

Application No.: A.22-05-025
Exhibit No.: _____
Witness: Kristina M. Ghianni

SUPPLEMENTAL TESTIMONY OF
KRISTINA M. GHIANNI
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



November 4, 2022

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1 SUPPLEMENTAL TESTIMONY OF
2 KRISTINA M. GHIANNI
3 ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

4 I. INTRODUCTION

5 The purpose of my supplemental testimony is to provide the necessary information to
6 substantiate the value of its Solar On Multifamily Affordable Housing (“SOMAH”) Program
7 forecast as directed by Commission Decision (“D.”) 22-09-009 as well as the necessary true-up
8 information required by D.20-04-012.

9 II. SOLAR ON MULTIFAMILY AFFORDABLE HOUSING PROGRAM

10 A. Approved Petition for Modification

11 D.17-12-022 OP 4, at p. 69, states that the IOUs “each shall reserve 10% of the proceeds
12 from the sale of greenhouse gas allowances defined in Public Utilities Code Section 748.5
13 through its annual Energy Resource Recover Account (ERRA) proceedings for use in the Solar
14 on Multifamily Affordable Housing Program, starting with its ongoing 2018 ERRA forecast
15 proceeding.” In May 2022, pursuant to Ordering Paragraph (“OP”) 13 of D.22-01-003, the Joint
16 IOUs¹ submitted a Petition for Modification of D.17-12-022 and D.20-04-012 (“Petition”) to
17 address the SOMAH Program funding requirements. Previously, the SOMAH Program funding
18 methodology required the Joint IOUs to include a set-aside of 10 percent of forecast GHG
19 allowance revenues in their respective ERRA Forecast or Energy Cost Adjustment Clause
20 (“ECAC”) proceedings irrespective of the statutory \$100 million SOMAH Program funding cap,
21 and then apply the \$100 million cap when trueing up the SOMAH Program funding based on the
22 previous four quarters recorded GHG revenues. On March 14, 2022, SCE hosted a workshop

¹ In this context, the Joint IOUs include SDG&E, Pacific Gas and Electric Company (“PG&E”), Southern California Edison Company (“SCE”), Liberty Utilities LLC (“Liberty”), and PacifiCorp d/b/a Pacific Power’s (“PacifiCorp”).

1 that was attended by the Joint IOUs and other stakeholders during which the parties determined
2 that, on a going-forward basis, the Joint IOUs should be permitted to allocate their respective
3 SOMAH Program funding based on forecast GHG revenues taking into consideration the \$100
4 million cap. Accordingly, SCE filed the Petition to effectuate this change.

5 On September 15, 2022, the Commission adopted D.22-09-009, which approved the
6 Petition to modify D.17-12-022 and D.20-04-012 to simplify the process for forecasting and
7 setting aside funding for the SOMAH Program. D.22-09-009 now requires the SOMAH values
8 be substantiated to show that the combined budget of all the utilities named in the decision is
9 likely equal to or more than \$1 billion. Specifically, D.22-09-009 states:

10 As of the issue date of this decision, Pacific Gas and Electric Company, San
11 Diego Gas & Electric Company, Southern California Edison Company, Liberty
12 Utilities Company, and PacifiCorp Company must use the percentages shown in
13 the final line of Table 1 of this decision as their proportionate share of \$100
14 million, in their respective annual Energy Resource Recovery Account (ERRA) or
15 Energy Cost Adjustment Clause (ECAC) proceedings, for use in forecasting the
16 Solar on Multifamily Affordable Housing Program budget. The use of Table 1
17 must be substantiated by each company within their ERRA and ECAC
18 applications to show that the combined budget of all the companies is likely equal
19 to or more than \$1 billion.²

20 Pursuant to D.22-09-009, SDG&E presents the following Table 1 below which reflects
21 that combined utility budgets, which mirrors the information submitted by SCE and PG&E in
22 their respective October Updates:

² D.22-09-009, OP 3.

TABLE 1 - COMBINED IOU GHG PROCEEDS TO DETERMINE SOMAH SHARE METHODOLOGY

Line No.	IOU	2021 Recorded GHG Proceeds (\$000)	2022 Recorded GHG Proceeds ^(a) (\$000)	2023 Forecasted GHG Proceeds (\$000)
1	PG&E	\$384,773	\$487,312	\$491,898
2	SCE	\$551,752	\$709,102	\$737,064
3	SDG&E	\$161,826	\$192,653	\$191,140
4	Liberty	\$4,221	\$5,469	\$5,236
5	PacifiCorp	\$12,115	\$16,709	\$17,903
6	Total	\$1,114,686	\$1,411,245	\$1,443,241
(a)	2022 Recorded GHG Proceeds includes January through September recorded, plus October through December forecast for PG&E, SCE, SDG&E, and Liberty. For PacifiCorp, it is January through May recorded, plus June through December forecast. The final 2022 Recorded GHG Proceeds for all IOUs will be updated in the true-up advice letter to be filed by March 1, 2023.			

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2 Because the combined IOU GHG proceeds exceed an estimated \$100 million (\$1.443
3 billion x 10% = \$144.3 million), SDG&E utilized the set percentage adopted in D.22-09-009,
4 Table 1 to set aside its SOMAH program funding from GHG proceeds for 2023.

5 **B. 2023 SOMAH Program Funding True-Up**

6 D.20-04-012 directs each utility to provide a table showing how they reached the balance
7 of their SOMAH prior year true-up stating:

8 Each utility shall include a true-up of the prior year’s authorized SOMAH set-
9 aside amount, listed separately from the forecast year amount, in their applicable
10 November update filings. This true-up will compare the prior year’s SOMAH
11 set-aside to actual (i.e., not forecast) auction revenues, and adjust the total forecast
12 amount to reflect actual auction revenues. The true-up information shall be
13 presented in a table in the same format as the untitled table in D.20-02-047 at
14 page 20.³

15 Pursuant to D.20-04-012, SDG&E presents the following Table 2 below which reflects
16 SDG&E’s true-up of the prior year’s authorized SOMAH set-aside amount:

³ D.20-04-012, p. 10.

Calendar Year ERRA Forecast	Recorded GHG Allowance Revenues	Set-Aside Based On 10% of Recorded GHG Allowance Revenue	Actual Set-Aside	Difference (Actual Set-Aside – 10% Set-Aside)
2016 ¹	\$40,779,160	\$4,077,916	\$0	\$(4,077,916)
2017 ¹	\$92,539,677	\$9,253,968	\$0	\$(9,253,968)
2018 ¹	\$93,727,555	\$9,372,756	\$10,300,000	\$927,245
2019 ¹	\$104,156,909	\$10,415,691	\$10,115,640	\$(300,051)
2020 ¹	\$104,691,923	\$10,469,192	\$18,222,844	\$7,753,652
2021 ^{2,4}	\$161,825,842	\$16,182,584	\$35,975,035	\$19,792,451
2022 ⁴	\$192,652,668	\$19,265,267	\$14,949,939 ⁵	\$(4,285,230)
2023 ³	\$191,139,679	\$19,113,968	\$0	\$(19,113,968)
Total	\$981,513,413	\$98,151,341	\$89,563,458	\$(8,557,785)
	<p>¹Per D.20-01-005, in 2016 and 2017 the SOMAH Program funding SDG&E set aside was returned to residential customers as a Climate Credit because SDG&E did not have a balancing account to hold such funds. However, pursuant to D.20-01-005, in 2020, SDG&E set aside an additional \$12,604,205 to true up SOMAH funding for years 2016-2019 (\$4,077,916 and \$9,253,968 for funding years 2016 and 2017, \$(927,245) for 2018, and \$199,565 for 2019).</p> <p>²2021 actual set-aside was capped at \$14,543,681 per Advice Letter 3960-E. However, AL 4042-E revised the 2021 allowance proceeds for PacifiCorp, which in turn revised the allowances for all IOUs. SDG&E's revised set aside decreased by 0.02607%, and is \$14,517,611 per AL 4042-E. This adjustment reduces SDG&E's 2021 true-up of \$2,960,037 by \$26,070, for an adjusted true-up of \$2,933,967.</p> <p>³The IOUs' forecasted GHG proceeds exceed \$1 billion; therefore, pursuant to D.22-09-009, SDG&E has set aside the set amount of \$12,015,971.92.</p> <p>⁴Actual 2021 set-aside includes the approved 2021 ERRA Forecast request of \$11,583,644, and 2019-2020 true-up requests of \$4,951,039. In addition, SDG&E transferred the 2022 set aside amount of \$19,440,352 to the SOMAHBA in December of 2021.</p> <p>⁵The 2023 forecast of \$12,015,971.92 and true-up request of \$2,933,967 will be set aside pending a decision in A.22-05-025.</p>			

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2 In Template D-1: *Annual Allowance Revenue Receipts and Customer Returns* in
3 Attachment G to the ERRA Forecast Application, SDG&E presents the SOMAH Program prior
4 year true-up funding for October through December 2021 request of \$2.934 million (\$2.969

⁴ Excludes FF&U.

1 million including FF&U). The true-up is also presented in the testimony of SDG&E witness Ms.
2 Morien. To ensure consistency, SDG&E is submitting a revised Template D-1: *Annual*
3 *Allowance Revenue Receipts and Customer Returns* of Attachment G to the ERRRA October
4 Update in order to reflect the updated SOMAH reconciliation data reflected in the table above.⁵

5 **III. CONCLUSION**

6 This concludes my supplemental testimony.

⁵ The *revised* Template D:1 is attached to SDG&E’s Supplement to October Update submitted contemporaneously herewith.

1 **IV. QUALIFICATIONS**

2 My name is Kristina M. Ghianni. I am employed by SDG&E as a Principal Accountant
3 Supervisor in the Settlements & Systems Department. My business address is 8315 Century
4 Park Court, San Diego, California 92123. My primary responsibilities include approving gas and
5 electric commodity invoices, preparing various compliance filings, and preparing and reconciling
6 the monthly closing process. I joined SDG&E in 2006. In 2013, I began working in the
7 Settlements & Systems Department and have held positions of increasing responsibilities.

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