio of resources serving all bundled load.

a. Value of Solar Energy

The PCIA, as updated in D.11-12-018, includes a ratio of on-peak and off-peak energy based on SP15 prices which is used to establish the energy value in SDG&E's balance of resources for the MPB used in the PCIA calculation. It is therefore consistent with the indifference amount calculation to make an adjustment to account for the energy value of solar for ECR relative to the energy in the bundled portfolio. The $/kWh adjustment is determined by calculating the difference of the ECR energy value in SDG&E's portfolio and energy value from the solar projects used to serve ECR participants using the same SP15 prices and on-peak and off-peak energy ratios. Currently, there are no solar resources supporting the ECR program so the value of solar energy rate is based on the GT portfolio of resources. Therefore, the 2017 ECR value of solar energy is $0.00135/kWh or $0.00136/kWh including FF&U.

b. Value of Solar Capacity

The PCIA, as updated in D.11-12-018, also includes a methodology for establishing a $/MWh value of RA capacity included within SDG&E's balance of resources. The same calculation is used to establish any incremental difference in RA capacity value associated with the solar energy used to serve ECR and SDG&E's balance of resources. This methodology passes the incremental value that ECR solar energy provides on to program participants. Currently, there are no solar resources supporting the ECR program so the value of solar capacity rate is based on the GT portfolio of resources. Therefore, the 2017 ECR value of solar capacity is $0.00736/kWh or $0.00745/kWh including FF&U.

Combined, the 2017 value of solar energy and capacity adjustment component of the ECR is $0.00871/kWh or $0.00881/kWh including FF&U.

2) Administrative Costs

Administrative costs include incremental costs such as labor and non-labor for the ECR program management and policy support, Green-e certification, and IT costs. There is no change to the charge for ECR administrative costs, therefore, the charge remains at $0.00343/kWh.

3) Marketing Costs

Marketing costs include Incremental costs needed to implement the ECR marketing plan. These costs are composed of labor (spent for planning, managing to the marketing plan, and community outreach), and, non-labor tactical implementation, i.e., creative design, production, translation and mailing fees, and customer. There is no change to the charge for ECR marketing costs, therefore, the charge remains at $0.00013/kWh.

4) SDG&E's Average Commodity Cost Adjustment

SDG&E's class average commodity cost is credited to the ECR customer. This cost is used

as a proxy to reflect SDG&E's avoided commodity costs, which ideally would be reflected in the average commodity rate by customer class. SDG&E finds that it is necessary to make the following adjustments to the average commodity rate in order to better reflect the avoided cost. There can potentially be a timing disconnect between the incurrence of ERRA-related costs and the timing of SDG&E's ERRA forecast implementation. Furthermore, balances related to ERRA trigger proceedings can impact commodity rates. SDG&E has noted the impact of this timing disconnect in ERRA trigger proceedings. Because this can cause the ERRA portion of the commodity rate to differ from the costs, SDG&E is substituting the ERRA component of the average commodity rate by customer class with an ERRA forecast value in order to adjust for ERRA Trigger Balances to better approximate avoided costs, as authorized in D.15-01-051. However, currently, SDG&E's commodity rate does not include any ERRA Trigger Balances. SDG&E's 2017 adjusted class average commodity rate, based on the forecasted total portfolio by customer class is shown in the table below.

Table 8 – Enhanced Community Renewables – Class Average Commodity Adjustment (kWh)

	Residential	**Small Commercial**	**Medium/Large Commercial & Industrial**	**Agricultural**	**Lighting**
Adjusted Class Average Commodity Rate	$0.09839	$0.08938	$0.09561	$0.08044	$0.06495

5) WREGIS

The WREGIS charge may include, but is not limited to, the annual WREGIS fee and a per MWh certificate fee that is charged as RECs are retired. As discussed in the direct testimony of Mr. Benjamin A. Montoya, the WREGIS costs are $0.00001/kWh. This results in a 2017

WREGIS charge component of $0.00001/kWh including FF&U for ECR.

6) CAISO GMC

CAISO charges are associated with grid management charges ("GMC") and energy scheduling. GMCs may include, but are not limited to, energy usage charges, energy transmission service charges, and reliability services costs, all of which are allocated to load and resources by the CAISO. These are service costs incurred on behalf of all bundled customers and embedded in the class average commodity cost that is credited to participating customers. Because these are costs for services provided to all bundled customers including program participants they are added back to prevent cost shifts from participants to non-participants. The 2017 CAISO costs, as described in the direct testimony of Mr. Benjamin A. Montoya, are $0.00070/kWh. Therefore, the CAISO charge component of the ECR is $0.00071/kWh including FF&U.

7) PCIA

The PCIA component of the ECR rate comprises the indifference adjustment or the above market cost of the Utility's existing procurement portfolio and is calculated annually. FOF 100 of D.15-01-051 states, "The PCIA calculated for DA and CCA customers provides a reasonable proxy for the GTSR customer indifference charge". Accordingly, the utilities were directed to use vintaged PCIA as a proxy for the indifference adjustment.[18] This is a cost that is ultimately borne by all customers for resources that were procured on their behalf. ECR customers' PCIA rates will be billed by customer class using the new non-continuous rates identified below.

[18] D.15-01-051 at 103.

Table 9 – Enhanced Community Renewables – Power Charge Indifference Adjustment

	Residential	Small Commercial	Medium/Large Commercial & Industrial	Agricultural	Lighting
New Non-Continuous	$0.02347	$0.02438	$0.01983	$0.01322	$0.00000

8) RIC

The RIC charge is based on the costs of integrating renewables onto the grid and is currently set at $0/kWh. At this time, the Commission is endeavoring to quantify the costs of renewable integration. A RIC Charge that is greater than $0/kWh may be imposed in the future on a going-forward basis only to all Customers served under this Schedule, unless otherwise directed by the Commission. In accordance with D.15-01-051 at 119, "In order to make GTSR customers aware of this likely charge from the beginning of the program, the IOUs are directed to set a RIC charge of $0 as a placeholder."

The detailed components of the ECR rate and the total ECR rate, is presented in Attachment D of my testimony.

VII. SUMMARY AND RELIEF REQUESTED

Consistent with the rate recovery proposed in my testimony, SDG&E requests the following relief in the Commission's forthcoming decision in this proceeding:

1. adopt SDG&E's proposed vintage 2017 PCIA rates, as indicated in Attachment A to this testimony;
2. adopt SDG&E's proposed 2017 LGC rates, as indicated in Attachment B to this testimony;
3. adopt SDG&E's forecasted 2017 GHG revenue return amount of $5.355 million for EITE entities and qualifying small businesses to be distributed as set forth in

Template D-1;

4. adopt SDG&E's proposed 2017 residential semi-annual California Climate Credit of $30.77; and
5. adopt SDG&E's proposed rates for the 2017 rate components associated with the GT and ECR programs, as indicated in Attachment C and D, respectively, to this testimony.

This concludes my prepared direct testimony.

VIII. QUALIFICATIONS

My name is Yvonne M. Le Mieux. I am employed by SDG&E as an Electric Rates Manager in the Electric Rates section of the Customer Pricing Department. My business address is 8330 Century Park Court, San Diego, California, 92123.

I graduated from the San Diego State University in 2003 with a Bachelor of Science degree in Business Administration with Distinction in Accounting. I have been a Certified Public Accountant, licensed in the state of California, since 2005. I have held the Certified Internal Auditor designation since 2006 and the Chartered Global Management Accountant designation since 2012.

I have been employed with SDG&E and Sempra Energy since 2003. In addition to my current position in Electric Rates, I have held various positions with increasing responsibility including a senior regulatory accounts advisor position in the Financial Analysis Department, a senior auditor position in the Audit Services Department under the Financial and Operational discipline and a staff accountant position in the Sempra Energy Global Accounting Department at Sempra Energy's corporate offices. In my current position, my responsibilities include implementing electric rate changes and analytical support for cost recovery and rate design.

I have previously submitted testimony and testified before the Commission.

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2017 ERRA Forecast

Attachment A

Power Charge Indifference Adjustment Rates for Direct Access Customers

Customer Class	2017 Power Charge Indifference Adjustment (PCIA) ($/kWh)									
	Old World Generation	2009 Vintage	2010 Vintage	2011 Vintage	2012 Vintage	2013 Vintage	2014 Vintage	2015 Vintage	2016 Vintage	2017 Vintage
Market Benchmark Price	$46.54	$53.81	$56.49	$62.82	$64.50	$64.66	$64.71	$64.43	$64.42	$68.54
Residential										
Non-Continuous	$0.00290									
Small Commercial										
Non-Continuous	$0.00301									
New Non-Continuous		$0.00999	$0.01257	$0.02044	$0.02225	$0.02215	$0.02217	$0.02283	$0.02291	$0.02438
New Continuous		$0.01020	$0.01277	$0.02065	$0.02245	$0.02235	$0.02238	$0.02304	$0.02311	$0.02459
Medium/Large Commercial & Industrial										
Non-Continuous	$0.00245									
New Non-Continuous		$0.00813	$0.01022	$0.01663	$0.01810	$0.01801	$0.01803	$0.01857	$0.01863	$0.01983
New Continuous		$0.00829	$0.01038	$0.01679	$0.01826	$0.01818	$0.01820	$0.01873	$0.01880	$0.02000
Agricultural										
Non-Continuous	$0.00163									
New Non-Continuous		$0.00542	$0.00681	$0.01109	$0.01207	$0.01201	$0.01202	$0.01238	$0.01242	$0.01322
New Continuous		$0.00553	$0.00692	$0.01120	$0.01218	$0.01212	$0.01213	$0.01249	$0.01253	$0.01333
Streetlighting										
Non-Continuous	$0.00000									
New Non-Continuous		$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000
New Continuous		$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2017 ERRA Forecast

Attachment A

Power Charge Indifference Adjustment Rates for Community Choice Aggregation Customers

Customer Class	2017 Power Charge Indifference Adjustment (PCIA) ($/kWh)								
	2009 Vintage	2010 Vintage	2011 Vintage	2012 Vintage	2013 Vintage	2014 Vintage	2015 Vintage	2016 Vintage	2017 Vintage
Market Benchmark Price	$53.81	$56.49	$62.82	$64.50	$64.66	$64.71	$64.43	$64.42	$68.54
Residential	$0.00962	$0.01210	$0.01968	$0.02142	$0.02132	$0.02134	$0.02198	$0.02205	$0.02347
Small Commercial	$0.00999	$0.01257	$0.02044	$0.02225	$0.02215	$0.02217	$0.02283	$0.02291	$0.02438
Medium/Large Commercial & Industrial	$0.00813	$0.01022	$0.01663	$0.01810	$0.01801	$0.01803	$0.01857	$0.01863	$0.01983
Agricultural	$0.00542	$0.00681	$0.01109	$0.01207	$0.01201	$0.01202	$0.01238	$0.01242	$0.01322
Streetlighting	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2017 ERRA Forecast

Attachment B

LGC - LOCAL GENERATION CHARGE

	Proposed LGC Rate ($/kWh)
Residential	0.00359
Small Commercial	0.00354
Med&Lg C&I	0.00292
Agriculture	0.00354
Streetlighting	0.00249
System Total	0.00323

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2017 ERRA Forecast

Attachment C

Green Tariff (GT) - *SunRate*
2017 ERRA Forecast

Line		$/kWh	$/kWh	$/kWh	$/kWh	$/kWh
	Rate Components	Residential	Sm Commercial	M/L C&I	Ag	Streetlighting
1	Cost of Local Solar	0.09369	0.09369	0.09369	0.09369	0.09369
2	Value of Solar Energy and Capacity Adjustment	(0.00881)	(0.00881)	(0.00881)	(0.00881)	(0.00881)
3	Administrative Costs	0.00385	0.00385	0.00385	0.00385	0.00385
4	Marketing Costs	0.00117	0.00117	0.00117	0.00117	0.00117
5	SDG&E's Average Commodity Cost Adjustment	(0.09839)	(0.08938)	(0.09561)	(0.08044)	(0.06495)
6	WREGIS	0.00001	0.00001	0.00001	0.00001	0.00001
7	CAISO GMC	0.00071	0.00071	0.00071	0.00071	0.00071
8	Renewable Integration Cost	0.00000	0.00000	0.00000	0.00000	0.00000
9	***SunRate Differential*** *(Line 1 through Line 8)*	**(0.00777)**	**0.00123**	**(0.00500)**	**0.01017**	**0.02566**
10	PCIA	0.02347	0.02438	0.01983	0.01322	0.00000
11	***Total*** *(Line 9 + Line 10)*	**0.01570**	**0.02562**	**0.01483**	**0.02339**	**0.02566**

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2017 ERRA Forecast

Attachment D

Enhanced Community Renewables (ECR) - *Share the Sun*
2017 ERRA Forecast

Line		$/kWh	$/kWh	$/kWh	$/kWh	$/kWh
	Rate Components	Residential	Sm Commercial	M/L C&I	Ag	Streetlighting
1	Solar Commodity Price	Refer to Contract				
2	Value of Solar Energy and Capacity Adjustment	(0.00881)	(0.00881)	(0.00881)	(0.00881)	(0.00881)
3	Administrative Costs	0.00343	0.00343	0.00343	0.00343	0.00343
4	Marketing Costs	0.00013	0.00013	0.00013	0.00013	0.00013
5	Solar Commodity Credit	Refer to Contract				
6	SDG&E's Average Commodity Cost Adjustment	(0.09839)	(0.08938)	(0.09561)	(0.08044)	(0.06495)
7	WREGIS	0.00001	0.00001	0.00001	0.00001	0.00001
8	CAISO GMC	0.00071	0.00071	0.00071	0.00071	0.00071
9	Renewable Integration Cost	0.00000	0.00000	0.00000	0.00000	0.00000
10	***Share the Sun Bill Credit*** *(Line 1 through Line 9)*	**(0.10292)**	**(0.09391)**	**(0.10014)**	**(0.08498)**	**(0.06948)**
11	PCIA	0.02347	0.02438	0.01983	0.01322	0.00000
12	**Net Adjustment to Customer for SDG&E Bill Only** *(Line 10 + Line 11)*	**(0.07945)**	**(0.06953)**	**(0.08031)**	**(0.07175)**	**(0.06948)**