

Application No.: A.23-05-013
Exhibit No.: SDGE-1505
Witness: Sheri Miller

UPDATED PREPARED DIRECT TESTIMONY OF
SHERI MILLER
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY

*****REDACTED – PUBLIC VERSION*****

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



October 13~~May 15~~, 2023

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**UPDATED PREPARED DIRECT TESTIMONY OF
SHERI MILLER
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

I. PURPOSE AND OVERVIEW

This updated testimony describes the process of forecasting San Diego Gas & Electric Company’s (“SDG&E”) Power Charge Indifference Adjustment (“PCIA”) costs in the 2024 Energy Resource Recovery Account (“ERRA”) Forecast. The PCIA cost is equivalent to the utility’s total portfolio costs, less its market value and its sales revenues, in a given year. Additional regulatory history of the PCIA is provided in SDG&E witness Rachelle R. Baez’s testimony.

The forecasted PCIA costs are calculated using the modeled forecast costs and volumes provided by SDG&E witness Jimmy Elias, and the final PCIA costs presented in this testimony are used by SDG&E witness Brenda Hua in her testimony describing the 2024 balancing account revenue requirements. This PCIA testimony also supports SDG&E witness Rachelle R. Baez’s development of customer rates in her testimony.

II. PCIA-ELIGIBLE COSTS

Decision (“D.”)18-10-019 directed the Investor-Owned Utilities (“IOUs”) to record above-market costs of PCIA-eligible resources to the Portfolio Allocation Balancing Account (“PABA”). The primary inputs included in the above-market cost calculations are 1) the monthly resource costs, 2) net revenues received from the California Independent System Operator (“CAISO”) for the PCIA resource’s energy and ancillary services sold to CAISO, net of CAISO charges, 3) the market value of the renewable energy credits (“RECs”) and resource adequacy (“RA”) associated with the PCIA resources, and 4) any revenues forecasted to be received from sales or allocations contracts.

1 The monthly resource cost includes both contract costs and costs related to Utility-Owned
2 Generation (“UOG”). The UOG operation and maintenance (“O&M”) and capital-related
3 expenses for the Palomar, Miramar, Cuyamaca and Desert Star resources were approved for
4 recovery through the Non-Fuel Generation Balancing Account (“NGBA”) mechanism in the
5 General Rate Case (“GRC”) decision D.19-09-051. Since above-market costs are required to be
6 recovered through the PCIA mechanism, the above-market costs for these resources are
7 recovered in PABA, and the market value is recovered through NGBA.

8 In addition, SDG&E’s Modified Cost Recovery Mechanism (“MCAM”) was approved
9 by D.22-05-015. The resources subject to MCAM cost recovery will follow the decision’s
10 requirements to recover MCAM costs using PCIA cost recovery in PABA vintage 2019,¹ with
11 the exception of costs that are required to be recovered in the MCAM balancing account
12 (“MCAMBA”)² or are subject to a Cost Allocation Mechanism (“CAM”) via the Local
13 Generating Balancing Account (“LGBA”).³ The PABA cost recovery treatment includes credits
14 to PABA for the market value of any MCAM resources that are forecasted to be used for
15 SDG&E’s resource adequacy compliance requirements, using the same process that is used for
16 other resources recovered in PABA.

17 The forecasted actual costs, generation volumes and the CAISO net revenues are
18 provided in the direct testimony of Jimmy Elias. Each of the PCIA-eligible resources is
19 identified as belonging to a specific year, called the resource’s “vintage,” which corresponds to
20 the year in which the contract was executed or the year in which the UOG resource commenced

¹ Per D.22-05-015, Ordering Paragraph (“OP”) 4.

² Per D.22-05-015, OP 2.

³ Per D.22-05-015, OP 10.

operations. The costs, generation, CAISO net revenues, and market value of attributes are assigned the vintage of the generating resource.

III. PCIA BENCHMARKS

Pursuant to D.22-01-023, Energy Division issues updated PCIA market price benchmarks (“MPB”) in the beginning of October. ~~The~~^{is} May filing of the 2024 ERRa Forecast used~~s~~ the latest available benchmarks to calculate PCIA, shown in Table 1 below, that were received from Energy Division on October 1, 2022. ~~On~~^{In} October ~~2,~~^{2,} ~~of~~ 2023, Energy Division ~~will~~ issued ~~final 2023~~^{new} benchmarks, ~~and~~ ~~SDG&E will submit an updated 2024 ERRa Forecast in its~~ ~~October Update incorporating the new benchmarks, and~~^{and} Table 1 below ~~will be~~ ^{has been} updated accordingly. The final 2023 benchmarks have also been used to prepare the forecasted 2023 PABA year-end balance in this update filing.

Table 1 – 2023 SDG&E Forecast ~~and~~ Final Benchmarks ~~Adders~~

<u>Date Recorded</u>	<u>Recorded PABA January-August 20232</u>	<u>Recorded PABA true-up September 2023</u>
<u>Market Price Benchmark</u>	<u>Forecast 2023 MPB Provided by Energy Division on October 1, 2022</u>	<u>Final 2023 MPB Provided by Energy Division on October 2, 2023</u>
Energy Index On-Peak	\$85.47 (\$/MWh)	<u>n/a</u>
Energy Index Off-Peak	\$74.17 (\$/MWh)	<u>n/a</u>
System RA	\$7.39 (\$/kW-month)	<u>\$14.37 (\$/kW-month)</u>
Local RA	\$6.98 (\$/kW-month)	<u>\$9.77 (\$/kW-month)</u>
Flexible RA	\$7.15 (\$/kW-month)	<u>\$7.82 (\$/kW-month)</u>
Renewable Portfolio Standard (“RPS”) adder – REC	\$12.63 (\$/MWh)	<u>\$30.30 (\$/MWh)</u>

1
2 On October 2, 2023, Energy Division also provided the 2024 Forecast Market Price

3 Benchmarks shown in Table 2 below.

4 **Table 2 – 2024 SDG&E Forecast Benchmarks**

	<u>Forecast 2024 MPB Provided by Energy Division on October 2, 2023</u>
<u>Energy Index On-Peak</u>	<u>\$68.30/MWh</u>
<u>Energy Index Off-Peak</u>	<u>\$62.59/MWh</u>
<u>System RA</u>	<u>\$15.23 (\$/kW-month)</u>
<u>Local RA</u>	<u>\$8.60 (\$/kW-month)</u>
<u>Flexible RA</u>	<u>\$9.12 (\$/kW-month)</u>
<u>Renewable Portfolio Standard (“RPS”) adder</u> <u>– REC</u>	<u>\$31.73 (\$/MWh)</u>

5
6 In this update filing, SDG&E uses the forecasted 2024 issued on-peak and off-peak
7 energy indexes as shown above together with historical on-peak and off-peak load weighting
8 factors to calculate the forecasted weighted average price of the energy component of the
9 contract attributes. D.23-06-006 ordered refinements to this methodology that included an
10 additional weighting factor specific to the IOU. In accordance with D.23-06-006, SDG&E
11 submitted supplemental testimony on August 15, 2023 with the new calculation as specified in
12 the decision. SDG&E’s weighting factor as filed in the supplemental testimony is 1.11, and
13 SDG&E has used this new methodology in this update filing to calculate the Energy Index for
14 the 2024 forecast year.

1 The [resulting Energy Index](#) price is then multiplied by the forecasted hourly generation
2 for each resource to calculate the expected market value of the PCIA resource generation in
3 2024. This expected market value represents the amount of CAISO revenue that SDG&E
4 expects to receive for its PCIA resources, including contracted resources and UOG. This amount
5 is presented in Ms. Hua’s testimony in Table [86](#) “PABA revenue requirement,” labeled “Supply
6 ISO Revenues.” The actual CAISO revenues will be recorded in PABA each month when they
7 are received by SDG&E, and the revenue will partially offset the costs of the PCIA resources.

8 To calculate the forecast market value of the RA attributes of the resources, each resource
9 is assigned to one of the Local, Flex, or System RA categories, based on the RA category that the
10 resource most commonly serves, and if a resource serves more than one category, Local is
11 assigned first if applicable, then Flex, and then System. The most updated monthly net
12 qualifying capacity (“NQC”) listing is obtained from the CAISO website, and an average
13 monthly NQC value for each resource is calculated [for the forecasted year](#). The resource’s NQC
14 value is then multiplied by the assigned RA benchmark to calculate the forecasted market value
15 of the RA for 2024, as shown in Attachment A of this testimony. Adjustments are made for RA
16 forecasted to be sold during the year. The resulting forecast market value for contract resources
17 is then included in the ERRA revenue requirement as an expense, as it represents the value of the
18 RA attributes which SDG&E [will retained](#) to use for the RA compliance obligations on behalf of
19 its bundled customers. The market value associated with UOG resources is excluded from
20 ERRA because the UOG costs are recovered in NGBA, and were previously approved for
21 recovery in D.19-09-051, which approved SDG&E’s 2019 GRC application (A.17-10-007).

22 To calculate the forecasted market value of the REC attributes of the resources, the
23 applicable REC benchmark is applied to [SDG&E's](#) ~~the~~ 2024 forecasted [voluntary allocation](#)

1 [volumes, which are calculated pursuant to the methodology in D.21-05-030, generation](#)
2 [expected and intended](#) to provide ~~the required~~ compliance instruments for SDG&E's bundled
3 customers. The resulting forecasted market value for contract resources is then included in the
4 ERRA revenue requirement as an expense, as it represents the value of the REC attributes which
5 SDG&E [will](#) ~~retained~~ to use for the Renewable Portfolio Standard ("RPS") compliance
6 obligations on behalf of its bundled customers. As with the RA value discussed above, the
7 market value associated with RECs from UOG generation is excluded from ERRA and
8 recovered in NGBA. The total of the REC and RA market values for contracts is included in Ms.
9 Hua's testimony in Table 1 labeled "ERRA Revenue Requirement," on line 3 "non-CTC contract
10 costs," and also mentioned in Ms. Baez's testimony as part of the "up-to-market" energy
11 procurement costs recovered in ERRA.

12 SDG&E anticipates having sufficient RECs from its 2024 allocations to cover [current](#)
13 RPS obligations and is not planning on using any of its RECs that were banked and not used in
14 prior generation years.

15 **IV. VOLUNTARY ALLOCATIONS OF REC ATTRIBUTES**

16 Pursuant to D.21-05-030, D.22-01-004, and its approved Advice Letter ("AL") 4121-E,
17 SDG&E has implemented the PCIA RPS voluntary allocation process [beginning with](#) ~~for~~ [January](#)
18 2023 generation, and includes forecasted RPS allocations in this 2024 forecast application.
19 These allocations include short-term and long-term RPS contracts with the Load-Serving Entities
20 ("LSE") in SDG&E's territory that voluntarily elected to receive PCIA RPS allocations. The
21 contracts have been approved in AL 4121-E.

22 In addition, this forecast also assumes that SDG&E will take 100% of its own REC
23 allocations in 2024. Forecasts of allocations are based upon the forecasted generation of
24 resources in the allocation pool, multiplied by the percentage of load and elections for each LSE

1 contract, and applying the 2023 forecasted RPS MPB. Pursuant to D.22-11-021, any forecasted
2 generation in excess of SDG&E's allocations to itself that is not sold or allocated to any other
3 LSE will not be included in the market value expense forecasted in ERRa.

4 **V. MARKET OFFER OF REC ATTRIBUTES**

5 Pursuant to D.21-05-030 and approved advice letters 3983-E, 4117-E, and 4126-E,
6 SDG&E has begun to implement the PCIA market offer process for RPS products that were not
7 previously allocated as part of the PCIA voluntary allocation process. SDG&E launched its
8 2023 Renewable Portfolio Standard Market Offer Request for Proposals for Short-term Sales on
9 January 9, 2023. The short-term contract offers that have been finalized and submitted for
10 Commission approval via advice letter [4249-E](#) are included in this 2024 ERRa forecast.

11 SDG&E launched its 2023 Renewable Portfolio Standard Market Offer for Proposals for
12 Long-term Sales on March 7, 2023. [The long-term contract offers that have been finalized and](#)
13 [submitted for Commission approval via advice letter](#) ~~At the time of this filing, no long term~~
14 ~~contract offers have been finalized~~ [4250-E](#) are also included in this 2024 ERRa forecast. ~~If by~~
15 ~~the time of the October update filing SDG&E has finalized its long term contracts and submitted~~
16 ~~for Commission approval via advice letter, they will be included in update filing of this 2024~~
17 ~~ERRa forecast at that time.~~ Both short-term and long-term market offer contracts included in
18 this forecast are reflected as revenues in PABA.

19 **VI. ADDITIONAL RPS REQUEST FOR OFFERS**

20 The Commission granted SDG&E authorization to conduct an RPS RFO in addition to
21 the PCIA voluntary allocations and market offers⁴. The purpose of holding such an RFO
22 ~~includes~~ [would be to](#) selling any excess bundled or unbundled RECs in SDG&E's portfolio, so

⁴ D.22-12-030, OP 6.

1 that the resulting revenues could be included in PABA, and so that the RECs generated could be
2 used [by the purchasing LSEs](#) as Portfolio Content Category (“PCC”) 1 compliance instruments.
3 An RFO could also be held in order to procure RPS volumes [for SDG&E compliance in the](#)
4 [event it became](#)if necessary.

5 At this time, SDG&E does not plan to launch an additional RFO in 2023 to sell 2024
6 bundled or unbundled RECs, and accordingly no additional revenues are included in this 2024
7 forecast. ~~If, however, an RFO is launched before the October update of this application, any~~
8 ~~resulting contract revenue will be included in my October update testimony.~~

9 VII. GREEN TARIFF SHARED RENEWABLES

10 A history of Senate Bill (“SB”) 43, which was intended to expand access to renewable
11 energy to ratepayers, is provided in Ms. Baez’s testimony. Until August 2022, SDG&E
12 provided its bundled customers with the option to purchase 100% renewable energy through the
13 Green Tariff Shared Renewables (“GTSR”) program, branded at SDG&E as EcoChoice and
14 EcoShare. The EcoChoice option enabled customers to purchase renewable energy from
15 contracted solar resources that have been dedicated to the program, which included Midway
16 Solar and Wister Solar. The costs for these resources were to be recovered in the Green Tariff
17 Shared Renewable Balancing Account (“GTSRBA”).

18 On August 25, 2022, the CPUC issued a Ruling that granted SDG&E’s request for
19 authorization to temporarily suspend its EcoChoice program.⁵ This order suspended the
20 EcoChoice option to new participants and directed SDG&E to quickly disenroll customers from
21 the EcoChoice program. Because there will be no EcoChoice participation in 2024, no contract

⁵ A.22-05-023.

1 costs for GTSRBA are included in this 2024 ERRA forecast. The two dedicated resources
2 mentioned above are instead included in the standard PCIA cost allocation process.

3 SB 43 Section 2833(s) states that “a participating utility shall, in the event of participant
4 customer attrition or other causes that reduce customer participation or electrical demand below
5 generation levels, apply the excess generation from the eligible renewable energy resources
6 procured through the utility’s green tariff shared renewables Program to the utility’s renewable
7 portfolio standard procurement obligations or bank the excess generation for future use to benefit
8 all customers in accordance with the renewables portfolio standard banking and procurement
9 rules approved by the commission.” Pursuant to this mandate, SDG&E has included the
10 forecasted excess generation from both of its green tariff dedicated generators in the cost
11 recovery mechanism used for its RPS eligible contracts, namely ERRA and PABA through the
12 PCIA process.

13 **VIII. MONTHLY ACCOUNTING FOR REC AND RA MARKET VALUES, AND**
14 **ANNUAL TRUE-UP**

15 Accruals for the estimated REC and RA market values of PCIA eligible resources are
16 recorded monthly to PABA and ERRA by SDG&E’s Settlements & Systems group as part of the
17 monthly accounting close process. Pursuant to D.19-10-001, these amounts ~~will be~~ have been
18 adjusted ~~when~~ to reflect the ~~final~~ updated 2023 benchmarks ~~that were~~ have been ~~are~~ received from
19 Energy Division on October 2, 2023 ~~and later this year~~. The October Update ~~filing~~ of my
20 testimony ~~will~~ includes a true-up of the REC and RA market values recorded during January-
21 August 2023, to reflect the updated benchmarks. This true-up ~~will be~~ is also included in the
22 October Update of the forecasted PABA 2023 year-end balance in my testimony.

23 In the 2023 annual true-up, amounts recorded for the REC and RA market values during
24 the first eight months of the year are revalued and the balancing accounts adjusted accordingly.

1 Any REC and RA attributes that were offered for sale and not sold are considered unsold.
 2 Pursuant to D.18-10-019, actual energy (brown power) revenues received from CAISO for
 3 PCIA-related generation are booked to PABA in the month received, and therefore energy
 4 market value does not require a true-up entry in the October update filing, because the recorded
 5 CAISO revenues reflect actual updated market prices.

6 During the period January through August 2023, the REC market value was calculated
 7 monthly using estimated generated volumes and recorded as part of SDG&E’s monthly financial
 8 closing process. The final amount, including the true-up, is shown in Table 3 and was calculated
 9 using actual volume deliveries and the updated benchmark of \$30.30/MWh.

10 **Table 3 – 2023 RPS Market Value True Up**

	<u>Price</u>	<u>Volumes</u>	<u>Amount</u> <u>Recorded</u>
<u>Estimated RECs Retained</u>	<u>\$12.63/MWh</u>	<u>1,293,133 MWh</u>	<u>\$16.3 million</u>
<u>Actual RECs Retained, valued at updated MPB</u>	<u>\$30.30/MWh</u>	<u>1,279,754 MWh</u>	<u>\$38.8 million</u>
<u>Volume Update portion of true-up</u>	<u>\$12.63/MWh</u>	<u>(13,379) MWh</u>	<u>(\$0.2) million</u>
<u>MPB Update portion of true-up</u>	<u>(\$30.30 - \$12.63)/MWh</u>	<u>1,279,754 MWh</u>	<u>\$22.6 million</u>
<u>Total Impact – increase to REC market value</u>	<u>n/a</u>	<u>n/a</u>	<u>\$22.4 million</u>

11
 12 During the period January through August 2023, the RA market value was calculated
 13 monthly using the Net Qualifying Capacity (“NQC”) values of the PCIA-eligible generators,
 14 adjusted for days the resources were unavailable due to outage. This monthly RA market value
 15 was recorded as part of SDG&E’s monthly financial closing process. The final amount,

1 including the true-up, is shown in Table 4 and was calculated using the updated benchmarks and
 2 final capacity volumes.

3
 4 **Table 4 – 2023 RA Market Value True Up**

<u>Contract Resources</u>	<u>Price</u>	<u>Capacity</u>	<u>Amount Recorded</u>
<u>Estimated Local RA Retained</u>	<u>\$6.98 (\$/kW-month)</u>	<u>508 MW monthly average</u>	<u>\$27.4 million</u>
<u>Actual Local RA Retained</u>	<u>\$9.77 (\$/kW-month)</u>	<u>508 MW monthly average</u>	<u>\$38.4 million</u>
<u>Estimated Flex RA Retained</u>	<u>\$7.15 (\$/kW-month)</u>	<u>64 MW monthly average</u>	<u>\$3.6 million</u>
<u>Actual Flex RA Retained</u>	<u>\$7.82 (\$/kW-month)</u>	<u>64 MW monthly average</u>	<u>\$3.9 million</u>
<u>Estimated System RA Retained</u>	<u>\$7.39 (\$/kW-month)</u>	<u>81 MW monthly average</u>	<u>\$4.8 million</u>
<u>Actual System RA Retained</u>	<u>\$14.37 (\$/kW-month)</u>	<u>81 MW monthly average</u>	<u>\$9.3 million</u>
<u>Subtotal PPA true-up impact</u>	<u>n/a</u>	<u>n/a</u>	<u>\$15.8 million</u>
<u>Utility-Owned Generation</u>	<u>Price</u>	<u>Capacity</u>	<u>Amount Recorded</u>
<u>Estimated Local RA Retained</u>	<u>\$6.98 (\$/kW-month)</u>	<u>134 MW monthly average</u>	<u>\$11.2 million</u>
<u>Actual Local RA Retained</u>	<u>\$9.77 (\$/kW-month)</u>	<u>134 MW monthly average</u>	<u>\$15.7 million</u>
<u>Estimated Flex RA Retained</u>	<u>\$7.15 (\$/kW-month)</u>	<u>106 MW monthly average</u>	<u>\$8.9 million</u>
<u>Actual Flex RA Retained</u>	<u>\$7.82 (\$/kW-month)</u>	<u>106 MW monthly average</u>	<u>\$10.0 million</u>

Estimated System RA Retained	\$7.39 (\$/kW-month)	62 MW monthly average	\$5.5 million
Actual System RA Retained	\$14.37 (\$/kW-month)	62 MW monthly average	\$10.7 million
Subtotal UOG true-up Impact	n/a	n/a	\$10.7 million
Total Combined Contract and UOG Impact-increase to RA market value	n/a	n/a	\$26.5million

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[As part of the PCIA voluntary allocation process approved in D.21-05-030, voluntary allocations to other LSEs are also priced at the applicable year’s market price benchmark. SDG&E therefore will true-up the cost charged to LSEs for voluntary allocations sold between January 1st and August 31st by issuing an additional invoice for the difference. These true-up amounts, in addition to the true-up amounts for the REC and RA market value described above, are included in Attachment C to my testimony, “Forecasted 2023 Year End PABA Balances”.](#)

IX. OTHER COSTS RECOVERED IN PABA

As Mr. Elias describes in his testimony, this forecast of the 2024 PABA revenue requirements includes the natural gas fuel costs and associated GHG expenses for PCIA-eligible conventional resources. These costs are included in the PCIA as part of the above-market cost calculation of the gas-fired resources in their respective vintages.

In addition, SDG&E is including the 2023 PABA year-end forecasted balance of [\(\\$31.290\)](#)~~(\$32.305)~~ million in its 2024 Indifference Amount, pursuant to D.19-10-001 which authorized the PABA prior year-end balance recovery through that mechanism.⁶ The 2023 PABA forecasted year-end balance is calculated using ~~eight~~[three](#) months of actual data and

⁶ [This figure reflects the correcting CAISO revenue accounting entries made to the PABA balancing account in September 2023 as described the Prepared Rebuttal Testimony of Brenda Hua dated September 8, 2023 at pages 3-6.](#)

1 ~~four~~ ~~nine~~ months of forecasted data. It is presented in Attachment C to my testimony, and also
 2 mentioned in Ms. Baez's testimony.

3 **X. SUMMARY**

4 A summary of the total 2024 forecasted PCIA above market cost (without FF&U) is
 5 shown in Table ~~52~~ below. The CAISO revenues, fuel, GHG costs, and total PABA revenue
 6 requirement shown below are also referenced in Ms. Hua's testimony. This table does not
 7 include the 2023 PABA forecasted year-end balance.

8 **Table ~~52~~ – 2024 PCIA Forecast Summary**

	PCIA Components	2024 Forecast (in millions)
1.	PCIA contract costs	[REDACTED]
2.	UOG costs	\$ 200 210
3.	Generation fuel cost	[REDACTED]
4.	Direct GHG costs	[REDACTED]
5.	Less REC sales	[REDACTED]
6.	Less RA sales	[REDACTED]
7.	Less REC allocations	[REDACTED]
8.	Less contract REC market value	(\$ 61 24)
9.	Less contract RA market value	(\$ 139 04)
10.	Less <u>Net</u> CAISO supply revenues	(\$ 691 769)
11.	= Total Indifference Amount revenue requirement	[REDACTED]

9
 10 This concludes my prepared direct testimony.

11

1 **XI. QUALIFICATIONS**

2 My name is Sheri Miller. My business address is 8315 Century Park Court, San Diego,
3 CA 92123. I am employed by SDG&E as a Principal Settlement Advisor in the Settlements &
4 Systems group in the Energy Supply organization. My responsibilities include writing and
5 reviewing ERRA witness testimony and advising on regulatory and legislative matters that
6 impact SDG&E's energy and gas procurement settlements and cost recovery processes.

7 I joined SDG&E in October 2000, and since that time, I have held various positions at
8 SDG&E including Senior Accountant, Principal Accountant, and Settlements Manager. I have
9 experience with many aspects of SDG&E's accounting processes, including approving the gas and
10 electric commodity invoices and overseeing the reporting processes.

11 I received a Bachelor of Science degree in Accounting and a Masters of Business
12 Administration from National University. I am also a Certified Public Accountant licensed in
13 the state of California.

14 I have previously testified before the California Public Utilities Commission.

ATTACHMENT A

DECLARATION OF SHERI MILLER

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

**DECLARATION
OF SHERI MILLER**

A.23-05-013

**Application of San Diego Gas & Electric Company (U 902-E)
for Approval of Its 2024 Electric Procurement Revenue Requirement Forecasts and GHG-
Related Forecasts**

I, Sheri Miller, declare as follows:

1. I am a Principal Settlements Advisor for San Diego Gas & Electric Company (“SDG&E”). I included my Prepared Direct Testimony (“Testimony”) in support of SDG&E’s October 13, 2023 updated Application for Approval of its 2024 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts (“Application”). Additionally, as a Principal Settlements Advisor, I am thoroughly familiar with the facts and representations in this declaration, and if called upon to testify I could and would testify to the following based upon personal knowledge.

2. This Declaration is meant to apply to my testimony and workpapers, and also certain duplicate tabs in Ms. Baez’s workpapers. I am providing this Declaration to demonstrate that the confidential information (“Protected Information”) in support of the referenced Application falls within the scope of data provided confidential treatment in the IOU Matrix (“Matrix”) attached to the Commission’s Decision (“D.”) 06-06-066 (the Phase I Confidentiality decision). Pursuant to the procedure adopted in D.08-04-023, I am addressing each of the following five features of Ordering Paragraph 2 of D.06-06-066:

- that the material constitutes a particular type of data listed in the Matrix;
- the category or categories in the Matrix the data correspond to;
- that SDG&E is complying with the limitations on confidentiality specified in the Matrix for that type of data;
- that the information is not already public; and

- that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.

3. The Protected Information contained in my Testimony constitutes material, market sensitive, electric procurement-related information that is within the scope of Section 454.5(g) of the Public Utilities Code.¹ As such, the Protected Information is allowed confidential treatment in accordance with the Matrix, as follows:

Location of Protected Information	Matrix Reference	Reason for Confidentiality and Timing
Amounts highlighted in yellow in Table 5 of testimony named “2024 PCIA Forecast Summary”	II.B.1	Generation Cost Forecasts of Utility Retained Generation, confidential for three years
	II.B.4	Generation Cost Forecast of Non-QF Bilateral Contracts; confidential for three years
Cells highlighted in yellow in Attachment C “Forecasted 2023 Year End Balance of PABA”	II.B.1	Generation Cost Forecasts of Utility Retained Generation, confidential for three years
	II.B.3	Generation Cost Forecast of QF Contracts; confidential for three years
	II.B.4	Generation Cost Forecast of Non-QF Bilateral Contracts; confidential for three years
	IV.A	Forecast of IOU Generation Resources; confidential for three years
	IV.F	Forecast of Post-1/1/2003 Bilateral Contracts; confidential for three years
Cells highlighted in yellow in the spreadsheet named “workpapers_Miller.xlsx”, tab ‘Utility Owned Generation’	XI	Detail of monthly variable cost on energy and utility operation (ERRA filings)
	IV.A	Forecast of IOU Generation Resources; confidential for three years

¹ In addition to the details addressed herein, SDG&E believes that the information being furnished in my Testimony is governed by Public Utilities Code Section 583 and General Order 66-D. Accordingly, SDG&E seeks confidential treatment of this data under those provisions, as applicable.

Location of Protected Information	Matrix Reference	Reason for Confidentiality and Timing
Cells highlighted in yellow in the spreadsheet named “PCIA 2024 ERRAs forecast workpapers_UPDATED CONFIDENTIAL”, tab ‘Workpaper IOU TPS’	II.B.I	Generation Cost Forecasts of Utility Retained Generation, confidential for three years
Cells highlighted in yellow in the spreadsheet named “PCIA 2024 ERRAs forecast workpapers_UPDATED CONFIDENTIAL”, tab ‘IOU Total Portfolio Summary’	II.B.I	Generation Cost Forecasts of Utility Retained Generation, confidential for three years
Cells highlighted in yellow in the spreadsheet named “PCIA 2024 ERRAs forecast workpapers_UPDATED CONFIDENTIAL”, tab ‘Indifference Amount Calc’. Cells highlighted in yellow in the spreadsheet named “CONFIDENTIAL-PCIA Model_2024 ERRAs Oct Upd”, tab ‘Indifference Amount Calc’.	II.B.I	Generation Cost Forecasts of Utility Retained Generation, confidential for three years

4. I am not aware of any instances where the Protected Information has been disclosed to the public. To my knowledge, no party, including SDG&E, has publicly revealed any of the Protected Information.

5. SDG&E will comply with the limitations on confidentiality specified in the Matrix for the Protected Information.

6. The Protected Information cannot be provided in a form that is aggregated, partially redacted, or summarized, masked or otherwise protected in a manner that would allow further disclosure of the data while still protecting confidential information.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 13th day of October 2023, in San Diego, California.

Sheri Miller

Sheri Miller
Principal Settlements Advisor
San Diego Gas & Electric Company

ATTACHMENT B

**DECLARATION OF AARON FRANZ
CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.16-08-024, *et al.***

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF AARON FRANZ
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.16-08-024, *et al.***

I, Aaron Franz, do declare as follows:

1. I am the Manager of the Settlements & Systems department for San Diego Gas & Electric Company (“SDG&E”). I have been delegated authority to sign this declaration by Adam Pierce, Vice President of Energy Procurement & Rates. I have reviewed Sheri Miller’s Prepared Direct Testimony (“Testimony”) in support of SDG&E’s “Application for Approval of its 2024 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts” (“Application”). I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decisions (“D.”) 14-10-003, D.16-08-024, D.17-05-035, and D.17-09-023 to demonstrate that the confidential information (“Protected Information”) provided in the Testimony is within the scope of data protected as confidential under applicable law.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 13th day of October, 2023, at San Diego.

Aaron Franz

Aaron Franz
Manager, Settlements & Systems

ATTACHMENT A

SDG&E Request for Confidentiality on the following information in its Application for Approval of Its 2024 Electric Procurement Revenue Requirement Forecasts and GHG- Related Forecasts

Location of Protected Information	Legal Authority	Narrative Justification
Table 5, line 4: forecasted direct GHG costs	D.14-10-033; D.16-08-024; D.17-05-035; D.17-09-023; Public Utilities Code Section 454.5(g). California Code of Regulations, Title 17, Section 95914(c)(1)	GHG emissions forecasts: Providing these forecasts to market participants would allow them to know SDG&E's forecasted GHG obligation, thereby compromising SDG&E's contractual bargaining power such that customer costs are likely to rise. Thus, the release of this non-public confidential information will unjustifiably allow market participants to use this information to the disadvantage of SDG&E's customers.

ATTACHMENT C
FORECASTED 2023 YEAR END BALANCE OF PABA
CONFIDENTIAL

SAN DIEGO GAS & ELECTRIC
ATTACHMENT C
FORECASTED 2023 YEAR END PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) BALANCES
(THOUSANDS OF DOLLARS)

Line No.	Vin 2002	Vin 2003	Vin 2004	Vin 2005	Vin 2006	Vin 2007	Vin 2008	Vin 2009	Vin 2010	Vin 2011	Vin 2012	Vin 2013	Vin 2014	Vin 2015	Vin 2016	Vin 2017	Vin 2018	Vin 2019	Vin 2020	Vin 2021	Vin 2022	Vin 2023	Total	
Recorded Balances from January through August 2023 (a)																								
1	[REDACTED]																							
2	[REDACTED]																							
3	[REDACTED]																							
4	[REDACTED]																							
5	[REDACTED]																							
6	[REDACTED]																							
7	[REDACTED]																							
8	[REDACTED]																							
9	[REDACTED]																							
10	[REDACTED]																							
11	[REDACTED]																							
12	[REDACTED]																							
Forecast from September to December 2023 (b)																								
14	[REDACTED]																							
15	[REDACTED]																							
16	[REDACTED]																							
17	[REDACTED]																							
18	[REDACTED]																							
19	[REDACTED]																							
20	[REDACTED]																							
21	[REDACTED]																							
22	[REDACTED]																							
23	[REDACTED]																							
24	[REDACTED]																							
25	[REDACTED]																							
26	[REDACTED]																							
27	[REDACTED]																							
28	[REDACTED]																							
29	[REDACTED]																							
Year-End 2023 Forecast (c = a + b)																								
31	(431)	133,107	14,332	44,958	60,433	78,331	54,775	98,304	239,783	57,819	4,300	2,100	2,039	15,548	17,593	35,551	(4,716)	(491)	142	[REDACTED]				
32	483	(109,473)	(11,098)	(44,769)	(49,579)	(64,430)	(14,008)	(52,523)	(115,158)	(20,515)	(3,273)	(2,070)	(5,239)	(13,545)	(8,163)	(5,875)	(20,120)	-	(241)	[REDACTED]				
33	6	(2,283)	(2,824)	(2,110)	(640)	(9,028)	(6,551)	(5,568)	(19,005)	(5,134)	(759)	(266)	(356)	(1,246)	(1,571)	(227)	(16)	98	-	[REDACTED]				
34	3	(25,954)	(1,219)	(658)	(13,439)	(2,170)	(8,504)	(5,082)	(10,190)	(2,682)	(285)	(180)	-	(757)	(17,225)	(26,000)	(188)	-	-	[REDACTED]				
35	445	(26,968)	(722)	(10,309)	(10,318)	(8,980)	19,770	(19,882)	(5,530)	12,451	(37,510)	618	41,947	(39,395)	34,455	4,382	(25,555)	21,018	(183,008)	[REDACTED]				
36	-	-	(506)	(884)	(959)	-	(1,538)	(1,906)	(2,737)	(9,838)	(2,855)	(258)	-	(183)	-	(880)	(102)	-	-	[REDACTED]				
37	-	-	(3,964)	(54)	(123)	(6,127)	(591)	(1,854)	(938)	(2,035)	(930)	(73)	(40)	-	-	(71)	(7,300)	(2,312)	(178)	-	[REDACTED]			
38	-	-	(18)	(41)	(2,642)	-	(9)	(305)	(6,404)	(21,970)	(4,103)	(13)	-	(426)	-	(2,963)	(241)	-	-	[REDACTED]				
39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,799	-	-	
40	-	-	30,452	(202)	1,065	24,289	1,132	2,642	4,553	9,025	1,100	(20)	106	149	-	886	305	(515)	-	-	-	-	-	
41	-	-	-	-	-	-	53	174	258	7	-	0	293	-	108	5	-	-	1,797	-	-	-	-	
42	2	-	(1,413)	(86)	(665)	(918)	(1,103)	(2,437)	637	(2,141)	(1,423)	3,722	(17)	(3,894)	3,807	(3,572)	(367)	2,410	(4,699)	4,774	-	-	-	
43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,855	-	-	
44	(1,076)	-	(69,347)	(11,406)	(12,341)	(32,691)	(10,518)	(32,674)	10,222	(24,705)	(15,322)	61,164	244	(64,610)	61,568	(66,328)	(14,503)	26,623	(99,501)	22,520	231,344	(63)	(31,200)	