Proceeding No.: A.21-04-010
Exhibit No.:
Witness: Stacy Fuhrer

AMENDED PREPARED DIRECT TESTIMONY OF

STACY FUHRER

ON BEHALF OF

SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

SDGE
A Sempra Energy utility

May 10, 2021

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AMENDED PREPARED DIRECT TESTIMONY OF
STACY FUHRER
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I. OVERVIEW AND PURPOSE

The purpose of this amended testimony is to present San Diego Gas & Electric Company's ("SDG&E") rate recovery proposals for its application for approval of its 2022 forecasts of (1) the Energy Resource Recovery Account ("ERRA") revenue requirement, which includes greenhouse gas ("GHG") costs; (2) the Portfolio Allocation Balancing Account ("PABA") revenue requirement and projected year-end balance in PABA; (3) the Competition Transition Charge ("CTC") revenue requirement; (4) the Local Generation ("LG") revenue requirement; (5) the San Onofre Nuclear Generation Station ("SONGS") Unit 1 Offsite Spent Fuel Storage Cost revenue requirement; (6) the Tree Mortality Non-Bypassable Charge ("TMNBC") revenue requirement; and (7) the sum of 2018 and 2019 Local Generating Balancing Account ("LGBA") activity recorded to the LGBA as presented in the amended testimony of SDG&E witness Coreen Salcido.

This amended testimony also presents SDG&E's 2022 proposed rates for: (1) GHG Allowance return to customers, specifically the non-residential and the Residential California Climate Credit ("CCC"); (2) the vintage Power Charge Indifference Adjustment ("PCIA") rates; and (3) rate components for the Green Tariff Shared Renewables ("GTSR") Program, which includes rates for the Green Tariff ("GT") program and the Enhanced Community Renewables ("ECR") program. In addition, this amended testimony requests authority to allocate bundled commodity revenues using the System Average Percent Change ("SAPC") methodology. The illustrative rates, rate impacts and bill impacts presented in this amended testimony are calculated using current effective rates[1] and current authorized sales.[2]

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[1] Effective March 1, 2021 per Advice Letter ("AL") 3696-E-A-B.

[2] SDG&E filed on March 1, 2018 its Application for Approval of its 2019 Electric Sales Forecast (Application ("A.") 18-03-003) to update its authorized sales. Decision ("D.")18-11-035 in that

This amended testimony is organized as follows:

1. Section II - SDG&E's Bundled Commodity Cost Recovery Proposal;
2. Section III – 2022 Rate and Bill Impacts to Reflect Recovery of Updated Revenue Requirements for ERRA, PABA, CTC, LG and SONGS;
3. Section IV – 2022 Rates for the Return of GHG Allowance Revenues;
4. Section V – 2022 PCIA Rates;
5. Section VI – 2022 Rates for SDG&E's Green Tariff Shared Renewables Program;
6. Section VII – Summary and Relief Requested; and
7. Section VIII – Qualifications.

II. SDG&E'S BUNDLED COMMODITY COST RECOVERY PROPOSAL

Throughout 2021 and 2022 SDG&E is expecting significant load departure, especially in SDG&E's Medium/Large Commercial & Industrial ("M/L C&I") class in 2021 and residential class in 2022. As such, in the second quarter of 2021 SDG&E will file a standalone 2022 sales forecast application to request authority to update and implement all three types of sales (bundled, system net and system delivered) effective January 1, 2022.[3]

In the meantime, SDG&E's 2021 authorized bundled sales forecast is pursuant to SDG&E's 2021 ERRA Forecast Application decision issued on January 14, 2021, which takes into consideration the significant load departure in 2021, especially in SDG&E's M/L C&I class.[4] Due to SDG&E's recently approved 2021 bundled sales forecast, and the fact that the M/L C&I class'

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proceeding authorized SDG&E to update its sales forecast. This change was implemented in SDG&E's Consolidated AL 3326-E, effective January 1, 2019 and remains effective for SDG&E's system net and system delivered sales. D.21-01-017 authorized SDG&E to update its 2021 bundled sales forecast. As such, the 2021 bundled sales forecast were implemented per AL 3696-E-A-B, effective March 1, 2021. SDG&E's 2019 General Rate Case ("GRC") Phase 2 (A.19-03-002) is still pending with proposed 2021 system net and system delivered sales forecasts, which will implement no sooner than November 1, 2021.

[3] Proposed 2022 sales are expected to be implemented before or at the same time as this instant application.

[4] D.21-01-017 approved January 14, 2021.

bundled sales are declining almost 3 times more than any other customer class, SDG&E proposes to adjust bundled commodity rates in order to collect the 2022 commodity-related revenue requirements[5] from its bundled customers using the SAPC methodology recently approved in SDG&E's 2021 ERRA Forecast Decision, D.21-01-017.[6] This is a deviation from the existing authorized rate allocation applied to the commodity revenues based on SDG&E's approved generation revenue allocation factors.[7] SDG&E requests authorization to use the SAPC methodology to allocate the 2022 commodity-related revenue requirements to bundled commodity rates because the approved generation revenue allocation factors from SDG&E's 2016 GRC Phase 2 decision (D.17-08-030) do not take into consideration the significant load departure in SDG&E's M/L C&I class in 2021 and the impact on its authorized 2021 bundled sales forecast.[8] Table 1 presents the generation revenue allocation factors which would result from using the SAPC methodology under SDG&E's recently approved 2021 bundled sales forecast[9] against SDG&E's approved generation revenue allocation factors pursuant to D.17-08-030.

Table 1 – Generation Revenue Allocation Comparison

Customer Classes	Approved D.17-08-030 Generation Revenue Allocation Factors	SAPC Generation Revenue Allocation
Residential	42.83%	52.78%
Small Commercial	13.27%	15.37%
Medium and Large Commercial and Industrial	42.03%	29.51%
Agriculture	1.50%	1.90%
Streetlighting	0.37%	0.44%

5 Commodity-related revenue requirements include but are not limited to (1) the ERRA revenue requirement, (b) bundled customers' portion of the PABA revenue requirement, and (c) bundled customers' portion of the PABA year-end balance.

6 Ordering Paragraph ("OP") 8 of D.21-01-017.

7 Approved in D.17-08-030, in Phase 2 of SDG&E's 2016 GRC.

8 Approved in D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

9 Pursuant to D.21-01-017.

System	100.00%	100.00%

SDG&E presents the illustrative bundled class average rate and bill impacts for the SAPC methodology for allocating commodity revenue requirements in Section III below.

III. 2022 RATE AND BILL IMPACTS TO REFLECT RECOVERY OF UPDATED REVENUE REQUIREMENTS FOR ERRA, PABA, CTC, LG AND SONGS

SDG&E requests the recovery in rates of the following 2022 revenue requirements[10] presented in the amended direct testimony of SDG&E witness Coreen Salcido:

1. 2022 ERRA Revenue Requirement of $489.956 million ($495.901 million including Franchise Fees and Uncollectible Expenses ("FF&U")) for recovery of the "up-to-market" energy procurement costs, which include GHG costs, associated with serving SDG&E's bundled service customers;[11]
2. 2022 PABA Revenue Requirement of $337.612 million[12] ($341.708 million including FF&U) for recovery of the "above-market" costs and revenues associated with all generation resources that are eligible for cost recovery through PCIA rates,[13,14] and recovery of the projected 2021 year-end balances recorded to PABA of $(157.677) million ($(159.590) million including FF&U);[15]

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10 The revenue requirement figures in this testimony exclude FF&U unless otherwise noted.

11 SDG&E is proposing a change to the allocation of commodity costs to customer classes as part of this proceeding. As discussed in Section II, SDG&E request authority to allocate commodity costs to customer classes using the SAPC methodology instead of the authorized generation revenue allocation factors approved on December 1, 2017 per D.17-08-030.

12 The PABA Revenue Requirement includes the PCIA under-collection balancing account ("CAPBA") portion of roughly $0.000 million ($0.000 million including FF&U), which is consistent with D.18-10-019 OP 9 to Rulemaking ("R.") 17-06-026. CAPBA is discussed in further detail in Section IV of my testimony.

13 In D.07-01-025, the Commission adopted the PCIA methodology for CCA customers.

14 AL 3318-E, approved May 30, 2019 and effective January 1, 2019, established the PABA.

15 D.19-10-001 authorized the recovery of the PABA prior year-end balance to be recovered through the ERRA Forecast filing.

3. 2022 CTC Revenue Requirement of $11.556 million ($11.696 million including FF&U) for recovery of above-market costs associated with CTC-eligible resources from all customers;[16]

4. 2022 LG Revenue Requirement of $141.409 million ($143.125 million including FF&U) for the recovery of net costs associated with resources approved by the California Public Utilities Commission ("Commission") for Cost Allocation Mechanism ("CAM") treatment for recovery from all benefiting customers, including all bundled service, Direct Access ("DA") and Community Choice Aggregation ("CCA") customers,[17] and the return of balances recorded to the 2018 LGBA of $(91.084) million including FF&U[18,19] and the return of balances recorded to the 2019 LGBA of $(0.888) million including FF&U; [20,21]

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16 SDG&E does not propose any changes to the allocation of CTC to customer classes as part of this proceeding. The allocation of CTC to customer classes was updated December 1, 2017 per D.17-08-030.

17 In D.13-03-029, the Commission authorized SDG&E to implement the LGC rate component, which is designed to recover new generation costs for local reliability that are deemed to be subject to the CAM policy adopted in D.06-07-029 and D.11-05-005, as a per kilowatt hour ("kWh") non-bypassable charge from all benefiting customers including all bundled service, DA and CCA customers.

18 Consistent with D.06-07-029, LGC is as a kWh charge developed by allocating the net costs among all customer classes based on the 12-month coincident peak ("12 CP") demand methodology, including bundled, DA and CCA customers, and then dividing the resulting customer class revenue by current authorized sales by customer class. SDG&E does not propose any changes to the allocation of LGC to customer classes as part of this proceeding. The allocation of LGC to customer classes was recently updated on December 1, 2017 per D.17-08-030.

19 The exact amount of the 2018 LGBA recorded balance requested for return is $(91,083,979).

20 Consistent with D.06-07-029, LGC is as a per kWh charge developed by allocating the net costs among all customer classes based on the 12 CP demand methodology, including bundled, DA and CCA customers, and then dividing the resulting customer class revenue by current authorized sales by customer class. SDG&E does not propose any changes to the allocation of LGC to customer classes as part of this proceeding. The allocation of LGC to customer classes was recently updated on December 1, 2017 per D.17-08-030.

21 The exact amount of the 2019 LGBA recorded balance requested for return is $(887,690).

5. 2022 SONGS Unit 1 Offsite Fuel Storage Revenue Requirement of $1.095 million ($1.108 million including FF&U) for the recovery of costs associated with the spent fuel storage costs; [22] and

6. 2022 TMNBC Revenue Requirement as set forth in the amended testimony of SDG&E witness Coreen Salcido and confidentiality declaration attached thereto for recovery of costs associated with the tree mortality related procurement costs.[23]

Table 2 below compares the currently effective revenue requirements to the 2022 proposed revenue requirements discussed above and the GHG Allowance revenues eligible for return to customers through electric rates discussed in more detail below in Section IV.

Table 2
ERRA, PABA, CTC, LG, SONGS, and GHG Revenue Requirements ($000)

Line	Description	Current Authorized Revenue Requirement[24]		Proposed Revenue Requirement		Change from Current[25]	Change (%)
		w/o FF&U	w/ FF&U	w/o FF&U	w/ FF&U	w/ FF&U	w/ FF&U
1	ERRA[26]	$655,482	$663,435	$489,956	$495,901	$(167,534)	-25.3%
2	PABA	$328,484	$332,469	$337,612	$341,708	$9,239	2.8%
3	CTC	$11,265	$11,401	$11,556	$11,696	$295	2.6%
4	LG	$122,947	$124,439	$141,409	$143,125	$18,686	15.0%
5	SONGS	$1,060	$1,073	$1,095	$1,108	$35	3.3%
6	PABA Balance[27]	$122,328	$123,812	$(157,677)	$(159,590)	$(283,402)	-228.9%

[22] D.15-12-032 authorized SDG&E to recover the costs of SONGS Unit 1 Offsite Spent Fuel Storage through its ERRA proceeding.

[23] D.18-12-003, OP9, the TMNBC cost will be recovered through the public purpose programs ("PPP") charge. Accordingly, the revenue requirement associated with the TMNBC is not included in the rate impacts.

[24] Authorized by D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

[25] Differences may not equal due to rounding.

[26] Includes GHG costs.

[27] The proposed 2021 PABA year-end balance is projected based on two months of actuals (January and February of 2021) and ten months of forecasted expenses and revenues. The projected 2021 PABA year-end balance will be updated in SDG&E's November Update based on seven more months of actuals from March to September.

7	LGBA 2018 Balance	$0	$0	$(89,992)	$(91,084)	$(91,084)	-100.0%
8	LGBA 2019 Balance	$0	$0	$(877)	$(888)	$(888)	-100.0%
9	**Subtotal**	$1,241,566	$1,256,630	$733,082	$741,976	$(514,654)	-41.0%
	GHG Allowance Revenues Eligible for Return to Customers						
10	Small Business Volumetric Return		$(1,657)		$0	$1,657	-100.0%
11	Residential CCC		$(93,536)		$(111,160)	$(17,624)	18.8%
12	Subtotal		$(95,193)		$(111,160)	$(15,967)	16.8%
13	**Total[28]**		$1,161,437		$630,816	$(530,621)	-45.7%

Table 3 presents the illustrative class average rate impacts associated with the revenue requirements presented in Table 2, and Table 4 presents the illustrative bundled commodity rate impacts associated with the ERRA and PABA revenue requirements presented in Table 2. SDG&E is requesting rate recovery of those revenue requirements beginning January 1, 2022. The net $530,621 million (including FF&U)[29] decrease from the currently effective revenue requirements would decrease the system average rate by 5.109 cents per kWh, or 18.58%. Without the Residential Semi-Annual CCC, the system average rate would decrease by 5.013 cents per kWh, or 17.89%.[30]

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28 Sums may not equal due to rounding. Sums do not include the TMNBC revenue requirement. SDG&E is requesting approval of its 2022 TMNBC revenue requirement, which is set forth in the testimony of SDG&E witness Coreen Salcido and confidentiality declaration attached thereto. SDG&E omitted the 2022 TMNBC revenue requirement figures from this table due to confidentiality concerns and because the revenue requirement associated with the TMNBC will be collected via the PPP charge.

29 This value excludes the portion of revenues that Departing Load customers are forecasted to be responsible for in 2022 for the 2022 PABA revenue requirement and 2021 PABA year-end balance as discussed in Section V.C.

30 Actual rate impacts implemented pursuant to this instant application will be dependent on the 2022 sales authorized in SDG&E's forthcoming 2022 sales forecast application, as discussed above in Section II. SDG&E only presents changes requested in this instant application against current authorized rates, pursuant to AL 3696-E-A-B, and current authorized sales (*i.e.*, bundled sales pursuant to D.21-01-017 and system net and system delivered sales pursuant to D.18-11-035).

Table 5 below presents the illustrative class bill impacts associated with the revenue requirements presented in Table 2.

Table 3
Illustrative Class Average Rate Impacts from 2022 ERRA, PABA, CTC, LG, SONGS, and GHG Revenue Requirements[31,32]

Customer Classes	Current Effective Rates[33] (¢/kWh)	Proposed Rates (¢/kWh)	Change (¢/kWh)	Change (%)
Residential	31.348	25.770	(5.578)	-17.79%
Small Commercial	28.052	23.725	(4.327)	-15.42%
Medium and Large Commercial and Industrial	25.540	20.368	(5.172)	-20.25%
Agriculture	19.522	15.913	(3.609)	-18.49%
Streetlighting	25.430	21.949	(3.481)	-13.69%
System	27.502	22.393	(5.109)	-18.58%

Table 4
Illustrative Bundled Commodity Rate Impacts from 2022 ERRA and PABA Revenue Requirements[34,35]

Customer Classes	Current Effective Rates[36] (¢/kWh)	Proposed Rates (¢/kWh)	Change (¢/kWh)	Change (%)
Residential	12.349	7.559	(4.790)	-38.79%
Small Commercial	10.728	6.681	(4.047)	-37.72%
Medium and Large Commercial and Industrial	12.638	7.821	(4.817)	-38.12%
Agriculture	8.807	5.396	(3.411)	-38.73%
Streetlighting	8.097	4.953	(3.144)	-38.83%
System	12.027	7.406	(4.621)	-38.42%

31 These rate impacts do not reflect the TMNBC revenue requirement.

32 Actual proposed rates implemented pursuant to this instant application will be dependent on the 2022 sales authorized in SDG&E's forthcoming 2022 sales forecast, as discussed above in Section II.

33 Current effective rates effective March 1, 2021 per AL 3696-E-A-B.

34 These rate impacts do not reflect the TMNBC revenue requirement.

35 Actual proposed rates implemented pursuant to this instant application will be dependent on the 2022 sales authorized in SDG&E's forthcoming 2022 sales forecast application, as discussed above in Section II. SDG&E only presents changes requested in this instant application against current authorized rates, pursuant to AL 3696-E-A-B, and current authorized sales (i.e., bundled sales pursuant to D.21-01-017 and system net and system delivered sales pursuant to D.18-11-035).

36 Based on rates effective March 1, 2021 per AL 3696-E-A-B.

Table 5
Illustrative Class Bill Impacts from 2022 ERRA, PABA, CTC, LG, SONGS, and GHG Revenue Requirements[37,38]

Customer Classes	Current Bill[39] ($/kWh)	Proposed Bill ($/kWh)	Change ($/kWh)	Change (%)
Residential Non-CARE [40]	133.30	109.58	(23.72)	-17.79%
Residential CARE[41]	86.64	71.23	(15.42)	-17.79%
Small Commercial[42]	281.45	238.04	(43.41)	-15.42%
Medium and Large Commercial and Industrial[43]	13,005.69	10,371.96	(2,633.73)	-20.25%
Agriculture[44]	1,096.43	893.73	(202.69)	-18.49%
Streetlighting[45]	225.23	194.40	(30.83)	-13.69%

IV. 2022 RATES FOR RETURN OF THE GHG ALLOWANCE REVENUES

In compliance with D.12-12-033 and D.20-10-002, the GHG allowance revenues eligible for return to customers is based on the GHG Allowance Revenues forecast of $128.412 million

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37 These bill impacts do not reflect the TMNBC revenue requirement.

38 Bill impacts are presented based on the average monthly usage for that customer-specific class based on the 12-months of customer usage from February 2020 to January 2021. Average monthly usage excludes Net Energy Metering ("NEM") consumption.

39 Current bill impacts are based on rates effective March 1, 2021 per AL 3696-E-A-B.

40 Residential class average bill impacts are based on 425 kWh of usage per month for a non-California Alternative Rates for Energy ("CARE") customer. Customers' actual bill impacts will vary with usage per month, by season and by climate zone.

41 Residential class average bill impacts are based on 425 kWh of usage per month for a CARE customer. Customers' actual bill impacts will vary with usage per month, by season and by climate zone.

42 Small commercial class average bill impacts are based on 1,003 kWh of usage per month. Customers' actual bill impacts will vary with usage per month, by season and applicable rate schedule specific rate components like basic service fees ("BSF") and demand charges.

43 M/L C&I class average bill impacts are based on 50,923 kWh of usage per month. Customers' actual bill impacts will vary with usage per month, by season and applicable rate schedule specific rate components like BSF and demand charges.

44 Agriculture class average bill impacts are based on 5,616 kWh of usage per month. Customers' actual bill impacts will vary with usage per month, by season and applicable rate schedule specific rate components like BSF and demand charges.

45 Streetlighting class average bill impacts are based on 886 kWh of usage per month. SDG&E only presents average usage for metered lighting rate schedules LS-3, DWL and OL-2. Customers' actual bill impacts will vary with usage per month and applicable rate schedule specific rate components like per lamp charges.

($129.970 million including FF&U) presented in the testimony of SDG&E witness Stefan Covic, adjusted for the following:

1. Reconciliation of 2020 forecasted with 2020 year-end actuals recorded in GHG Revenue Balancing Account ("GHGRBA") presented in the amended testimony of SDG&E witness Coreen Salcido of $(4.204) million (including FF&U);

2. GHG expenses related to customer outreach and education and administrative costs presented in the testimony of SDG&E witness April Bernhardt of $0.060 million (including FF&U) that will be recorded in the GHG Customer Outreach and Education Memorandum Account ("GHGCOEMA") and the GHG Administrative Costs Memorandum Account ("GHGACMA");

3. Solar on Multifamily Affordable Housing ("SOMAH") Program funding[46] of $12.841 million ($12.997 million including FF&U) for 2022. In addition, Disadvantaged Community Single-Family Solar Homes ("DAC-SASH") Program funding of $1.030 million ($1.042 million including FF&U), the DAC – Green Tariff ("DAC-GT") Program funding of $0 million ($0 million including FF&U), and the Community Solar Green Tariff ("CSGT") Program funding of $0 million ($0 million including FF&U), also presented in the testimony of SDG&E witness Stefan Covic; and[47]

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[46] D.17-12-022 OP 4 requires the IOUs to "each shall reserve 10% of the proceeds from the sale of greenhouse gas allowances defined in Public Utilities Code Section 748.5 through its annual Energy Resource Recover Account (ERRA) proceedings for use in the Solar on Multifamily Affordable Housing program, starting with its ongoing 2018 ERRA forecast proceeding." Furthermore, D.20-04-012 OP 6 extends SOMAH funding through June 30, 2026.

[47] On February 1, 2021, SDG&E filed AL 3682-E which requested no funding for 2022.

4. The SOMAH Program prior year true-up funding for October through December 2020 request of $(0.209) ($(0.212) million including FF&U) pursuant to D.20-04-012, and also presented in the amended testimony of SDG&E witness Coreen Salcido.

Table 6 below provides the current authorized and proposed GHG Allowance revenues to determine the GHG Allowance revenues eligible for return to customers.

Table 6
GHG Allowance Revenues[48] Eligible for Return to Customers

	Current Authorized[49] ($000)	**Proposed ($000)**	**Change[50] ($000)**	**Change (%)**
GHG Allowance Revenues	$(115,836)	$(128,412)	$(12,576)	10.9%
Interest	$2	$6	$3	139.7%
GHG Expenses[51]	$45	$59	$14	30.7%
Clean Energy/Energy Efficiency Program Costs	$17,774	$13,662	$(4,112)	-23.1%
FF&U	$(1,189)	$(1,391)	$(202)	17.0%
Prior Year GHGRBA Revenue Return True-Up[52]	$3,173	$4,204	$1,031	32.5%
GHG Allowance Revenues Eligible for Return to Customers	$(96,031)	$(111,873)	$(15,841)	16.5%

OP 1 of D.12-12-033 and OP 1 of D.20-10-002 direct the Investor-Owned Utilities ("IOUs") to distribute GHG allowances revenues eligible for return to customers in the following manner:[53]

1. **Emissions-Intensive and Trade-Exposed ("EITE")** entities will receive an annual, fixed-amount on-bill credit based on Commission calculations, discussed below;

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48 All values exclude FF&U unless otherwise noted.

49 Authorized by D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

50 Differences may not equal due to rounding.

51 GHG Expenses include utility outreach and administrative costs, including information technology ("IT") billing and program management costs, as well as statewide outreach costs.

52 D.14-10-033, Findings of Fact ("FOF") 15 allows utilities to use a balancing account to maintain a record of allowance revenues.

53 Consistent with D.15-07-001, OP 18, the Residential Volumetric Return is no longer applicable.

2. **Small Business Volumetric Return** is intended to offset the rate impacts of the Cap-and-Trade program in the electricity rates of small businesses, defined as entities with monthly demand not exceeding 20 kilowatts ("kW") in more than three months in a twelve-month period,[54] through a volumetrically calculated rate adjustment and is described in more detail below; and

3. **Residential CCC** for the distribution of all remaining GHG Allowance revenues to residential customers on an equal per residential account basis delivered as a semi-annual, on-bill credit and is described in more detail below.[55]

A. EITE

OP 1 of D.20-10-002 directs the IOUs to distribute GHG allowance proceeds in the same manner as previously directed in D.12-12-033, D.13-12-002, and D.14-12-037 (as modified by D.15-08-006 and D.16-07-007). D.15-01-024 states "[o]nce EITE customers have begun receiving an EITE return, the forecast return is based on the recorded prior-year revenue returned to EITE customers."[56] With respect to the California Industry Assistance Credit for EITE, D.20-10-002 extended the existing formulas until the California Air Resources Board ("CARB") begins the process of providing assistance or the Commission directs further changes.[57] In 2021, EITE customers received EITE returns in the amount of $0.839 million. As such, the adjustment to GHG Allowance Revenues eligible for return to customers in 2022 reflects an assumed return to EITE customers of $0.713 million.

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[54] D.12-12-033, OP 1(B).

[55] D.15-07-001, COL 29 stated that beginning January 1, 2016, the GHG offset for upper tier residential customers should be eliminated and that the revenue return allocated to residential customers will consist solely of the semi-annual CCC.

[56] D.15-01-024, Attachment D, page 5.

[57] D.20-10-002 at pp. 2 and 13.

1. Small Business Volumetric Return

OP 1 of D.12-12-033 defines small businesses as non-residential customers on a general service or agricultural tariff with monthly demand not exceeding 20 kW for more than three months in a twelve-month period. This includes customers from SDG&E's Small Commercial, Medium and Large Commercial and Industrial, and Agricultural customer classes. Pursuant to OP 1 of D.12-12-033 small businesses are entitled to receive allowance revenue returns that will offset the rate impacts of GHG costs subject to an assistance factor that determines the amount of transition assistance small business customers will receive from GHG Allowance revenues. OP 2 of D.20-10-002 modified the assistance factors applied to small businesses to provide a smoother transition path for the decline in level of assistance level and avoid discrete and large changes, which can be problematic for small business customers from year to year, with the 2021 effective factor of 50%. However, D.20-10-002 did not provide any extension of the effective factor for 2022 and beyond. As such, SDG&E must bring the assistance down to 0% until the open rulemaking, R.20-05-002, provides a decision for 2022 and beyond.[58]

Table 7 below presents the Small Business Volumetric Return rates by customer class and the associated GHG Allowances revenues that will be returned in 2022.

Table 7 – Small Business Volumetric Return

Customer Class	Rate Impact of GHG Costs (¢/kWh) (A)	Small Business Volumetric Return (¢/kWh) (B)	Assistance (%) (C= -B/A)[59]
Small Commercial	(0.00470)	(0.00000)	0%
M/L C&I	(0.00559)	(0.00000)	0%
Agriculture	(0.00396)	(0.00000)	0%

[58] SDG&E is hopeful that the Commission will issue a decision in R.20-05-002 before the November Update in order to set aside funding for small business customers.

[59] May not equal due to rounding.

Small Business Allowance Revenues for Return[60] ($000)		($0)	

2. Residential CCC

The remaining GHG Allowance revenues eligible for return to customers will be allocated to all residential customers on an equal cents-per-household basis, which will be credited to customers semi-annually as a bill credit, also known as the Residential Semi-Annual CCC.[61] Table 8 below presents the remaining GHG Allowance revenues available for return through the Residential CCC of $111.160 million, which results in a semi-annual Residential CCC of $41.19.

Table 8
GHG Allowance Revenues[62] Eligible for Return through Residential CCC

	Current Authorized ($000)[63]	Proposed ($000)	Change[64] ($000)	Change (%)
GHG Allowance Revenues Eligible for Return	$(96,031)	$(111,873)	$(15,841)	16.5%
EITE Customer Return Revenues	$839	$713	$(126)	-15.0%
Small Business Volumetric Return Revenues	$1,657	$0	$(1,657)	-100.0%
Residential CCC Revenues	$93,536	$111,160	$17,624	18.8%
Residential Semi-Annual CCC ($/semi-annual)	$34.60	$41.19	$6.58	19.0%

V. 2022 PCIA RATES

In D.06-07-030, modified by D.07-01-030, the Commission established authority for the PCIA component of the Cost Responsibility Surcharge ("CRS") to preserve bundled customer

60 Includes FF&U.

61 D.15-07-001, COL 29 stated that beginning January 1, 2016, the GHG offset for upper tier residential customers should be eliminated and that the revenue return allocated to residential customers will consist solely of the semi-annual CCC.

62 Includes FF&U.

63 Authorized by D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

64 Difference may not equal due to rounding.

indifference by ensuring departing load customers pay their share of the cost responsibility associated with the above-market costs based on an administrative benchmark, also known as the "indifference amount," of the utilities' total procurement resource portfolio.[65]

In D.08-09-012, the Commission continued to refine the indifference amount methodology to better protect bundled customer indifference by introducing the requirement to "vintage" departing load customers, based on their departure date, when determining the customers' cost responsibility for the "total portfolio" of resources.[66] Assigning customers to a vintage ensured that departing load customers pay their share of above-market costs associated with the specific vintage portfolio of resources that were acquired to serve them prior to their departure from bundled load service in order to better protect bundled customer indifference. After departure from bundled service, the departing load customers are not required to pay for above-market costs associated with utility procurement commitments after that load departs.

In D.11-12-018, the Commission adopted further refinement to the indifference amount methodology recognizing that regulatory and industry changes had impacted energy procurement practices. Changes to the Market Price Benchmark ("MPB") methodology, used to determine the "above-market" value of electricity, now included the addition of a renewables portfolio standards adder ("RPS adder") to better reflect the market value of renewable resources and a revised resource adequacy capacity adder ("CAP adder"), which resulted in vintage MPBs.[67] The vintage portfolio of resources calculation was revised to better reflect time-of-use load variations and also removed load-related costs incurred by the California Independent System Operator ("CAISO") that are then charged to the utilities.

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[65] In D.07-01-025, the Commission adopted the PCIA methodology for CCA customers.

[66] D.08-09-012, OP 10.

[67] D.11-12-018, OP 2.

In accordance with D.16-09-044, the Joint Utilities and CCAs[68] developed a uniform workpaper template through the PCIA Working Group to "facilitate comparison and analysis of the PCIA across utilities."[69] Pursuant to D.17-08-026 OP 1 and consistent with SDG&E's 2020 ERRA Forecast, SDG&E has reflected the uniform workpaper template as attached in Appendix 7 of D.06-07-030 as part of this filing. The Commission further ordered in D.18-10-019 that PG&E, SCE and SDG&E develop a uniform common template for the calculation of each of their PCIA rates reflecting the changes ordered in the Decision.[70] SDG&E submitted its common template to the Commission's Energy Division and concurrently served the updated common template to the service list for its ERRA proceeding.

In D.18-10-019, the Commission issued a decision modifying the PCIA methodology revising inputs to the MPB that is used to calculate the PCIA. The revised methodology affects PCIA rates that were effective as of January 1, 2019. In addition to the revised MPB inputs, the decision also adopted an annual true-up mechanism, as recommended by a number of parties, as well as a cap that will limit the change of the PCIA rate from one year to the next. Starting in forecast year 2020, the cap level of the PCIA rate is set at 0.5 cents/kWh more than the prior year's PCIA, differentiated by system average vintage rate. In AL 3318-E, PABA was established to record the "above-market" costs and revenues associated with all PCIA eligible resources by vintage subaccounts. This balancing account became effective as of January 1, 2019.

In D.19-10-001, the Commission issued a decision further modifying the PCIA methodology revising the inputs to the billing determinants (sales) that is used to calculate the PCIA rates. The

68 Southern California Edison ("SCE"), Pacific Gas & Electric Company ("PG&E"), SDG&E companies (collectively, the Joint Utilities), CCAs, certain Electric Service Providers and other representatives of DA interests, and consumer, labor and environmental groups participated to the PCIA working group.

69 D.17-08-026, p. 2.

70 D.18-10-019, OP 3.

revised methodology affects PCIA rates that became effective January 1, 2020.[71] This revision ordered SDG&E to use vintage billing determinants of those responsible for the vintage portfolio to determine PCIA rates, instead of the currently used system net billing determinants. In addition, the decision authorized any over/under-collection in the PABA vintage subaccounts in a given year to be rolled into the next year's ERRA Forecast filing. The decision adopted the methodology for SDG&E to true-up the values in PABA for the imputed RPS and resource adequacy ("RA") costs using the updated benchmarks provided by the Energy Division on November 1st. The true-up amounts for both RPS and RA will be booked as adjustments to PABA annually through the ERRA Forecast filing.

AL 3436-E established the PCIA under-collection balancing account ("CAPBA").[72] CAPBA establishes an interest-bearing balance account that will be used in the event that the PCIA cap is reached, in order to track any obligation that accrues for departing load customers by vintage subaccounts.[73]

As discussed in the testimony of SDG&E witness Stefan Covic, SDG&E has participated in meet-and-confer activities with the necessary community choice aggregators for forecasting load departure from bundled service within SDG&E's service territory.[74]

In D.21-03-051, the Commission granted the joint IOUs' uncontested Petition for Modification ("PFM") to D.17-08-026 which updates the PCIA workpaper to remove the application of line losses to capacity volumes and utilizes energy volumes as measured at the generator meter

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71 SDG&E's 2020 ERRA Forecast Application, D.20-01-005, was not approved until January 16, 2020 and implemented into rates February 1, 2020 pursuant to AL 3500-E.

72 SDG&E AL 3436-E was filed on September 30, 2019 approved on October 31, 2019.

73 Pursuant to D.18-10-019 OP 9 to R.17-06-026. The CAPBA balance is the portion of PABA revenues that is above the capped system average rate of $0.005 kWh per vintage.

74 Required as part of the D.20-03-019 per OP 1.

instead of customer meter. These updates are incorporated in this record year 2022 ERRA Forecast application.

A. Indifference Methodology

Under Commission rules,[75] departing load customers are responsible for their fair share of above-market costs, or an indifference amount, incurred by the utility on behalf of those customers when electric generation costs exceed the current market price, or market price benchmark. To maintain bundled customer indifference to the departure of SDG&E's customers to non-utility service, SDG&E calculates the indifference amount to determine the cost responsibility for DA, CCA and other departing load, specifically:

Indifference Amount = CTC + PCIA

The above-market costs for both the CTC and PCIA are determined using the MPB, a calculated proxy for the market value of electricity. This methodology is consistent with Commission directives, specifically D.11-12-018 and Resolution E-4475. CTC revenue requirements are addressed in the testimony of SDG&E witness Stefan Covic with rate impacts discussed above.

In this Application, SDG&E is proposing to update the currently effective vintage PCIA rates and to include the new vintage 2022 PCIA rates to account for customers' departing load in the second half of 2022. With respect to this 2022 ERRA proceeding, SDG&E's portfolio of resources, used to calculate the vintage 2022 indifference amounts and the resulting 2022 PCIA rates, will include applicable costs from SDG&E's:

- Forecasted 2022 PABA, and CTC revenue requirements;
- Projected 2021 PABA year-end balance; and
- SDG&E's authorized 2022 Non-Fuel Generation Balancing Account ("NGBA") revenue requirement.

[75] California Public Utilities Code Section 365.2.

However, the 2022 NGBA revenue requirements and the vintage 2022 MPBs are not available at the time of this filing.[76] Therefore, the 2021 NGBA[77] revenue requirements and the current MPBs[78] were used in the preliminary calculation of the vintage 2022 PCIA rates in this amended testimony and will be updated in SDG&E's November Update filing in this proceeding.

B. Treatment of SONGS-related Costs

On July 26, 2018, the Commission approved D.18-07-037 adopting the majority of the 2018 Revised Settlement Agreement ("Agreement"), which stated, in part, that SDG&E would cease collecting in rates the revenue requirement authorized to be recovered related to the SONGS regulatory asset.

SDG&E's PCIA rates therefore no longer include SONGS-related Regulatory Asset costs.[79] The only remaining SONGS-related costs included in PCIA rates are non-fuel related costs authorized in SDG&E's 2019 General Rate Case (D.19-09-051), which are included in the PCIA rates in Attachment A.

C. PCIA Rate CAP

As part of the ERRA Forecast proceeding, and pursuant to D.18-10-019, SDG&E must now evaluate whether the $0.005/kWh PCIA cap has been reached based on the system average PCIA rate by customer vintage, using a comparison between the prior year's DA/CCA PCIA rates and the PCIA

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[76] SDG&E expects to update this testimony in November once that information is available.

[77] SDG&E filed AL 3640-E on November 5, 2020.

[78] Per SDG&E's updated November 2021 ERRA Forecast Application (A.20-04-014) and D.21-01-017.

[79] In the Order Instituting Investigation on the Commission's Own Motion in the Rates, Operations, Practices, Services and Facilities of SCE and SDG&E Associated with the San Onofre Nuclear Generating Station Units 2 and 3 (I. 12-10-013), a Joint Motion for Adoption of Settlement Agreement was approved by the Commission in D.18-07-037.

rates proposed in the current year's ERRA Forecast proceeding.[80,81] If the system average PCIA rate by customer vintage is forecasted to increase by more than $0.005/kWh, then all PCIA rates for that customer vintage would be capped.

Table 9 below provides a comparison of the final PCIA rates as implemented via AL 3696-E-A-B on March 1, 2021 (*i.e.*, the 2021 ERRA Forecast Proceeding per D.21-01-017, the 2020 CAPBA Trigger per D.20-12-028 and the 2020 ERRA Trigger per D.21-02-014),[82] the uncapped PCIA rates calculated using the 2022 ERRA Forecast inputs discussed above as well as the calculated capped PCIA rates using $0.005/kWh added to the current effective PCIA system average rate by vintage.

Table 9
PCIA Rate Cap Analysis

	PCIA 2001 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage
2021 PCIA SAR ($/kWh)	$0.00008	$0.01370	$0.02100	$0.03749	$0.04072	$0.04095	$0.04086	$0.04136	$0.04119	$0.04119	$0.04080	$0.03518	$0.04249	
Forecast 2022 PCIA SAR ($/kWh)	$0.00008	$0.00458	$0.00726	$0.01513	$0.01733	$0.01698	$0.01720	$0.01666	$0.01698	$0.01943	$0.01964	$0.02777	$0.01759	$0.01759
PCIA Capped Rate ($0.005/kWh)	$0.00508	$0.01870	$0.02600	$0.04249	$0.04572	$0.04595	$0.04586	$0.04636	$0.04619	$0.04619	$0.04580	$0.04018	$0.04749	
Exceed $0.005/kWh Cap	No	No	No	No	No	No	No	No	No	No	No	No	No	N/A
Estimated Undercollection	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	

As shown above in Table 9, at this time no PCIA customer vintages have increases that exceed the $0.005/kWh cap. The revenue shortfall resulting from the rate caps is tracked in the customer vintage subaccount within CAPBA, for repayment at a later date, and is currently estimated at $0.000 million ($0.000 million including FF&U) in 2022 pursuant to this instant application. However, 2022 PCIA rates are capped for vintage 2020 pursuant to D.21-02-014, which puts $12.958

80 SDG&E's CAPBA Preliminary Statement pursuant to AL 3436-E and approved October 30, 2019.

81 On April 5, 2021, the Commission issued a Proposed Decision ("PD") in the PCIA Order Instituting Rulemaking, R.17-06-026, which if adopted would remove the PCIA cap as of the effective date of the resulting decision, which is expected to vote no sooner than May 6, 2021. As such, SDG&E will incorporate the forthcoming results of that decision in its November Update.

82 March 1, 2021 PCIA rates are pursuant to three separate Commission decisions: D.21-01-017, D.20-12-028 and D.21-02-014. SDG&E excludes the one-time transfer of the 2020 CAPBA balance overcollection owed to bundled customers into PABA vintage 2020 and 2021, pursuant to D.20-12-028, so as not to set capped PCIA rates too low.

million ($13.115 million including FF&U) into the 2022 CAPBA.[83] The forecasted revenue shortfall from these departed load customers in 2022 is then divided by the 2022 forecasted bundled sales to calculate the increase in bundled customers' commodity rates in 2022 to cover the shortfall,[84] which in 2022 is $12.958 million ($13.115 million including FF&U). The forecasted portion of PABA revenues that Departing Load is responsible for is $162.525 million ($164.497 million including FF&U) in 2022.[85] Therefore, the 2022 CAPBA trigger point of 7% is $12.433 million and the 10% trigger threshold is $17.761 million.

VI. 2022 RATES FOR SDG&E'S GREEN TARIFF SHARED RENEWABLES PROGRAM

In D.15-01-051, the Commission began the implementation of Senate Bill ("SB") 43, which set a formal requirement for the three California IOUs to implement the Green Tariff Shared Renewables ("GTSR") Program. SB 43 was signed into law by Governor Brown on September 28, 2013. The GTSR Program is intended to (1) expand access to "all eligible renewable energy resources to all ratepayers who are currently unable to access the benefits of onsite generation," and (2) "create a mechanism whereby institutional customers…commercial customers…and groups of individuals...can meet their needs with the electrical generation from eligible renewable energy resources."[86]

FOF 136 of D.15-01-051, states that "Each IOU's revenue requirements and associated forecasts of fuel and purchase power…are currently reviewed and approved in the annual ERRA forecast proceeding…" and FOF 137 states that "[c]oordinating review of true-up of GTSR and

[83] D.21-02-014's vintage 2020 total CAPBA amount is $23.757 million ($24.045 million including FF&U) but only 10 months are recoverable in 2021 since the amortization period is 22-months from March 1, 2021 to December 31, 2022. SDG&E presents this value to give a full picture of the 2022 CABA trigger point and trigger threshold.

[84] SDG&E's bundled sales were approved in D.21-01-017 and implemented March 1, 2021 per AL 3696-E-A-B.

[85] This value includes the revenue shortfall due to the PCIA cap pursuant to D.18-10-019 and tracked in SDG&E's CAPBA account.

[86] California Public Utilities Code Section 2831 (b) and (f).

credits with the ERRA process will provide greater certainty that entries to the GTSR accounts are stated correctly and are consistent with Commission decisions." Accordingly, the commodity-related costs and credits as well as the resulting rates applied to GTSR customers are presented in this 2022 ERRA forecast application. Pursuant to D.15-01-051, "[t]he RPR [Renewable Power Rate][87] and other components of GTSR rates should be updated annually"[88] and "[c]hanges to the rates can be accomplished through Advice Letters."[89] As such, for 2022 SDG&E proposes updating the 2022 GTSR Program rate components, to be effective with SDG&E's 2022 ERRA Forecast, which as requested, would implement with SDG&E's 2022 Consolidated Filing to implement January 1, 2022 electric rates, assuming Commission approval of this filing in time for inclusion in the 2022 Consolidated Filing.

The GTSR program includes two rate options: (1) a Green Tariff ("GT") rate and (2) an Enhanced Community Renewables ("ECR") rate. The GT program provides customers with the ability to purchase energy that contains a higher percentage of renewable power than offered under other scheduled service. The ECR program provides customers with the ability to purchase renewable energy from community-based projects directly through the developers of those projects ("Developer").

The rate components for the GT and ECR rates[90] associated with these programs are as follows:

1. **Renewable Power Rate[91]** for the GT rate is the price that customers pay for the commodity portion which is based on the cost of the incremental local solar projects that the Utility procures for the program. The 2022 cost of local solar component of the GT is $46.60/ megawatt-hour ("MWh") as described in the direct testimony of

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[87] SDG&E's RPR was previously referred to as the Cost of Local Solar.

[88] D.15-01-051, COL 53.

[89] *Id.* COL 51.

[90] All GT and ECR rate components include FF&U unless otherwise noted.

[91] SDG&E's Renewable Power rate was previously referred to as the Cost of Local Solar.

SDG&E witness Stefan Covic.[92] 2022 also includes the requested recovery of the undercollected 2018 GTSRBA ending balance of $0.125 million[93] and 2019 GTSRBA undercollection of $2.019 million[94] as described in the amended direct testimony of SDG&E witness Coreen Salcido. When SDG&E combines the 2022 Renewable Power Rate from the direct testimony of SDG&E witness Stefan Covic with the combined $2.145 million GTSRBA undercollection from amended direct testimony of SDG&E witness Coreen Salcido, the final 2022 Renewable Power Rate comes to $256.75/MWh.[95]

2. **Renewable Energy Commodity Price[96]** for the ECR rate is equal to the portion of the renewable generating facility's output that the customer has subscribed to, multiplied by the amount per kWh that the Utility has agreed to pay the developer ("Renewable Energy Commodity Price"). These values are part contract agreement with the Developers and therefore not addressed in this proceeding.

3. **Renewable Energy Value Adjustment[97]** for the GT and ECR rates calculates the relative value of energy and capacity for the solar resources supporting the GT and ECR programs compared to the Utility's current portfolio of resources serving all bundled load. The 2022 Renewable Energy Value Adjustment is $0.00758/kWh as described in the direct testimony of SDG&E witness Stefan Covic.[98]

4. **Administrative Costs** for the GT and ECR rates include incremental costs such as labor and non-labor for program management and policy support, Green-e certification, and IT costs. Per Resolution E-5028 which approved the administrative costs for the GT and ECR programs, the 2022 charge for administrative costs is $0.02365/kWh for GT and $0.00000/kWh for ECR.[99]

5. **Marketing Costs** for the GT and ECR rates includes incremental costs needed to implement the marketing plan. These costs are composed of labor (spent for planning, managing to the marketing plan, and community outreach) and non-labor tactical implementation (*i.e.,* creative design, production, translation and mailing fees). Per Resolution E-5028 which approved the marketing costs for the GT and ECR

[92] SDG&E witness Stefan Covic shows the Renewable Power Rate as $46.60/MWh, which is without FF&U. The rate of $47.17/MWh includes FF&U.

[93] As requested in SDG&E's 2018 ERRA Compliance filing (A.19-05-007) and approved in D.20-12-036.

[94] As requested in SDG&E's 2019 ERRA Compliance filing (A.20-06-001).

[95] $256.75/MWh is without FF&U. The rate of $259.86/MWh includes FF&U.

[96] Formerly the Solar Commodity Price.

[97] D.16-05-006, p. 27 changed the name from Value of Solar Energy and Capacity Adjustment to Renewable Energy Value Adjustment to reflect the ability of multiple renewable technology types to participate in the GTSR Program.

[98] SDG&E witness Stefan Covic shows the Renewable Energy Value Adjustment as $0.00758/kWh, which is without FF&U. The adjustment of $0.00767/kWh includes FF&U.

[99] Commission approved AL 3168-E, effective September 26, 2019 per Resolution E-5028.

programs, the 2022 marketing charge is $0.02588/kWh for GT and $0.00000/kWh for ECR.[100]

6. **Renewable Energy Commodity Credit[101]** for the ECR rate assumes the customer has already purchased the rights to this output from the developer, the Utility concurrently assigns a credit to the customer equal to Renewable Energy Commodity Price ("Renewable Energy Commodity Credit"). These values are part of the contract agreement with the Developers and therefore not addressed in this proceeding.

7. **SDG&E's Average Commodity Cost Adjustment** for the GT and ECR rates is intended to approximate the avoided commodity costs and is based on SDG&E's class average commodity cost at the time of this filing which is credited to the customer and is discussed in more detail below.

8. **Western Renewable Energy Generation Information System ("WREGIS")** for the GT and ECR rates may include, but is not limited to, the annual WREGIS fee and a per MWh certificate fee that is charged as Renewable Energy Credits ("RECs") are retired. As discussed in the direct testimony of SDG&E witness Stefan Covic, the WREGIS costs are $0.00001/kWh.

9. **CAISO GMC** for the GT and ECR rates include CAISO charges are associated with grid management charges ("GMC") and energy scheduling. The 2022 CAISO costs, as described in the direct testimony of Stefan Covic, are $0.00063/kWh.[102]

10. **Renewable Integration Costs ("RIC")** for the GT and ECR rates are currently set at $0/kWh as a placeholder.[103] A RIC Charge that is greater than $0/kWh may be imposed in the future on a going-forward basis only to all customers served under this Schedule, unless otherwise directed by the Commission.

11. **PCIA** for the GT and ECR rates is intended to serve as a reasonable proxy for the GTSR customer indifference charge and is discussed further below.

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[100] Commission approved AL 3168-E, effective September 26, 2019 per Resolution E-5028.

[101] Formerly known as Solar Commodity Credit.

[102] SDG&E witness Stefan Covic shows CAISO GMC as $0.00063/kWh, which is without FF&U. The cost of $0.00064/kWh includes FF&U.

[103] D.15-01-051 recognized that "[b]ecause GTSR is made up of renewable resources, the cost of renewables integration is of particular importance" (p. 115). D.15-01-051 further directed the IOUs to set a RIC charge of $0 as a placeholder. Within 60 days of a decision setting a RIC charge for ratepayers, the IOUs must file a Tier 3 Advice Letter setting forth how the RIC charge will be allocated to customers (both new and existing). *Id*, p. 119.

Table 10
GT Rate Components

	GT Rate Components	
	Current Authorized[104]	**Proposed**
Renewable Power Rate[105]	0.06034	0.25986
Renewable Energy Value Adjustment[106]	0.00825	0.00767
Administrative Costs	0.00390	0.02365
Marketing Costs	0.00448	0.02588
SDG&E's Average Commodity Cost Adjustment	*See* Table 12 below	
WREGIS	$0.00001	$0.00001
CAISO GMC	$0.00073	$0.00064
Renewable Integration Cost	$0.00000	$0.00000
PCIA	*See* Attachment E	

Table 11
ECR Rate Components

	ECR Rate Components	
	Current Authorized[107]	**Proposed**
Renewable Energy Commodity Price[108]	Refer to Contract	
Renewable Energy Value Adjustment[109]	0.00825	0.00767
Administrative Costs	0.04750	0.00000
Marketing Costs	0.00092	0.00000
Renewable Energy Commodity Credit[110]	Refer to Contract	
SDG&E's Average Commodity Cost Adjustment	*See* Table 12 below	
WREGIS	$0.00001	$0.00001
CAISO GMC	$0.00073	$0.00064
Renewable Integration Cost	$0.00000	$0.00000
PCIA	*See* Attachment E	

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[104] Authorized by D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

[105] Formerly known as Cost of Local Solar per SDG&E AL 3006-E.

[106] Formerly known as Value of Solar Energy and Capacity Adjustment per SDG&E AL 3006-E.

[107] Authorized by D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

[108] Formerly known as Solar Commodity Price.

[109] Formerly known as Value of Solar Energy and Capacity Adjustment per SDG&E AL 3006-E.

[110] Formerly known as Solar Commodity Credit.

SDG&E's Average Commodity Cost Adjustment is used as a proxy to reflect SDG&E's avoided commodity costs, which ideally would be reflected in the average commodity rate by customer class. To better reflect the avoided commodity cost, the average commodity rate is adjusted for ERRA-related balances given that such balances can cause the average commodity rate to differ from the costs, as well as adjusted for updated commodity costs as filed in SDG&E's 2021 NGBA update.[111] For this reason, SDG&E is substituting the ERRA component of the average commodity rate by customer class with an ERRA forecast value in order to adjust for ERRA Balances and updated NGBA costs to better approximate avoided costs, as authorized in D.15-01-051. SDG&E's 2022 adjusted class average commodity rate for the GTSR rate components is based on effective average commodity rate by customer class,[112] with the adjustments stated above, are shown in the Table 12 below. Upon implementation of the 2022 GTSR rates, SDG&E proposes to update the SDG&E's Average Commodity Cost Adjustment to include current effective commodity rates at the time of implementation to better reflect the avoided commodity costs.

Table 12
GT and ECR Rate Components – Class Average Commodity Adjustment Rates ($/kWh)

	Current Authorized[113]	**Proposed**
Residential	(0.06973)	(0.07560)
Small Commercial	(0.06486)	(0.06681)
M/L C&I	(0.07404)	(0.07822)
Agricultural	(0.05037)	(0.05396)
Streetlighting	(0.04579)	(0.04953)

The PCIA component of the GT and ECR rates comprises the indifference adjustment or the above-market cost of the Utility's existing procurement portfolio and is calculated annually. D.15-

111 SDG&E filed AL 3640-E on November 5, 2020.

112 Current commodity rates effective March 1, 2021 per AL 3696-E-A-B.

113 Effective March 1, 2021 per AL 3696-E-A-B.

01-051 FOF 100 states, "[t]he PCIA calculated for DA and CCA customers provides a reasonable proxy for the GTSR customer indifference charge." Accordingly, the utilities were directed to use vintaged PCIA as a proxy for the indifference adjustment.[114] This is a cost that is ultimately born by all customers for resources that were procured on their behalf. GT and ECR customers' PCIA rates will be billed by customer class and customer specific vintage using the 2022 PCIA rates discussed above and identified in Attachment E.

Per SDG&E AL 3593-E, GTSR participants are no longer subjected to a termination fee if they cancel their subscription. As such, SDG&E no longer calculates or presents termination fees for GTSR participants.[115]

The detailed components of the GT and ECR rates and the total GT and ECR rates are presented in Attachments B and C of this amended testimony.

VII. SUMMARY AND RELIEF REQUESTED

Consistent with the rate recovery proposed in this amended testimony, SDG&E requests the following relief in the Commission's forthcoming decision in this proceeding:

1. Approve for recovery in rates: (1) the 2022 ERRA revenue requirement of $495.901 million, which includes GHG costs,; (2) the 2022 PABA revenue requirement of $341.708 million and the projected 2021 PABA year-end balance of $(159.590) million; (3) the 2022 CTC revenue requirement of $11.696 million; (4) the 2022 LG revenue requirement of $143.125 million; (5) the SONGS revenue requirement of $1.108 million; (6) the TMNBC revenue requirement as set forth in the amended testimony of SDG&E witness Coreen Salcido and confidentiality declaration attached

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114 D.15-01-051, p. 103.

115 Per SDG&E AL 3593-E, effective September 18, 2020 and implemented into SDG&E's tariffs October 1, 2020 pursuant to AL 3619-E.

thereto; and (7) the balances recorded to the 2018 LGBA of $(91.084) million and the 2019 LGBA of $(0.888) million.[116,117]

2. Approve SDG&E's 2022 proposed rates for:

   a. GHG Allowance return to customers for the Residential Semi-Annual CCC of $41.19;

   b. 2022 PCIA rates presented in Attachment A; and

   c. 2022 rate components for the GTSR Program, which includes rates for the GT program and ECR program presented in Attachment B and C. Upon implementation of the 2022 GTSR rates, SDG&E proposes to update the SDG&E's Average Commodity Cost Adjustment to include current effective commodity rates at the time of implementation to better reflect the avoided commodity costs.

3. Approve SDG&E's request to allocate 2022 bundled commodity revenues using the SAPC methodology.

This concludes my amended prepared direct testimony.

[116] The exact amount of the 2018 LGBA recorded balance requested for return is $(91,083,979) and the exact amount of the 2019 LGBA recorded balance requested for return is $(887,690).

[117] All values include FF&U.

VIII. QUALIFICATIONS

My name is Stacy Fuhrer and my business address is 8330 Century Park Court, San Diego, California 92123. I received a bachelor's degree in International Management from Central College in 2010, and a master's degree in Global Management from Thunderbird School of Global Management in 2011.

I am a Rate Strategy Project Manager II in the Customer Pricing Department of SDG&E. My primary responsibilities include planning, development, and implementation of rate related proceedings, cost-of-service studies and preparation of various regulatory filings. I have been employed by SDG&E since April 2017 and have held my current position since March 2020. I also served as a gas marketer for Sempra Infrastructure for two years. I have been employed with Sempra Energy or SDG&E for 6 years.

I have previously testified before the California Public Utilities Commission. In addition, I have previously submitted testimony before the Federal Energy Regulatory Commission ("FERC").

ATTACHMENT A

2022 ILLUSTRATIVE PCIA RATES PURSUANT TO THIS INSTANT APPLICATION

Attachment A

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers[118]
($/kWh)

Rate Group	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage
Residential	0.00011	0.00031	0.00031	0.00385	0.00460	0.00692	0.00436	0.00456	0.00498	0.00787	0.01618
Small Commercial	0.00009	0.00026	0.00026	0.00323	0.00386	0.00581	0.00366	0.00382	0.00418	0.00660	0.01360
Medium & Large C&I	0.00007	0.00025	0.00025	0.00340	0.00407	0.00615	0.00386	0.00404	0.00442	0.00705	0.01493
Agriculture	0.00007	0.00021	0.00021	0.00263	0.00314	0.00473	0.00298	0.00311	0.00340	0.00538	0.01126
Streetlighting	0.00007	0.00021	0.00021	0.00253	0.00302	0.00455	0.00287	0.00299	0.00327	0.00517	0.01064
System Total	0.00008	0.00027	0.00027	0.00353	0.00422	0.00637	0.00400	0.00418	0.00458	0.00726	0.01513

118 As noted in Section V, SDG&E has implemented the common workpapers for PCIA rates, which do not distinguish between Continuous and Non-Continuous customers. SDG&E's PCIA rates are applicable to both DA and CCA customers.

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2022 ERRA Forecast

Attachment A Continued
Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers[119]
($/kWh)

Rate Group	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage
Residential	0.01848	0.01811	0.01834	0.01778	0.01778	0.01811	0.02062	0.02083	0.02888	0.02139	0.02139
Small Commercial	0.01554	0.01523	0.01542	0.01495	0.01495	0.01523	0.01735	0.01754	0.02440	0.01265	0.01265
Medium & Large C&I	0.01717	0.01680	0.01703	0.01648	0.01648	0.01681	0.01937	0.01960	0.02850	0.01268	0.01268
Agriculture	0.01288	0.01262	0.01278	0.01239	0.01239	0.01262	0.01438	0.01454	0.02023	0.01435	0.01435
Streetlighting	0.01215	0.01191	0.01206	0.01169	0.01169	0.01190	0.01355	0.01369	0.01897	0.01339	0.01339
System Total	0.01733	0.01698	0.01720	0.01666	0.01666	0.01698	0.01943	0.01964	0.02777	0.01759	0.01759

119 As noted in Section V, SDG&E has implemented the common workpapers for PCIA rates, which do not distinguish between Continuous and Non-Continuous customers. SDG&E's PCIA rates are applicable to both DA and CCA customers.

ATTACHMENT B

2022 PROPOSED GREEN TARIFF RATE COMPONENTS

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2022 ERRA Forecast

Attachment B
2022 Proposed Green Tariff Rate Components

	$/kWh	$/kWh	$/kWh	$/kWh	$/kWh
Description	**Residential**	**Sm Commercial**	**M/L C&I**	**Agriculture**	**Streetlighting**
Renewable Power Rate	0.25986	0.25986	0.25986	0.25986	0.25986
Renewable Energy Value Adjustment	0.00767	0.00767	0.00767	0.00767	0.00767
Administrative Costs	0.02365	0.02365	0.02365	0.02365	0.02365
Marketing Costs	0.02588	0.02588	0.02588	0.02588	0.02588
SDG&E's Average Commodity Cost Adjustment	(0.07560)	(0.06681)	(0.07822)	(0.05396)	(0.04953)
WREGIS	0.00001	0.00001	0.00001	0.00001	0.00001
CAISO GMC	0.00064	0.00064	0.00064	0.00064	0.00064
Renewable Integration Cost	0.00000	0.00000	0.00000	0.00000	0.00000
GT Differential	0.24211	0.25089	0.23949	0.26374	0.26817
PCIA	See Attachment E				

ATTACHMENT C

2022 PROPOSED ENHANCED COMMUNITY RENEWABLES RATE COMPONENTS

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2022 ERRA Forecast

Attachment C

2022 Proposed Enhanced Community Renewables Rate Components

	$/kWh	$/kWh	$/kWh	$/kWh	$/kWh
Description	**Residential**	**Sm Commercial**	**M/L C&I**	**Agriculture**	**Streetlighting**
Renewable Energy Commodity Price	Refer to Contract				
Value of Solar Energy and Capacity Adjustment	0.00767	0.00767	0.00767	0.00767	0.00767
Administrative Costs	0.00000	0.00000	0.00000	0.00000	0.00000
Marketing Costs	0.00000	0.00000	0.00000	0.00000	0.00000
Renewable Energy Commodity Credit	Refer to Contract				
SDG&E's Average Commodity Cost Adjustment	(0.07560)	(0.06681)	(0.07822)	(0.05396)	(0.04953)
WREGIS	0.00001	0.00001	0.00001	0.00001	0.00001
CAISO GMC	0.00064	0.00064	0.00064	0.00064	0.00064
Renewable Integration Cost	0.00000	0.00000	0.00000	0.00000	0.00000
ECR Differential	(0.06727)	(0.05849)	(0.06989)	(0.04564)	(0.04121)
PCIA	See Attachment E				

ATTACHMENT D

2022 PCIA RATE ADDERS PURSUANT TO D.20-12-028 AND D.21-02-014

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2022 ERRA Forecast

Attachment D

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers[120]
($/kWh)

Rate Group	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage
Residential	-	-	-	-	-	-	-	-	0.00118	0.00221	0.00523
Small Commercial	-	-	-	-	-	-	-	-	0.00118	0.00221	0.00523
Medium & Large C&I	-	-	-	-	-	-	-	-	0.00118	0.00221	0.00523
Agriculture	-	-	-	-	-	-	-	-	0.00118	0.00221	0.00523
Streetlighting	-	-	-	-	-	-	-	-	0.00118	0.00221	0.00523
System Total	-	-	-	-	-	-	-	-	0.00118	0.00221	0.00523

[120] As noted in Section V, SDG&E has implemented the common workpapers for PCIA rates, which do not distinguish between Continuous and Non-Continuous customers. SDG&E's PCIA rates are applicable to both DA and CCA customers.

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2022 ERRA Forecast

Attachment D Continued

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers[121]
($/kWh)

Rate Group	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage
Residential	0.00623	0.00623	0.00634	0.00635	0.00635	0.00635	0.00635	0.00635	(0.00021)	0.00462	0.00462
Small Commercial	0.00623	0.00623	0.00634	0.00635	0.00635	0.00635	0.00635	0.00635	(0.00018)	0.00391	0.00391
Medium & Large C&I	0.00623	0.00623	0.00634	0.00635	0.00635	0.00635	0.00635	0.00635	(0.00021)	0.00503	0.00503
Agriculture	0.00623	0.00623	0.00634	0.00635	0.00635	0.00635	0.00635	0.00635	(0.00015)	0.00332	0.00332
Streetlighting	0.00623	0.00623	0.00634	0.00635	0.00635	0.00635	0.00635	0.00635	(0.00014)	0.00304	0.00304
System Total	0.00623	0.00623	0.00634	0.00635	0.00635	0.00635	0.00635	0.00635	(0.00021)	0.00463	0.00463

121 As noted in Section V, SDG&E has implemented the common workpapers for PCIA rates, which do not distinguish between Continuous and Non-Continuous customers. SDG&E's PCIA rates are applicable to both DA and CCA customers.

ATTACHMENT E

TOTAL 2022 ILLUSTRATIVE PCIA RATES

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2022 ERRA Forecast

Attachment E

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers[122]
($/kWh)

Rate Group	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage
Residential	0.00011	0.00031	0.00031	0.00385	0.00460	0.00692	0.00436	0.00456	0.00616	0.01008	0.02141
Small Commercial	0.00009	0.00026	0.00026	0.00323	0.00386	0.00581	0.00366	0.00382	0.00536	0.00881	0.01883
Medium & Large C&I	0.00007	0.00025	0.00025	0.00340	0.00407	0.00615	0.00386	0.00404	0.00559	0.00926	0.02016
Agriculture	0.00007	0.00021	0.00021	0.00263	0.00314	0.00473	0.00298	0.00311	0.00458	0.00759	0.01648
Streetlighting	0.00007	0.00021	0.00021	0.00253	0.00302	0.00455	0.00287	0.00299	0.00445	0.00738	0.01587
System Total	0.00008	0.00027	0.00027	0.00353	0.00422	0.00637	0.00400	0.00418	0.00575	0.00947	0.02036

[122] As noted in Section V, SDG&E has implemented the common workpapers for PCIA rates, which do not distinguish between Continuous and Non-Continuous customers. SDG&E's PCIA rates are applicable to both DA and CCA customers.

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2022 ERRA Forecast

Attachment E Continued

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers[123]
($/kWh)

Rate Group	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage
Residential	0.02472	0.02434	0.02469	0.02414	0.02414	0.02446	0.02697	0.02719	0.02867	0.02601	0.02601
Small Commercial	0.02177	0.02146	0.02177	0.02130	0.02130	0.02158	0.02370	0.02389	0.02422	0.01657	0.01657
Medium & Large C&I	0.02340	0.02304	0.02337	0.02284	0.02284	0.02316	0.02572	0.02595	0.02828	0.01771	0.01771
Agriculture	0.01911	0.01885	0.01913	0.01874	0.01874	0.01897	0.02074	0.02089	0.02008	0.01767	0.01767
Streetlighting	0.01838	0.01814	0.01840	0.01804	0.01804	0.01826	0.01990	0.02005	0.01884	0.01643	0.01643
System Total	0.02357	0.02321	0.02355	0.02302	0.02302	0.02333	0.02578	0.02600	0.02756	0.02222	0.02222

[123] As noted in Section V, SDG&E has implemented the common workpapers for PCIA rates, which do not distinguish between Continuous and Non-Continuous customers. SDG&E's PCIA rates are applicable to both DA and CCA customers.

ATTACHMENT F

DECLARATION OF STACY FUHRER REGARDING CONFIDENTIALITY OF CERTAIN DATA IN APPENDIX G PURSUANT TO D.06-06-066

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

DECLARATION
OF STACY FUHRER

A.21-04-010
Application of San Diego Gas & Electric Company (U 902-E)
for Approval of Its 2022 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts

I, Stacy Fuhrer, declare as follows:

1. I am the Rate Strategy Project Manager for San Diego Gas & Electric Company ("SDG&E"). I included my Prepared Direct Testimony ("Testimony") and Attachment G, the GHG Revenue and Reconciliation Application Form, in support of SDG&E's May 10, 2021 Amended Application for Approval of its 2022 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts ("Application"). Additionally, as the Rate Strategy Project Manager, 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. 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:

Confidential Information	**Matrix Reference**	**Reason for Confidentiality and Timing**
Cells highlighted in yellow in tab "D-4" of Attachment G	V.E V.C	LSE Energy Forecast by Service Area (MWh); confidential for the front three years LSE Total Energy Forecast – Bundled Customer, confidential for the front 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 10th day of May, 2021, at San Diego, California.

____

Stacy Fuhrer
Rate Strategy Project Manager II
San Diego Gas & Electric Company

[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.