

The Office of Ratepayer Advocates (ORA) may review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about ORA, please call (415) 703-1584, email ora@cpuc.ca.gov or visit ORA's website at www.ora.ca.gov.

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If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, have informal comments about the application, or if you have questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at <http://www.cpuc.ca.gov/pao/>. You may also contact the PAO as follows:

Email: public.advisor@cpuc.ca.gov

Mail: CPUC
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Call: 1-866-849-8390 (toll-free) or 1-415-703-2074

TTY 1-866-836-7825 (toll-free) or 1-415-703-5282

Please reference SDG&E's 2018 Energy Storage Procurement and Investment Plan Application No. A.18-02-016 in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and be made available for review for the assigned Judge, the Commissioners, and appropriate CPUC staff.



A  Sempra Energy utility®

Para más detalles llame al 1-800-311-7343 NOTICE OF SAN DIEGO GAS & ELECTRIC COMPANY'S REQUEST TO INCREASE ELECTRIC RATES FOR ENERGY STORAGE PROGRAMS AND INVESTMENTS (ASSEMBLY BILL 2868) APPLICATION NO. A.18-02-016

On February 28, 2018, San Diego Gas & Electric Company (SDG&E®) filed a request with the California Public Utilities Commission (CPUC) for approval to increase rates to fund programs and investments that will help increase the deployment of distributed energy storage systems¹ by electric corporations. AB 2868 (Assembly Bill 2868) ordered the CPUC, along with the California Air Resources Board and the California Energy Commission, to direct electrical corporations (SDG&E included) to file applications for programs and investments to accelerate widespread deployment of distributed energy storage systems. In compliance with this directive, the CPUC issued a decision¹ directing SDG&E to include proposals for up to 166.66 megawatts. This request will be a part of SDG&E's 2018 energy storage procurement plan, which will now be referred to as the 2018 energy storage procurement and investment plan. These programs and investments will help reduce dependence on petroleum, meet air quality standards, and reduce emissions of greenhouse gases.

The application includes proposals for seven energy storage projects totaling 100 megawatts that will provide backup power to critical public-sector facilities, such as fire departments and emergency operations centers. The application also includes a customer program proposal for low-income residential customers that will offer incentives for the purchase and installation of energy storage. Finally, the application proposes a process for approval by the CPUC of future energy storage projects.

The requested rate increase covers costs associated with implementing the AB 2868 programs and investments. Costs include (but are not limited to) distributed energy storage resources, labor and installation, electrical infrastructure, and staff necessary for equipment, maintenance and administrative support. The total costs of the proposed projects and program are approximately \$157.6 million. The cost to ratepayers over the first three years will be an increase of \$22.603 million in 2020, an increase of \$33.027 million in 2021, and an increase of \$31.627 million in 2022.

¹ Decision 17-04-039, Decision on Track 2 Energy Storage Issues, issued May 8, 2017.

(Continued inside)

The charts shown below illustrate the changes in rates that would result from CPUC approval of this application, compared to current rate levels.

ILLUSTRATIVE IMPACT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E’s request, a typical non-CARE residential customer living in both the inland and coastal climate zones and using 500 kilowatt-hours per month could see an annual bill increase in 2020 of \$8.99, or 0.5%. A typical current monthly bill could increase from \$149.69 to \$150.44. The percentages shown do not necessarily reflect the changes that you may see on your bill. Changes in individual bills will also depend on how much electricity each customer uses.

SAN DIEGO GAS & ELECTRIC COMPANY’S ILLUSTRATIVE ELECTRIC RATE IMPACT

| Customer Class | Class Average Rates Effective 01/01/18 ¹ (¢/kWh) | 2020 Class Average Rates Reflecting Proposed Revenue Increase for All Projects Included in this Application (¢/kWh) | Total Rate Increase (¢/kWh) | Percentage Rate Increase (%) |
|-----------------------------------|---|---|-----------------------------|------------------------------|
| Residential | 27.561 | 27.714 | 0.153 | 0.56% |
| Small Commercial | 26.242 | 26.400 | 0.158 | 0.60% |
| Medium and Large C&I ² | 21.385 | 21.473 | 0.088 | 0.41% |
| Agricultural | 19.468 | 19.570 | 0.102 | 0.52% |
| Lighting | 21.635 | 21.808 | 0.173 | 0.80% |
| System Total | 23.997 | 24.116 | 0.119 | 0.50% |

¹ Rates effective 1/1/18 per Advice Letter 3167-E.

² C&I stands for Commercial and Industrial.

FOR FURTHER INFORMATION

For further information on these proposals you may contact SDG&E’s Customer Service line at 1-800-411-SDGE (7343).

You may request additional information or obtain a copy of the application and related exhibits by writing to: Jennifer Wright, San Diego Gas & Electric Company, 8330 Century Park Court, San Diego, CA 92123. SDG&E will provide a copy of this application upon request. SDG&E’s application and attachments may be reviewed at the CPUC’s Central Files Office by appointment. For more information, please contact them at aljcentralfilesid@cpuc.ca.gov or (415) 703-2045. A copy of this application may be reviewed at the following SDG&E business offices:

| | | |
|--|---|--|
| 436 H St. Chula Vista, CA 91910 | 440 Beech St. San Diego, CA 92101 | 336 Euclid Ave. San Diego, CA 92114 |
| 2405 E. Plaza Blvd. National City, CA 91950 | 104 N. Johnson Ave. El Cajon, CA 92020 | 644 W. Mission Ave. Escondido, CA 92025 |

The application and related exhibits are also available electronically on SDG&E’s website at <https://www.sdge.com/proceedings>.

Copies of this bill insert will be available for viewing and printing on the SDG&E website at <https://www.sdge.com/regulatory-notice>.

CPUC PROCESS

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents, necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These evidentiary hearings are open to the public, but only those who are parties of record can participate.

After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision which may adopt SDG&E’s proposal, modify it or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.