

Application No.: A.21-04-010
Exhibit No.: _____
Witness: Matthew A. O'Connell

PREPARED REBUTTAL TESTIMONY OF
MATTHEW A. O'CONNELL
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



AUGUST 13, 2021

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**PREPARED REBUTTAL TESTIMONY OF
MATTHEW A. O'CONNELL
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

I. INTRODUCTION

The purpose of my rebuttal testimony is to address the July 16, 2021 Prepared Direct Testimony of Brian Dickman on behalf of San Diego Community Power and Clean Energy Alliance (collectively the “CCA Parties”) in San Diego Gas and Electric Company’s (“SDG&E”) 2022 Energy Resource Recovery Account (“ERRA”) Application¹ (“Application”). Specifically, my rebuttal testimony addresses the following contentions made in Mr. Dickman’s testimony:

- Recommendations that SDG&E should update the calculation of certain Green Tariff Shared Renewable (“GTSR”) rate components to properly design the RA Charge embedded in the Renewable Energy Value Adjustment.
- Recommendations that SDG&E should correct certain errors made in the 2022 Indifference Amount forecast.

SDG&E’s failure to address any individual issue in this rebuttal testimony does not imply agreement by SDG&E with any argument, position or proposal asserted by the CCA Parties.

My testimony pertains to issues regarding the resources SDG&E expects to use in calendar year 2022 to provide electric commodity service to bundled service customers and the forecast of various costs and revenue requirements that were previously set forth in the Prepared Direct Testimony of Stefan Covic dated April 15, 2021 submitted in support of the Application. Moving forward, I will serve as SDG&E’s witness on the issues previously presented in Mr.

¹ SDG&E filed its 2022 ERRA Forecast Application (“A.”) 21-04-010 on April 15, 2021, with an amended application filed on May 10, 2021.

1 Covic’s Prepared Direct Testimony, and therefore, I adopt Mr. Covic’s prior Direct Testimony as
2 my own.

3 **II. SDG&E AGREES WITH THE CCA PARTIES’ RECOMMENDATIONS**
4 **REGARDING THE CALCULATION OF THE GTSR RATE COMPONENT**

5 At pages 25-30 of his Testimony, Mr. Dickman argues that SDG&E miscalculated the
6 resource adequacy (“RA”) component of SDG&E’s GTSR program rates and asserts that
7 SDG&E’s method for calculating the GTSR RA charge understates the cost of RA and causes
8 the GTSR customers to pay a lower price for RA than other bundled customer pay for Retained
9 RA.² Mr. Dickman recommends two changes: “First, the RA MPB applied to the PCIA
10 Portfolio should distinguish between System, Local, and Flexible RA capacity. Second, rather
11 than divide by the resource generation output, the cost of RA should be divided by bundled
12 customer sales.”³

13 The original decision D.15-01-051 did not contemplate multiple RA benchmarks and
14 only addressed a single RA benchmark. But recent PCIA methodology changes in D.18-10-019
15 adopted multiple RA MPBs: Local, Flex and System. Given that all GTSR generation for
16 SDG&E customers is local, SDG&E simply used the Local RA MPB in its calculation of the
17 value of GTSR RA. SDG&E acknowledges that its total portfolio of generation resources
18 includes local, flex and system resources, and therefore, in order to compare GTSR RA value
19 with total portfolio RA value, Local, Flex, and System MPBs should be applied on a weighted
20 average basis to the total portfolio in the calculation of the solar value adjustment for RA.

² Prepared Direct Testimony of Brian Dickman (“Dickman Testimony”) at pp. 25-30.

³ *Id.* p. 27.

1 Addressing Mr. Dickman’s second recommendation, SDG&E has used resource
2 generation in the denominator of the solar value adjustment for RA calculation as a reasonable
3 proxy for converting RA value of the portfolio from units of \$/kw-yr to \$/MWh. But SDG&E
4 acknowledges that since the resulting calculation is an adjustment to the PCIA rate charged to
5 GTSR customers, bundled sales is a more appropriate denominator to use. SDG&E will make
6 both of these revisions to the calculation methodology of the RA solar value adjustment in
7 SDG&E’s November Update.

8 **III. SDG&E AGREES WITH THE CCA PARTIES’ RECOMMENDATIONS**
9 **REGARDING THE CALCULATION OF THE 2022 INDIFFERENCE AMOUNT**
10 **FORECAST**

11 **A. SDG&E Will Include the Energy Value of a Power Purchase Contract in the**
12 **Indifference Amount Calculation as Part of the November Update**

13 At pages 22-24 of this Testimony, Mr. Dickman recommends that “SDG&E include the
14 552 GWh of generation output from the Morgan Stanley NOB contract from energy deliveries
15 used to calculate Energy Value (SDG&E’s Market Value of Brown Portfolio)”.⁴ SDG&E agrees
16 with the logic presented by Mr. Dickman and will reduce the total costs of the Morgan Stanley
17 NOB contract by the market value of energy in its November Update.

18 **IV. CONCLUSION**

19 This concludes my prepared rebuttal testimony.

⁴ Dickman Testimony at p.23.

1 **V. QUALIFICATIONS**

2 My name is Matthew A. O’Connell. My business address is 8315 Century Park Court,
3 San Diego, CA 92123. I am employed by SDG&E and my current title is Senior Resource
4 Planner in the Electric & Fuel Procurement Department. My responsibilities include running
5 computer models that forecast energy needs for both physical and financial operational needs.

6 I joined SDG&E in January, 2020. Prior to joining SDG&E, I worked as an electric grid
7 modeler and data analyst at the National Renewable Energy Laboratory (NREL) in Golden, CO.
8 I received a B.S. in Mechanical Engineering from Rowan University in Glassboro, NJ and a M.S.
9 in Mechanical Engineering from Colorado State University in Fort Collins, CO.

10 I have not previously testified before the California Public Utilities Commission.