

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

Application of SAN DIEGO GAS & ELECTRIC  
COMPANY (U 902-E) for Approval of its 2023  
Electric Procurement Revenue Requirement  
Forecasts, 2023 Electric Sales Forecast, and GHG-  
Related Forecasts

Application 22-05-025  
(Filed May 31, 2022)

**SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902-E)  
SUPPLEMENT TO OCTOBER UPDATE TO APPLICATION**

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**I. INTRODUCTION**

On October 12, 2022, San Diego Gas & Electric Company (“SDG&E”) submitted its October Update to the Application for Approval of its 2023 Electric Procurement Revenue Requirement Forecasts, 2023 Electric Sales Forecast, and GHG-Related Forecasts (*i.e.*, the “October Update”). On November 1, 2022, Administrative Law Judge Rafael L. Lirag permitted SDG&E to supplement its October Update to submit certain data related to the Solar On Multifamily Affordable Housing (“SOMAH”) program as required by Decision (“D.”) 22-09-009 and D.20-04-012.<sup>1</sup> Accordingly, SDG&E hereby submits its Supplement to the October Update to provide the Commission with the necessary information to substantiate the value of its SOMAH Program forecast as directed by D. 22-09-099 as well as the necessary true-up information required by D.20-04-012.

The information presented in this Supplement is sponsored by SDG&E witnesses Kristina Ghianni and Gwendolyn Morien. To ensure a complete and accurate record, concurrently with this filing SDG&E is serving on the service list to this proceeding: (1) the Supplemental Testimony of Kristina M. Ghianni which presents the SOMAH information

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<sup>1</sup> See Email Re: *Procedural Inquiry re SOMAH requirements in D.22-09-009* (dated November 1, 2022).

contained herein; and (2) an *errata* version of the Updated Testimony of Gwendolyn Morien (dated October 12, 2022), to reflect the adjustments associated with the true-up presented in Ms. Ghianni’s supplemental testimony.<sup>2</sup>

Due to the manner in which the SOMAH figures were previously rounded, the SOMAH reconciliation presented below had a slight impact on the total amount of GHG allowance revenues eligible for return to small business and residential customers. This, in turn, slightly *decreased* SDG&E’s forecasted total revenue requirement to \$783.792 million as reflected in the following table (the red font reflects the figures that were adjusted):<sup>3</sup>

**2023 ERRA, PABA, CTC, LG, SONGS and GHG Revenue Requirements  
(Includes FF&U) (\$000)**

<b>Line</b>	<b>Description</b>	<b>Application</b>	<b>October Update</b>
1	ERRA	\$433,755	\$545,009
2	PABA	\$15,445	\$98,951
3	CTC	\$11,232	\$10,765
4	LG	\$175,361	\$189,826
5	SONGS Unit 1 Spent Fuel	\$1,188	\$1,342
6	TMNBC	Confidential – <i>See</i> Testimony of Kristina Ghianni	Confidential – <i>See</i> Testimony of Kristina Ghianni
7	PABA Year-End Balance	\$73,209	\$89,728
8	2022 ERRA Year-End Balance	\$(2,003)	\$30,775 <sup>4</sup>
9	2018 LGBA Balance	\$0	\$0
10	2019 LGBA Balance	\$0	\$0
11	2020 LGBA Balance	\$400	\$400

<sup>2</sup> It was necessary to modify Ms. Morien’s testimony as the SOMAH reconciliation impacted the GHG allowance revenues eligible for return to customers by a nominal amount. The *errata* version the Updated Testimony of Gwendolyn Morien makes these corrections to figures on pages 3, 5, 6, 7, 9, 10, 11, 12, 37, and 38.

<sup>3</sup> SDG&E’s October Update filed on October 12, 2022 previously forecasted the total revenue requirement at \$783.821 million.

<sup>4</sup> Revised from \$30,773 to conform to workpapers.

Line	Description	Application	October Update
12	2021 CAPBA Disposition	\$0	\$0
13	2021 ERRRA Trigger	\$0	\$0
14	<b>Subtotal</b>	<b>\$708,587</b>	<b>\$966,795</b>
<b>GHG Allowance Revenues Eligible for Return to Customers</b>			
15	Small Business & Residential CCC	\$(171,067)	<b>\$(182,489)</b>
16	EITE	\$(389)	\$(514)
17	<b>Subtotal</b>	<b>\$(171,456)</b>	<b>\$(183,003)</b>
18	<b>Total<sup>5</sup></b>	<b>\$537,131</b>	<b>\$783,792</b>

Finally, as part of its ERRRA Forecast Application and October Update, SDG&E submitted the requisite the “GHG Revenue and Reconciliation Form” (which was labelled as Attachment G). To ensure consistency and a complete and accurate record, SDG&E is submitting herewith a *revised* Template D-1: *Annual Allowance Revenue Receipts and Customer Returns* of Attachment G to that reflects the SOMAH reconciliation data presented below.

**II. SOLAR ON MULTIFAMILY AFFORDABLE HOUSING (“SOMAH”) PROGRAM**

**A. Approved Petition for Modification**

D.17-12-022 OP 4, at p. 69, states that the IOUs “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 ERRRA forecast proceeding.” In May 2022, pursuant to Ordering Paragraph (“OP”) 13 of D.22-01-003, the Joint

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<sup>5</sup> Sums may not equal due to rounding. Sums do not include the TMNBC revenue requirement.

IOUs<sup>6</sup> submitted a Petition for Modification of D.17-12-022 and D.20-04-012 (“Petition”) to address the SOMAH Program funding requirements. Previously, the SOMAH Program funding methodology required the Joint IOUs to include a set-aside of 10 percent of forecast GHG allowance revenues in their respective ERRA Forecast or Energy Cost Adjustment Clause (“ECAC”) proceedings irrespective of the statutory \$100 million SOMAH Program funding cap, and then apply the \$100 million cap when truing up the SOMAH Program funding based on the previous four quarters recorded GHG revenues. On March 14, 2022, SCE hosted a workshop that was attended by the Joint IOUs and other stakeholders during which the parties determined that, on a going-forward basis, the Joint IOUs should be permitted to allocate their respective SOMAH Program funding based on forecast GHG revenues taking into consideration the \$100 million cap. Accordingly, SCE filed the Petition to effectuate this change.

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

As of the issue date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, Liberty Utilities Company, and PacifiCorp Company must use the percentages shown in the final line of Table 1 of this decision as their proportionate share of \$100 million, in their respective annual Energy Resource Recovery Account (ERRA) or Energy Cost Adjustment Clause (ECAC) proceedings, for use in forecasting the Solar on Multifamily Affordable Housing Program budget. The use of Table 1 must be substantiated by each company within their ERRA and ECAC

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<sup>6</sup> 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”).

applications to show that the combined budget of all the companies is likely equal to or more than \$1 billion.<sup>7</sup>

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

<b>TABLE 1 - COMBINED IOU GHG PROCEEDS TO DETERMINE SOMAH SHARE METHODOLOGY</b>				
Line No.	IOU	2021 Recorded GHG Proceeds (\$000)	2022 Recorded GHG Proceeds <sup>(a)</sup> (\$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	<b>Total</b>	<b>\$1,114,686</b>	<b>\$1,411,245</b>	<b>\$1,443,241</b>
(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.			

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

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

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

Each utility shall include a true-up of the prior year’s authorized SOMAH set-aside amount, listed separately from the forecast year amount, in their applicable November update filings. This true-up will compare the prior year’s SOMAH set-aside to actual (i.e., not forecast) auction revenues, and adjust the total forecast

<sup>7</sup> D.22-09-009, OP 3.

amount to reflect actual auction revenues. The true-up information shall be presented in a table in the same format as the untitled table in D.20-02-047 at page 20.<sup>8</sup>

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

<b>TABLE 2 - SOMAH RECONCILIATION<sup>9</sup></b>				
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 <sup>1</sup>	\$40,779,160	\$4,077,916	\$0	\$(4,077,916)
2017 <sup>1</sup>	\$92,539,677	\$9,253,968	\$0	\$(9,253,968)
2018 <sup>1</sup>	\$93,727,555	\$9,372,756	\$10,300,000	\$927,245
2019 <sup>1</sup>	\$104,156,909	\$10,415,691	\$10,115,640	\$(300,051)
2020 <sup>1</sup>	\$104,691,923	\$10,469,192	\$18,222,844	\$7,753,652
2021 <sup>2,4</sup>	\$161,825,842	\$16,182,584	\$35,975,035	\$19,792,451
2022 <sup>4</sup>	\$192,652,668	\$19,265,267	\$14,949,939 <sup>5</sup>	\$(4,285,230)
2023 <sup>3</sup>	\$191,139,679	\$19,113,968	\$0	\$(19,113,968)
Total	\$981,513,413	\$98,151,341	\$89,563,458	\$(8,557,785)
	<p><sup>1</sup>Per D.20-01-005, in 2016 and 2017 the SOMAH Program funding SDG&amp;E set aside was returned to residential customers as a Climate Credit because SDG&amp;E did not have a balancing account to hold such funds. However, pursuant to D.20-01-005, in 2020, SDG&amp;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><sup>2</sup>2021 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&amp;E’s revised set aside decreased by 0.02607%, and is \$14,517,611 per AL 4042-E. This adjustment reduces SDG&amp;E’s 2021 true-up of \$2,960,037 by \$26,070, for an adjusted true-up of \$2,933,967.</p> <p><sup>3</sup>The IOUs’ forecasted GHG proceeds exceed \$1 billion; therefore, pursuant to D.22-09-009, SDG&amp;E has set aside the set amount of \$12,015,971.92.</p> <p><sup>4</sup>Actual 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&amp;E transferred the 2022 set aside amount of \$19,440,352 to the SOMAHBA in December of 2021.</p> <p><sup>5</sup>The 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>			

<sup>8</sup> D.20-04-012, p. 10.

<sup>9</sup> Excludes FF&U.

In Template D-1: *Annual Allowance Revenue Receipts and Customer Returns* in Attachment G to the ERRA Forecast Application, SDG&E presents the SOMAH Program prior year true-up funding for October through December 2021 request of \$2.934 million (\$2.969 million including FF&U). The true-up is also presented in the testimony of SDG&E witness Ms. Morien. To ensure consistency, a revised Template D-1: *Annual Allowance Revenue Receipts and Customer Returns* of Attachment G is attached hereto in order to reflect the updated SOMAH reconciliation data presented in the table above.

### III. CONCLUSION

SDG&E thanks ALJ Lirag for allowing it to supplement the October Update with this required SOMAH information to ensure a complete and accurate record and to allow the Commission to issue a final decision in a timely manner.

Respectfully submitted,

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**REVISED TEMPLATE D-1: ANNUAL ALLOWANCE REVENUE RECEIPTS AND  
CUSTOMER RETURNS OF ATTACHMENT G**

**GHG REVENUE AND RECONCILIATION APPLICATION FORM**  
**(Attachment D of Decisions D.14-10-033 and D.15-01-024 as modified by AL 4587-E-C)**

Revised Template D-1: Annual Allowance Revenue Receipts and Customer Returns

Line Description	Year 2021		Year 2022		Year 2023	
	Forecast	Recorded	Forecast	Recorded <sup>1</sup>	Forecast	Recorded
1 Proxy GHG Price (\$/MT)	17.12	23.15	28.86	N/A	29.02	N/A
2 Allocated Allowances (MT)	6,766,147	6,732,862	6,737,256	-	6,586,708	-
3 Revenues (\$)						
4 Prior Balance	3,172,937	7,376,791	(15,086,698)	(19,307,155)	(5,109,732)	-
5 Allowance Revenue	(115,836,437)	(161,825,842)	(194,403,522)	(192,652,668)	(191,139,679)	-
6 Interest	2,372	13,371	(16,300)	(335,008)	(740,443)	-
7 Franchise Fees and Uncollectibles	(1,189,180)	(1,176,522)	(2,112,270)	(1,946,368)	(2,111,339)	-
8 Subtotal Revenues	(113,850,308)	(155,612,202)	(211,618,790)	(214,241,199)	(199,101,193)	-
9 Expenses (\$)						
10 Outreach and Administrative Expenses (from Template D3) <sup>2</sup>	45,133	104,957	59,799	-	27,778	-
11 Franchise Fees and Uncollectibles	-	-	-	-	-	-
12 Interest	-	(25)	-	-	-	-
13 Subtotal Expenses	45,133	104,932	59,799	-	27,778	-
14 Total Allowance Revenue Approved for Clean Energy or Energy Efficiency Programs (\$) (Sum of Lines 14a through 14g)	17,773,708	38,035,035	20,261,326	16,039,939	16,039,939	-
14a SOMAH (Current Year's Request)	11,583,644	31,023,996	19,440,352	12,015,972	12,015,972	-
14b SOMAH True-up (July - Dec 2020) <sup>3</sup>	5,820,202	5,820,202	-	-	-	-
14c Prior Year SOMAH True-up (Jan - June 2020) <sup>4</sup>	(760,623)	(760,623)	-	-	-	-
14d Prior Year SOMAH True-up (Oct - Dec) <sup>5</sup>	100,486	(108,540)	(209,026)	2,933,967	2,933,967	-
14e DAC SASH	1,030,000	2,060,000	1,030,000	1,090,000	1,090,000	-
14f DAC-GT	-	-	-	-	-	-
14g CS-GT	-	-	-	-	-	-
15 Net GHG Revenues Available for Customers in Forecast Year (\$) (Line 8 + Line 13 + Line 14)	(96,031,467)	(117,472,235)	(191,297,664)	(198,201,260)	(183,033,476)	-
16 GHG Revenue Returned to Eligible ETE Customers and Small Business Volumetric Customers (\$)						
17 ETE Customer Return	838,557	389,294	389,295	514,470	514,470	-
18 Small Business Volumetric Return <sup>6</sup>	1,656,571	2,922,616	-	-	-	-
19 Semi-Annual Climate Credit						
20 Number of Eligible Residential Bundled Households <sup>7</sup>	1,351,533	1,318,005	1,307,609	1,307,609	668,860	-
21 Number of Eligible Residential Unbundled Households <sup>7</sup>	-	52,706	54,259	54,259	702,461	-
22 Number of Eligible Small Business Customers	-	-	125,715	125,715	131,966	-
23 Total Customers Eligible for Climate Credit	1,351,533	1,370,711	1,487,583	1,487,583	1,503,287	-
24 Per-Customer Semi-Annual Climate Credit (-0.5 x (Line 15 + Line 17 + Line 18) ÷ Line 23)	34.60	34.60	64.17	66.45	60.71	-
25 Total Revenue Distributed for the Climate Credit (\$) (2 x Line 23 x Line 24)	93,536,339	94,853,170	190,908,370	192,577,058	182,519,006	-
26 Revenue Balance (\$) (Line 15 + Line 17 + Line 18 + Line 25)	N/A	(19,307,155)	N/A	(5,109,732)	N/A	-

1. Recorded data reflects actual data for January 2022 to August 2022 and updated forecasted data for September 2022 to December 2022.

2. Forecasted Outreach & Administrative Expenses are the forecasted expenses (from Template D-3) adjusted for any forecasted prior year's under/over-collection in the GHGOEMA and GHGACMA.

3. In 2021, the true-up includes actual GHG allowance auction revenues for July-September 2020 and a forecast for October through December 2020.

4. In 2021, SOMAH true-up for PY 2020 is based on actual GHG allowance auction revenues for Jan through June 2020.

5. October through December prior year SOMAH True-up is two years in arrears due to the timing of actual GHG auction revenues.

6. Small Business Volumetric Returns were distributed in 2021.

7. SDG&E did not present forecasted bundled vs. unbundled residential customers in 2021; therefore, the forecasted number of residential customers presented in 2021 is inclusive of bundled and unbundled customers.