

Application No.: 18-06-  
Exhibit No.: \_\_\_\_\_  
Witness: Ana Garza-Beutz  
Date: June 1, 2018

**SAN DIEGO GAS & ELECTRIC COMPANY  
PREPARED DIRECT TESTIMONY OF  
ANA GARZA-BEUTZ**

**PUBLIC VERSION**

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

June 1, 2018



## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	DEVELOPMENT OF CALIFORNIA’S CAP-AND-TRADE PROGRAM.....	1
	A.    Covered Entities.....	3
	B.    LTPP Approved Procurement Methods.....	4
III.	2017 GHG COMPLIANCE INSTRUMENT PROCUREMENT .....	4
IV.	PENDING SETTLEMENT ADDRESSING WEIGHTED AVERAGE COST (WAC) ...	5
V.	CONCLUSION.....	7
VI.	QUALIFICATIONS .....	8
	ATTACHMENT A.....	A-1

## ACRONYM GLOSSARY

AB	Assembly Bill
ARB	California Air Resources Board
CAISO	California Independent System Operator
CAM	Cost Allocation Mechanism
CARB	California Air Resources Board
CEMS	Continuous Emissions Monitoring System
CO <sub>2</sub> e	Carbon Dioxide Equivalent
CUYAMACA	Cuyamaca Peak Energy Plant
CYCG	Czamecki-Yester Consulting Group LLC
DESERT STAR	Desert Star Energy Center
EEC	Escondido Energy Center
EECC	Electric Energy Commodity Cost
ENVOY	ENVOY is dashboard-styled web interface for managing natural gas supplies
EPE	Electric Power Entity; The EPE Report contains all import/RPS Adjustment Data submitted to ARB
ERRA	Energy Resource Recovery Account
GHG	Greenhouse Gas
IOU	Investor Owned Utility
MIRAMAR	Miramar Energy Facility I & Miramar Energy Facility II
MIRAMAR I	Miramar Energy Facility I
MIRAMAR II	Miramar Energy Facility II
MT	Metric Ton
MWh	Megawatt hour
OAL	Office of Administrative Law
OMAR	Operational Meter Analysis and Reporting (CAISO Online Metering System)
OMEC	Otay Mesa Energy Center
ORANGE GROVE	Orange Grove Energy Center
PALOMAR	Palomar Energy Center
PPA	Power Purchase Agreement
QA/QC	Quality Assurance/Quality Control
QFs	Qualifying Facilities
RPS	Renewable Portfolio Standard
SDG&E	San Diego Gas & Electric Company
UOG	Utility Owned Generation
WAC	Weighted Average Cost
YCA	Yuma Cogeneration Associates

1 **PREPARED DIRECT TESTIMONY OF**

2 **ANA GARZA-BEUTZ**

3 **ON BEHALF OF SDG&E**

4 **I. INTRODUCTION**

5 This testimony presents San Diego Gas & Electric Company's ("SDG&E") procurement  
6 of Greenhouse Gas ("GHG") compliance instruments during the record period of  
7 January 1, 2017 through December 31, 2017 for compliance with California's Cap-and-Trade  
8 Program. The following sections describe the Cap-and-Trade Program and demonstrate that  
9 SDG&E procured compliance instruments during the record period in a manner consistent with  
10 Track III of the Long-Term Procurement Plan ("LTPP") Decision ("D.") 12-04-046, and the  
11 related California Public Utilities Commission ("Commission")-approved SDG&E 2014 LTPP,  
12 implemented by SDG&E Advice Letter ("AL") 2850-E.<sup>1</sup> SDG&E is requesting that the  
13 Commission find that SDG&E's 2017 GHG product procurement is in compliance with both  
14 D.12-04-046 and SDG&E's LTPP.

15 **II. DEVELOPMENT OF CALIFORNIA'S CAP-AND-TRADE PROGRAM**

16 In 2006, Assembly Bill ("AB") 32 became law. The bill requires California to lower  
17 GHG emissions to 1990 levels by 2020. To achieve AB 32's goals, the California Air  
18 Resource's Board ("CARB") created a scoping plan that included multiple comprehensive  
19 actions. One such action was creating California's Cap-and-Trade Program, intended to

---

<sup>1</sup> Greenhouse Gas product procurement is addressed in D.12-04-046 at 40-59, Findings of Fact 12, 13; Conclusions of Law 8, 9, and Ordering Paragraphs 8-10. Appendix F of SDG&E's Long-Term Procurement Plan, which was originally approved in AL 2362-E-A, approved November 14, 2012 and effective October 11, 2012, by Resolution E-4543 and amended in AL 2831-E, approved January 26, 2016 and effective January 1, 2016, and later amended again in AL 2850-E-A, approved March 30, 2016 and effective February 19, 2016, addresses SDG&E's Commission-approved plan of GHG product procurement.

1 establish a market-based price for GHG emissions, provide market signals to promote investment  
2 in Energy Efficiency (“EE”) activities and encourage the use of low emitting electric generation  
3 to reduce GHG emissions. The Cap-and-Trade Program covers compliance years 2013 to 2020.  
4 The compliance years are divided into three separate compliance periods: Compliance Period 1  
5 covers years 2013-2014; Compliance Period 2 covers years 2015-2017; and Compliance Period 3  
6 covers years 2018-2020.<sup>2</sup> Recently passed AB 398, extended the Cap-and-Trade Program  
7 through 2030.

8 CARB has set declining GHG Emissions Caps for each year of the program to provide a  
9 trajectory to achieve the State’s 2020 GHG emissions goals. An Emission Cap equals the  
10 amount of California GHG allowances issued by CARB for that year. The program was  
11 designed so that allowances can be banked for use in future years. Future vintages, however,  
12 cannot be used to satisfy an obligation for a prior year.

13 Compliance instruments consist of GHG allowances and CARB-verified offsets, the  
14 latter of which is a verified reduction of GHG emissions from sectors outside the Cap-and-Trade  
15 Program. While one offset is equivalent to one allowance and can be used for compliance, their  
16 use is limited. For compliance years 2013 – 2020, no more than 8% of a compliance period  
17 obligation can be fulfilled with offsets.

---

<sup>2</sup> See section 95840 of the Cap-and-Trade Regulation for further details on Compliance Periods. California Air Resources Board, *Article 5: California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms* (October 2017) at 107. Available at [https://www.arb.ca.gov/cc/capandtrade/capandtrade/unofficial\\_ct\\_100217.pdf](https://www.arb.ca.gov/cc/capandtrade/capandtrade/unofficial_ct_100217.pdf).

1           **A.     Covered Entities**

2           Emitters covered under the Cap-and-Trade Program must procure one Compliance  
3 Instrument for every metric ton (“MT”) of carbon dioxide equivalent (“CO<sub>2</sub>e”) that they emit.  
4 Only entities that exceed emissions thresholds and are in sectors covered by the program are  
5 subject to compliance. Entities subject to compliance are called Covered Entities.<sup>3</sup> Electric  
6 generators that exceed 25,000 MTs of emissions in a calendar year and electric imports are  
7 covered entities. As such, SDG&E must purchase Compliance Instruments for its imported  
8 power and for its Utility-Owned Generation (“UOG”) plants. Imported power includes generic  
9 out-of-state market purchases as well as specified power such as electricity generated from the  
10 SDG&E-owned Desert Star Energy Center and from SDG&E contracted generators in the Yuma  
11 Cogeneration Association (“YCA”). At the time of the updated LTPP forecast, SDG&E had two  
12 California UOG plants that were Covered Entities in the program: Palomar Energy Center and  
13 Miramar Energy Facility<sup>4</sup>. In addition, as a result of contractual agreements with its Purchased  
14 Power Agreements (“PPAs”), SDG&E has procurement obligations for various tolling  
15 agreements. For compliance years 2017 – 2020, SDG&E forecasted in its LTPP that it would  
16 have compliance obligations for the following tolling agreements: Otay Mesa Energy Center  
17 (“OMEC”), Goal Line, Pio Pico Energy Center, Carlsbad Energy Center, Orange Grove Energy  
18 and Escondido Energy Center.<sup>5</sup>

---

<sup>3</sup> See section 95811 of the Cap-and-Trade Regulation for further details on Covered Entities and Thresholds. California Air Resources Board, *Article 5: California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms* (October 2017) at 62-64. Available at [https://www.arb.ca.gov/cc/capandtrade/capandtrade/unofficial\\_ct\\_100217.pdf](https://www.arb.ca.gov/cc/capandtrade/capandtrade/unofficial_ct_100217.pdf).

<sup>4</sup> The Cuyamaca Peak Energy Plant which was a Covered Entity in CP1 (2013-2014), was verified to be below the 25,000 MT threshold for 2012-2014, thus making it eligible to be removed as a Covered Entity in the Cap-and-Trade program. The 2017 forecast continued to show Cuyamaca below the threshold.

<sup>5</sup> From Sheet F-12 of SDG&E’s Long-Term Procurement Plan, AL 3013-E, approved January 31, 2017 and effective December 8, 2016 and AL 2850 E-A.

1           **B.     LTPP Approved Procurement Methods**

2           The Commission recognized the utilities’ need to procure compliance instruments in  
3 order to fulfill requirements with California’s Cap-and-Trade Program. As a result, the  
4 Commission granted procurement authority of GHG compliance instruments along with  
5 limitations on procurement methodologies, vintages and volumetric limits in D.12-04-046 and in  
6 SDG&E’s LTPP. In accordance with SDG&E’s LTPP, SDG&E is authorized to procure seller-  
7 guaranteed offsets through a Request for Offering (“RFO”) or via approved broker. SDG&E is  
8 also authorized to purchase and sell allowance futures via approved exchanges and allowances  
9 from CARB-run quarterly auctions and Price Containment Reserve Sales. For the 2017  
10 procurement period, the LTPP has authorized purchases and sales of Vintages 2013 – 2020. The  
11 LTPP Limit for the 2017 procurement period was [REDACTED].<sup>6</sup>

12           **III.    2017 GHG COMPLIANCE INSTRUMENT PROCUREMENT**

13           SDG&E seeks the Commission’s determination in this proceeding that SDG&E’s  
14 procurement of GHG-related products during 2017 was in compliance with the Commission’s  
15 approach on GHG procurement, as stated in the Track III Decision of the LTPP Proceeding,  
16 D.12-04-046. In that Decision, the Commission issued a procurement limit regarding  
17 Compliance Instruments that “provides the utilities broad latitude, particularly giving them the  
18 opportunity to forward procure to the degree they believe compliance instrument prices are  
19 favorable, or to postpone procurement to when they believe pricing will become more  
20 favorable.”<sup>7</sup>

---

<sup>6</sup> From Sheets F-18 and F-19 of SDG&E’s 2014 Long Term Procurement Plan, AL 3013-E, approved January 31, 2017 and effective December 8, 2016, D.15-10-031, AL 2850-E-A, approved March 30, 2016 and effective February 19, 2016, and as described in D.12-04-046.

<sup>7</sup> D.12-04-046 at 57.

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED] Actual settlement prices in 2017 for  
6 the Vintage 2017 quarterly auctions were \$13.57, \$13.80, \$14.75 and \$15.06. The Vintage 2020  
7 quarterly auctions settled at slightly lower prices: \$13.57, \$13.57, \$14.55 and \$14.76. SDG&E's  
8 procurement activity in 2017 is shown in Attachment A.

9 SDG&E purchased [REDACTED] and sold [REDACTED] of Compliance Instruments in the  
10 2017 procurement period, net purchases were [REDACTED] which was below SDG&E's limit of  
11 [REDACTED]. SDG&E's 2017 Quarterly Compliance Reports Attachment Q tables below show  
12 the specific transactions executed in 2017 and the individual costs associated with each  
13 transaction. SDG&E's total net cost spent on GHG procurement in 2017 was [REDACTED].

14 See Attachment A for SDG&E's four 2017 Quarterly Compliance Reports Attachment Q  
15 tables.

16 **IV. PENDING SETTLEMENT ADDRESSING WEIGHTED AVERAGE COST**  
17 **(WAC)**

18 On April 24, 2018, in its presently pending Record Year 2016 ERRA Compliance  
19 proceeding, A.17-06-006, SDG&E and the Commission's Office of Ratepayer Advocates jointly  
20 submitted a comprehensive settlement ("Settlement") of all contested issues in that proceeding,

---

<sup>8</sup> From Sheets F-18 and F-19 of SDG&E's Long Term Procurement Plan, AL 3013-E, approved January 31, 2017 and effective December 8, 2016, D.15-10-031, AL 2850-E-A, approved March 30, 2016 and effective February 19, 2016, and as described in D.12-04-046.



1 including issues related to the WAC calculation. The Settlement contains one GHG-related  
2 provision:

3 To clarify and resolve any differences in the interpretation or application of the weighted  
4 average cost (WAC) calculation provided in ERRA forecast and in response to data  
5 requests submitted in ERRA compliance applications, SDG&E will take the following  
6 actions to reach consensus and clarity on the WAC calculation in future ERRA forecast  
7 and compliance applications. SDG&E will: (1) have a discussion with ORA about D.15-  
8 01-024, Attachment C (hereafter, GHG Order) to ensure a clear understanding of the  
9 basis and justifications for each plausible interpretation; (2) convene a discussion with  
10 PG&E and SCE to have a clear understanding of their respective positions regarding the  
11 GHG Order; (3) based on those discussions, draft and submit a Petition for Modification  
12 to the GHG Order to capture as best as possible the consensus based on (1) and (2). If,  
13 however, no consensus exists after (1) and (2), SDG&E will, by August 1, 2018, draft  
14 and submit a Petition for Modification that will afford all parties full opportunity to  
15 present their views, and ultimately the WAC calculation methodology will be clarified  
16 and applicable in all ERRA forecast and compliance proceedings.

17 Because the Petition for Modification (“PFM”) referenced in the Settlement will be  
18 submitted subsequent to the filing of this Application, SDG&E is providing the WAC calculation  
19 in the same manner as it has in its previous ERRA Forecast filings.<sup>9</sup> However, upon the filing of  
20 the August 1, 2018 PFM, as referenced in the provision above, if SDG&E’s approach to the  
21 WAC changes, SDG&E commits to following the modifications that would be approved by the  
22 Commission by March 1, 2019, if the Commission’s action on the PFM is rendered by then.

23 SDG&E currently expects that it will submit, in its August 1, 2018 PFM, an IOU  
24 consensus approach to the WAC calculation, and SDG&E will follow that approach if the  
25 Commission approves the PFM. While SDG&E maintains that its current approach to the WAC  
26 calculation complies with D.15-01-024, Attachment C, SDG&E also expects that the  
27 Commission and ORA will determine the forthcoming consensus approach to the WAC  
28 calculation to be compliant.

---

<sup>9</sup> SDG&E is willing to work with ORA and other parties as necessary to more precisely determine in which proceeding this information should be submitted in future years.

1 **V. CONCLUSION**

2           SDG&E's procurement activity was consistent with the approach prescribed by the  
3 Commission in D.12-04-046, D.15-10-031 and SDG&E's LTPP in Advice Letter 2850-E-A and  
4 AL 3013-E, discussed above, for procuring GHG compliance instruments. Therefore, SDG&E  
5 requests that the Commission find that SDG&E complied with D.12-04-046, D.15-10-031 and  
6 Commission-approved AL 2850-E-A and AL 3013-E for procurement of GHG-related  
7 compliance instruments based on the testimony provided herein for the record period January 1,  
8 2017 through December 31, 2017.

1 **V. QUALIFICATIONS**

2 My name is Ana Garza-Beutz. My business address is 8315 Century Park Court, San  
3 Diego, CA 92123. I am employed by SDG&E. My current title is Principal Energy  
4 Administrator in the Electric & Fuel Procurement Department of SDG&E. My responsibilities  
5 include managing SDG&E's GHG portfolio, which includes development of Greenhouse Gas  
6 procurement and hedging strategies.

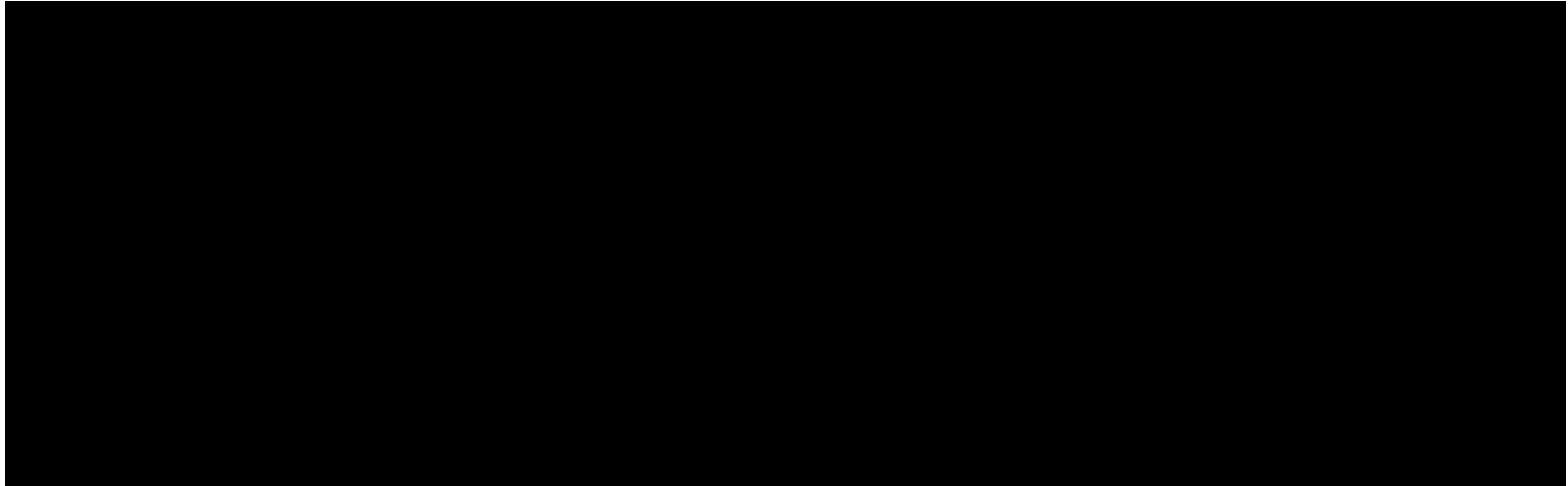
7 I joined SDG&E in November 2003, and have held various positions with increasing  
8 levels of responsibility within the Electric & Fuel Procurement Department. Prior to joining  
9 SDG&E, I worked as a Risk Analyst with Sempra Energy.

10 I received a Bachelor of Arts degree in Mathematics from the California Polytechnic  
11 State University San Luis Obispo and a Master of Arts in Mathematics from the University of  
12 California Santa Barbara.

13 I have previously testified before the Commission on GHG issues.

## ATTACHMENT A

### QCR Attachment Q - GHG DEALS - Q1 2017



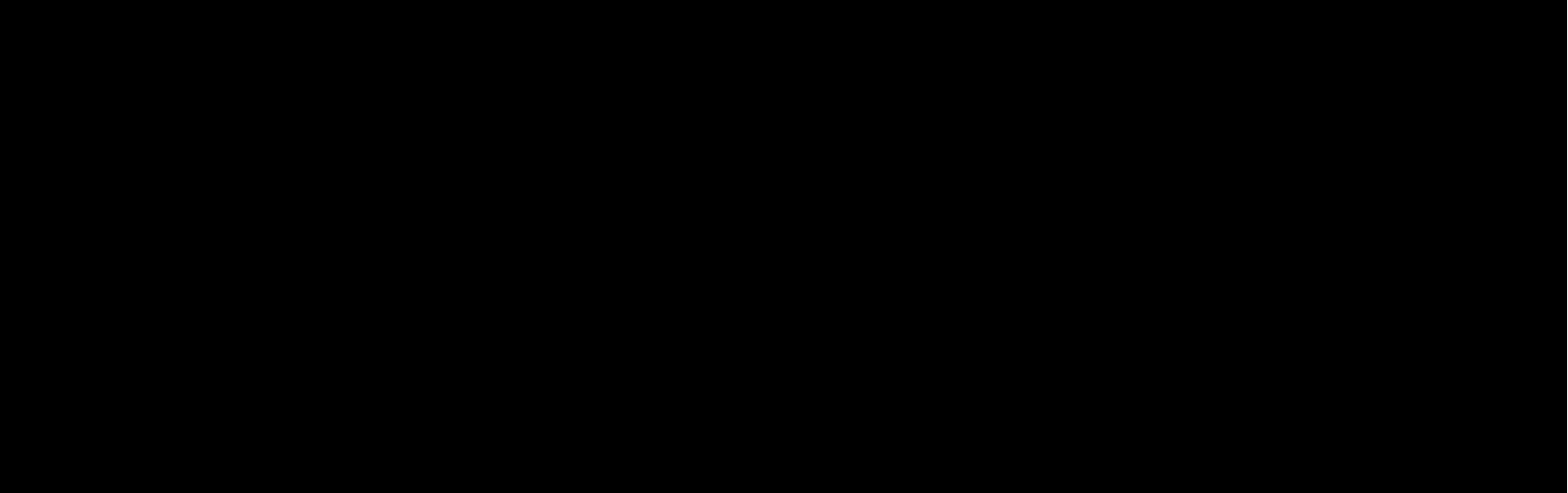
\* Initiation Date refers to the date that SDG&E comitted to the purchase/sale. The Transfer Date refers to the date SDG&E received/delivered the allowances/offsets.

For Auctions, Initiation Day is the Auction Date and Transfer Date is when SDG&E recieved the allowances.

For Offsets and Bilateral transactions, Initiation Date is the date the confirm was signed or formal agreement was made and Transfer date is when SDG&E received/delivered the compliance instruments.

\*\* Vintage, Offset Project Type and Offset Location are typically unknown at the time of transaction.

**QCR Attachment Q - GHG DEALS - Q2 2017**



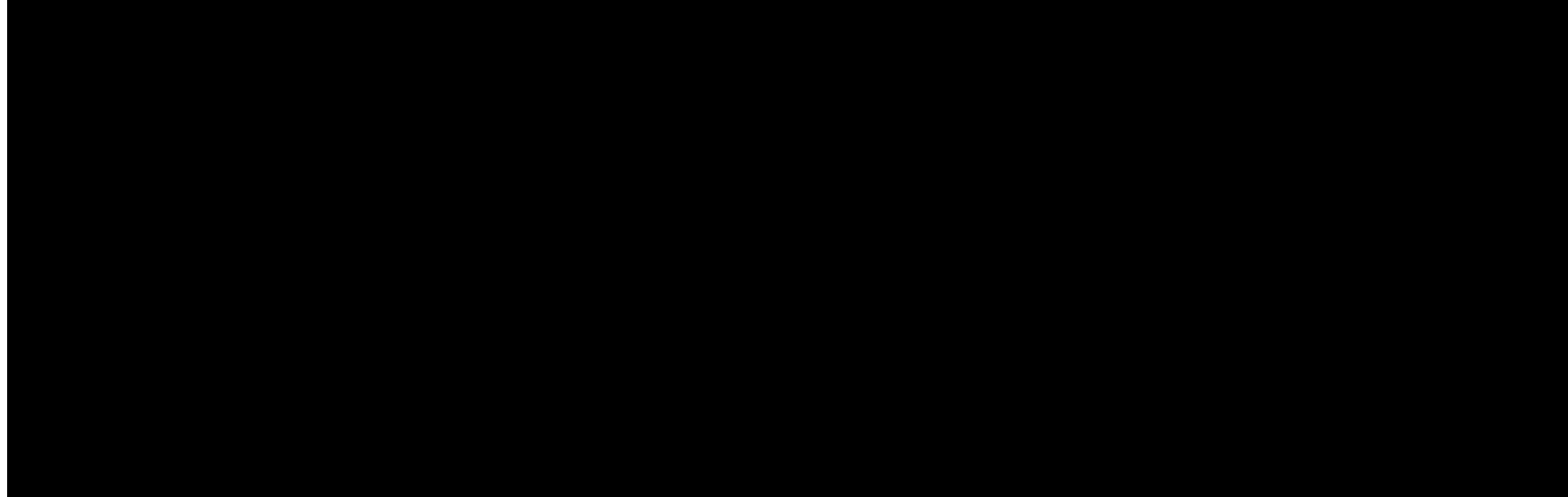
\* Initiation Date refers to the date that SDG&E committed to the purchase/sale. The Transfer Date refers to the date SDG&E received/delivered the allowances/offsets.

For Auctions, Initiation Day is the Auction Date and Transfer Date is when SDG&E received the allowances.

For Offsets and Bilateral transactions, Initiation Date is the date the confirm was signed or formal agreement was made and Transfer date is when SDG&E received/delivered the compliance instruments.

\*\* Vintage, Offset Project Type and Offset Location are typically unknown at the time of transaction.

**OCR Attachment Q - GHG DEALS - Q3 2017**



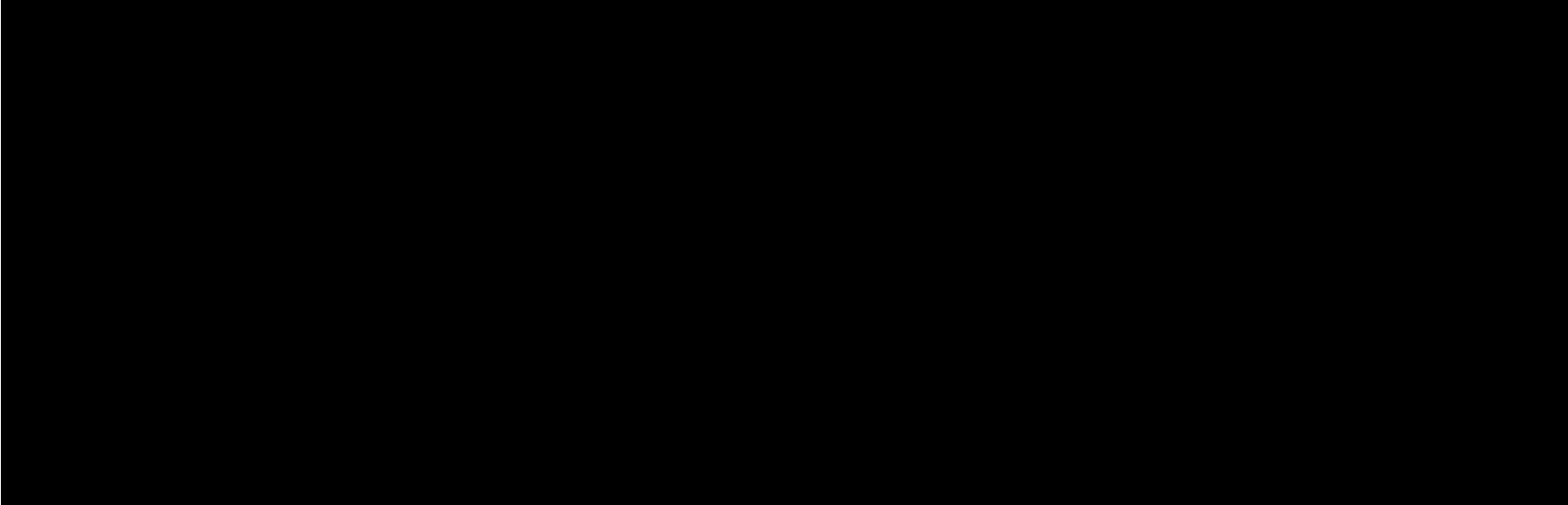
\* Initiation Date refers to the date that SDG&E comitted to the purchase/sale. The Transfer Date refers to the date SDG&E received/delivered the allowances/offsets.

For Auctions, Initialion Day is the Auction Date and Transfer Date is when SDG&E recieved the allowances.

For Offsets and Bilateral transactions, Initiation Date is the date the confirm was signed or formal agreement was made and Transfer date is when SDG&E received/delivered the compliance instruments.

\*\* Vintage, Offset Project Type and Offset Location are typically unknown at the time of transaction.

**QCR Attachment Q - GHG DEALS - Q4 2017**



\* Initiation Date refers to the date that SDG&E comitted to the purchase/sale. The Transfer Date refers to the date SDG&E received/delivered the allowances/offsets.

For Auctions, Initialion Day is the Auction Date and Transfer Date is when SDG&E recieved the allowances.

For Offsets and Bilateral transactions, Initiation Date is the date the confirm was signed or formal agreement was made and Transfer date is when SDG&E received/delivered the compliance instruments.

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

**DECLARATION OF RYAN A. MILLER  
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS  
PURSUANT TO D.16-08-24, *et al.***

I, Ryan A. Miller, do declare as follows:

1. I am the Manager- Energy Supply & Dispatch in the Electric and Fuel Procurement department for San Diego Gas & Electric Company (“SDG&E”). I have been delegated authority to sign this declaration by Emily C. Shults, Vice President of Energy Supply. I have reviewed Ana Garza-Beutz’s Prepared Direct Testimony (“Testimony”) in support of SDG&E’s June 1, 2018 “Application ... for Approval of ERRR Compliance of Record Period 2017” (“Application”). I am personally familiar with the facts 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.”) D.16-08-024, D.17-05-035 and D.17-09-023 to demonstrate that the confidential information (“Protected Information”) provided in Ms. Garza-Beutz’s Testimony is within the scope of data protected as confidential under applicable law.

3. In accordance with the legal citations and narrative justification described in Attachments A and B, 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 1<sup>st</sup> day of June, 2018, at San Diego.

A handwritten signature in black ink, appearing to read "Ryan A. Miller". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

---

Ryan A. Miller  
Manager – Energy Supply & Dispatch

# ATTACHMENT A

## SDG&E Request for Confidentiality on the following information contained in Ana Garza-Beutz’s Testimony in support of SDG&E’s Application

Location of Protected Information	Legal Citations	Narrative Justification
<p><b>1. ABG-4, line 11; ABG-5, lines 2 and 11</b></p> <p><i>(SDG&amp;E’s 2017 volumetric limit)</i></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>The GHG Confidential Information Matrix in Attachment A of D.14-10-033 and revised in D.15-01-024</p> <p>Idii. of Attachment A makes the following confidential: CPUC-approved procurement limits for compliance exposure and financial exposure</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&amp;E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&amp;E and its end-use ratepayers.</p>
<p><b>2. ABG-5, lines 1 - 5</b></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023,</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p>

<p><b><i>(SDG&amp;E’s 2017 auction procurement strategy)</i></b></p>	<p>Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>The GHG Confidential Information Matrix in Attachment A of D.14-10-033 and revised in D.15-01-024</p> <p>1a of Attachment A makes the following confidential: Utility AB 32 GHG auction participation, including but not limited to.... Auction bidding strategy</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&amp;E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&amp;E and its end-use ratepayers.</p>
<p><b>3. <i>AGB-5, lines 9, 10 and 13</i></b></p> <p><b><i>(SDG&amp;E’s 2017 Direct GHG procurement: volumes and cost)</i></b></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>The GHG Confidential Information Matrix in Attachment A of D.14-10-033 and revised in D.15-01-024</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p>

	<p>1b of Attachment A makes the following confidential: Utility GHG compliance instrument inventories or quantities that can be used to derive GHG compliance instrument holdings</p> <p>Gov't Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>Disclosure of this information would place SDG&amp;E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&amp;E and its end-use ratepayers.</p>
<p><b>4. Tables on AGB-A-1, AGB-A-2, AGB-A-3, and AGB-A-4</b></p> <p><b>(SDG&amp;E's 2017 Direct GHG procurement: volumes, prices and costs)</b></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order ("GO") 66-D</p> <p>17 CCR § 95914(c) (the "ARB Confidentiality Regulations")</p> <p>The GHG Confidential Information Matrix in Attachment A of D.14-10-033 and revised in D.15-01-024</p> <p>1b of Attachment A makes the following confidential: Utility GHG compliance instrument inventories or quantities that can be used to derive GHG compliance instrument holdings</p> <p>1c of Attachment A makes the following confidential: Negotiated contract terms of non-public contract terms of Utility AB32 GHG transactions</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost ("WAC") and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&amp;E's bidding/consignment strategies contain "commercial value," which gives SDG&amp;E "an opportunity to obtain a business advantage over competitors who do not know or use it."</p> <p>Disclosure of this information would place SDG&amp;E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&amp;E and its end-use ratepayers.</p>

	Gov't Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.	
--	---	--