

Proceeding No.: A.21-04-010

Exhibit No.: \_\_\_\_\_

Witness: Stacy Fuhrer Gwendolyn Morien

**~~AMENDED-UPDATED~~ PREPARED DIRECT TESTIMONY OF**  
**~~STACY FUHRER GWENDOLYN MORIEN~~**  
**ON BEHALF OF**  
**SAN DIEGO GAS & ELECTRIC COMPANY**

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



**~~May 10~~ November 8, 2021**

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ATTACHMENT A – 2022 ILLUSTRATIVE PCIA RATES PURSUANT TO THIS INSTANT APPLICATION

ATTACHMENT B – 2022 PROPOSED GREEN TARIFF RATE COMPONENTS

ATTACHMENT C – 2022 PROPOSED ENHANCED COMMUNITY RENEWABLES RATE COMPONENTS

ATTACHMENT D – 2022 PCIA RATE ADDERS PURSUANT TO D.20-12-028 AND D.21-02-014 AS MODIFIED BY D.21-05-030

ATTACHMENT E – TOTAL ILLUSTRATIVE 2022 PCIA RATES

ATTACHMENT F – DECLARATION OF STACY FUHRER GWENDOLYN MORIEN REGARDING CONFIDENTIALITY OF CERTAIN DATA IN APPENDIX G PURSUANT TO D.06-06-066

1 **~~AMENDED-UPDATED~~ PREPARED DIRECT TESTIMONY OF**  
2 **~~STACY FUHRE~~GWENDOLYN MORIEN**  
3 **ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

4 **I. OVERVIEW AND PURPOSE**

5 The purpose of this ~~updated~~amended testimony is to present San Diego Gas & Electric  
6 Company's ("SDG&E") rate recovery proposals for its application for approval of its 2022 forecasts  
7 of (1) the Energy Resource Recovery Account ("ERRA") revenue requirement, which includes  
8 greenhouse gas ("GHG") costs; (2) the Portfolio Allocation Balancing Account ("PABA") revenue  
9 requirement and projected year-end balance in PABA; (3) the Competition Transition Charge  
10 ("CTC") revenue requirement; (4) the Local Generation ("LG") revenue requirement; (5) the San  
11 Onofre Nuclear Generation Station ("SONGS") Unit 1 Offsite Spent Fuel Storage Cost revenue  
12 requirement; (6) the Tree Mortality Non-Bypassable Charge ("TMNBC") revenue requirement; ~~and~~  
13 (7) the sum of 2018 and 2019 Local Generating Balancing Account ("LGBA") activity recorded to  
14 the LGBA; ~~and~~ (8) the Power Charge Indifference Adjustment ("PCIA") undercollection balancing  
15 account ("CAPBA") overcollection revenue requirement as presented in the ~~amended~~updated  
16 testimony of SDG&E witness Coreen Salcido.

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

1 current effective rates<sup>1</sup> and current authorized system net and system delivered sales, and forecasted  
2 2022 bundled sales.<sup>2</sup>

3 This ~~amended~~updated testimony is organized as follows:

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

## 12 **II. SDG&E’S BUNDLED COMMODITY COST RECOVERY PROPOSAL**

13 Throughout 2021 and 2022 SDG&E is expecting significant load departure, especially in  
14 SDG&E’s Medium/Large Commercial & Industrial (“M/L C&I”) class in 2021 and residential class  
15 in 2022. As such, ~~in the second quarter of 2021~~ SDG&E ~~will file~~filed a standalone 2022 sales

<sup>1</sup> Effective ~~March~~November 1, 2021 per Advice Letter (“AL”) ~~3696 E A B3855-E~~.

<sup>2</sup> ~~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 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. Pursuant to D.21-07-010, SDG&E’s current effective authorized system net and system delivered sales were implemented November 1, 2021 per AL 3855-E. Pursuant to ALJ Long’s Email Ruling on October 21, 2021, SDG&E is using its 2022 bundled sales forecast (as filed in A.21-08-010) in this updated testimony. Coincident with implementation of the 2022 ERRA Forecast, SDG&E will implement its 2022 bundled sales forecast as filed in A.21-08-010. If a decision in A.21-08-010 is adopted that modifies SDG&E’s 2022 Sales Forecast application as filed, SDG&E will implement updated 2022 bundled sales when it receives final approval in A.21-08-010.~~

1 forecast application to request authority to update and implement all three types of sales (bundled,  
2 system net and system delivered) effective January 1, 2022.<sup>3</sup>

3 ~~In the meantime, SDG&E's 2021 authorized bundled sales forecast is pursuant to SDG&E's~~  
4 ~~2021 ERRA Forecast Application decision issued on January 14, 2021, which takes into~~  
5 ~~consideration the significant load departure in 2021, especially in SDG&E's M/L C&I class.<sup>4</sup> Due to~~  
6 ~~SDG&E's recently approved 2021 bundled sales forecast, and the fact that the M/L C&I class's~~  
7 ~~bundled sales are declining almost three times more than any other customer class~~SDG&E continues  
8 to undergo significant departing load, SDG&E proposes to adjust bundled commodity rates in order  
9 to collect the 2022 commodity-related revenue requirements<sup>5</sup> from its bundled customers using the  
10 SAPC methodology recently approved in SDG&E's 2021 ERRA Forecast Decision, D.21-01-017,<sup>6</sup>  
11 and SDG&E's 2019 GRC Phase 2 Decision, D.21-07-010. This is a deviation from the existing  
12 authorized rate allocation applied to the commodity revenues based on SDG&E's approved  
13 generation revenue allocation factors.<sup>7</sup> SDG&E requests authorization to use the SAPC methodology  
14 to allocate the 2022 commodity-related revenue requirements to bundled commodity rates because  
15 the approved generation revenue allocation factors from SDG&E's ~~2016-2019~~ GRC Phase 2 decision  
16 (D.~~17-08-030~~21-07-010) do not take into consideration the significant load departure in SDG&E's  
17 ~~M/L C&I class in 2021 and the impact on its authorized 2021 bundled sales forecast~~customer

<sup>3</sup> ~~SDG&E filed A.21-08-010 on August 13, 2021.~~ Proposed 2022 sales are expected to be implemented  
~~before or at~~ or approximately at the same time as this instant application.

<sup>4</sup> ~~D.21-01-017 approved January 14, 2021.~~

<sup>5</sup> 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.

<sup>6</sup> Ordering Paragraph ("OP") 8 of D.21-01-017.

<sup>7</sup> Approved in ~~D.17-08-030~~D.21-07-010, in Phase 2 of SDG&E's ~~2016-2019~~ GRC.

1 classes.<sup>8</sup> Table 1 presents the generation revenue allocation factors which would result from using  
 2 the SAPC methodology under SDG&E’s ~~recently approved 2021~~proposed 2022 bundled sales  
 3 forecast<sup>9</sup> against SDG&E’s approved generation revenue allocation factors pursuant to D.~~17-08-~~  
 4 ~~03021-07-010.~~

5 **Table 1 – Generation Revenue Allocation Comparison**

Customer Classes	Approved <del>D.17-08-030</del> <u>D.21-07-010</u> Generation Revenue Allocation Factors	SAPC Generation Revenue Allocation
Residential	42.83%	<del>52.78</del> <u>49.54</u> %
Small Commercial	13.27%	<del>15.37</del> <u>11.95</u> %
Medium and Large Commercial and Industrial	42.03%	<del>29.51</del> <u>35.51</u> %
Agriculture	1.50%	<del>1.90</del> <u>2.43</u> %
Streetlighting	0.37%	<del>0.44</del> <u>0.57</u> %
System	100.00%	100.00%

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

8 **III. 2022 RATE AND BILL IMPACTS TO REFLECT RECOVERY OF UPDATED**  
 9 **REVENUE REQUIREMENTS FOR ERRR, PABA, CTC, LG ~~AND~~, SONGS, AND**  
 10 **CAPBA**

11 SDG&E requests the recovery in rates of the following 2022 revenue requirements<sup>10</sup>  
 12 presented in the ~~amended updated~~ direct testimony of SDG&E witness Coreen Salcido:

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

<sup>9</sup> ~~Pursuant to D.21-01-017~~2022 Bundled sales are presented as proposed by SDG&E in A.21-08-010. SDG&E is not requesting approval of the 2022 Sales Forecast in this application.

<sup>10</sup> The revenue requirement figures in this testimony exclude FF&U unless otherwise noted. When FF&U is included, SDG&E uses the current approved FF&U rate of 1.012133 for illustrative purposes. An updated FF&U rate was approved in SDG&E’s General Rate Case (“GRC”) Decision (“D.”) 19-09-051, and pursuant to that decision, SDG&E will implement the new FF&U rate on January 1, 2022, per AL 3885-E. However, the PCIA and GTSR rate figures in this testimony reflect the FF&U rate effective January 1, 2022.

- 1 1. 2022 ERRA Revenue Requirement of \$~~489.956~~777.521 million (\$~~495.901~~786.955  
2 million including Franchise Fees and Uncollectible Expenses (“FF&U”)) for recovery  
3 of the “up-to-market” energy procurement costs, which include GHG costs, associated  
4 with serving SDG&E’s bundled service customers;<sup>11</sup>
- 5 2. 2022 PABA Revenue Requirement of \$~~337.612~~179.759 million<sup>12</sup> (\$~~341.708~~181.940  
6 million including FF&U) for recovery of the “above-market” costs and revenues  
7 associated with all generation resources that are eligible for cost recovery through  
8 PCIA rates,<sup>13,14</sup> and recovery of the projected 2021 year-end balances recorded to  
9 PABA of \$(~~157.677~~110.359) million (\$~~159.590~~111.698) million including FF&U);<sup>15</sup>
- 10 3. 2022 CTC Revenue Requirement of \$~~11.556~~9.462 million (\$~~11.696~~9.577 million  
11 including FF&U) for recovery of above-market costs associated with CTC-eligible  
12 resources from all customers;<sup>16</sup>
- 13 4. 2022 LG Revenue Requirement of \$~~141.409~~145.081 million (\$~~143.125~~146.842  
14 million including FF&U) for the recovery of net costs associated with resources  
15 approved by the California Public Utilities Commission (“Commission”) for Cost

<sup>11</sup> 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.17-08-030D.21-07-010.~~

<sup>12</sup> ~~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.~~

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

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

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

<sup>16</sup> 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~~November 1, 2021 per ~~D.17-08-030D.21-07-010.~~



1 Allocation Mechanism (“CAM”) treatment for recovery from all benefiting customers,  
2 including all bundled service, Direct Access (“DA”) and Community Choice  
3 Aggregation (“CCA”) customers,<sup>17</sup> and the return of balances recorded to the 2018  
4 LGBA of \$(91.084) million including FF&U<sup>18,19</sup> and the return of balances recorded  
5 to the 2019 LGBA of \$(0.888) million including FF&U;<sup>20,21</sup>

- 6 5. 2022 SONGS Unit 1 Offsite Fuel Storage Revenue Requirement of ~~\$1.095~~1.174  
7 million (~~\$1.108~~1.188 million including FF&U) for the recovery of costs associated  
8 with the spent fuel storage costs;<sup>22</sup> ~~and~~

---

<sup>17</sup> 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.

<sup>18</sup> 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~~November 1, 2021 per ~~D.17-08-030~~D.21-07-010.

<sup>19</sup> The exact amount of the 2018 LGBA recorded balance requested for return is \$(91,083,979) pursuant to D.20-12-036.

<sup>20</sup> 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~~November 1, 2021 per ~~D.17-08-030~~D.21-07-010.

<sup>21</sup> The exact amount of the 2019 LGBA recorded balance requested for return is ~~\$(887,690)~~\$(887,680) pursuant to D.21-07-018.

<sup>22</sup> D.15-12-032 authorized SDG&E to recover the costs of SONGS Unit 1 Offsite Spent Fuel Storage through its ERRRA proceeding.

6. 2022 TMNBC Revenue Requirement as set forth in the ~~amended~~updated testimony of SDG&E witness Coreen Salcido and confidentiality declaration attached thereto for recovery of costs associated with the tree mortality related procurement costs;<sup>23</sup> and 6.7. 2022 CAPBA return to current bundled customers of \$(17.772) million (\$(17.988) million with FF&U) related to removal of the PCIA cap pursuant to D.21-05-030 as presented in the updated testimony of SDG&E witness Coreen Salcido.<sup>24</sup>

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, and CAPBA Revenue Requirements (\$000)**

Line	Description	Current Authorized Revenue Requirement <sup>25</sup>		Proposed Revenue Requirement		Change from Current <sup>26</sup>		Change (%)
		w/o FF&U	w/ FF&U	w/o FF&U	w/ FF&U	w/ FF&U	w/ FF&U	
1	ERRA <sup>27</sup>	\$655,482	\$663,435	<del>\$489,956</del> <u>777,521</u>	<del>\$495,901</del> <u>786,955</u>	<del>\$(167,534)</del> <u>123,519</u>	<del>-25.3</del> <u>18.6%</u>	
2	PABA	\$328,484	\$332,469	<del>\$337,612</del> <u>179,759</u>	<del>\$341,708</del> <u>181,940</u>	<del>\$9,239</del> <u>(150,529)</u>	<del>2.8</del> <u>45.3%</u>	
3	CTC	\$11,265	\$11,401	<del>\$11,556</del> <u>9,462</u>	<del>\$11,696</del> <u>9,577</u>	<del>\$295</del> <u>(1,825)</u>	<del>2.6</del> <u>-16.0%</u>	
4	LG	\$122,947	\$124,439	<del>\$141,409</del> <u>145,081</u>	<del>\$143,125</del> <u>146,842</u>	<del>\$18,686</del> <u>22,403</u>	<del>15.0</del> <u>18.0%</u>	
5	SONGS	\$1,060	\$1,073	<del>\$1,095</del> <u>1,174</u>	<del>\$1,108</del> <u>1,188</u>	<del>\$35</del> <u>116</u>	<del>3.3</del> <u>10.8%</u>	

<sup>23</sup> D.18-12-003, OP 9, 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.

<sup>24</sup> The total amount being transferred to PABA is \$(20.139) million (\$(20.383) with FF&U). \$(2.367) million (\$(2.396) million with FF&U) will be returned to PCIA vintages 2021 and 2022, while \$(17.772) million (\$(17.988) million with FF&U) will be returned to 2022 bundled customers through their 2022 bundled commodity rates.

<sup>25</sup> Authorized by D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

<sup>26</sup> Differences may not equal due to rounding.

<sup>27</sup> Includes GHG costs.

6	PABA Balance <sup>28</sup>	\$122,328	\$123,812	<del>\$(157,677)</del> <del>110,359)</del>	<del>\$(159,590)</del> <del>111,698)</del>	<del>\$(283,402)</del> <del>35,510)</del>	<del>-228.9</del> <del>-190.2%</del>
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%
<u>9</u>	<u>CAPBA 2021 Balance</u>	<u>\$0</u>	<u>\$0</u>	<u>\$(17,772)</u>	<u>\$(17,988)</u>	<u>\$(17,988)</u>	<u>-100.0%</u>
<u>910</u>	<b>Subtotal</b>	\$1,241,566	\$1,256,630	<del>\$(733,082)</del> <del>893,999</del>	<del>\$(741,976)</del> <del>904,844</del>	<del>\$(514,654)</del> <del>351,786)</del>	<del>-</del> <del>41.028.0%</del>
<b>GHG Allowance Revenues Eligible for Return to Customers</b>							
<u>4011</u>	Small Business Volumetric Return		\$(1,657)		\$0	\$1,657	-100.0%
<u>4112</u>	Residential & Small Business CCC <sup>29</sup>		\$(93,536)		<del>\$(111,160)</del> <del>190,908)</del>	<del>\$(17,624)</del> <del>97,372)</del>	<del>18.8</del> <del>104.1%</del>
<u>4213</u>	Subtotal		\$(95,193)		<del>\$(111,160)</del> <del>190,908)</del>	<del>\$(15,967)</del> <del>95,715)</del>	<del>16.8</del> <del>100.5%</del>
<u>4314</u>	<b>Total<sup>30</sup></b>		\$1,161,437		<del>\$(630,816)</del> <del>713,936</del>	<del>\$(530,621)</del> <del>447,501-)</del>	<del>-45.7</del> <del>-38.5 %</del>

1  
2 Table 3 presents the illustrative class average rate impacts associated with the revenue  
3 requirements presented in Table 2, and Table 4 presents the illustrative bundled commodity class  
4 average rate impacts associated with the ERRA and PABA revenue requirements, as well as the 2021  
5 CAPBA overcollection presented in Table 2. SDG&E is requesting rate recovery of those revenue

<sup>28</sup> The proposed 2021 PABA year-end balance is projected based on ~~two-nine~~ months of actuals (January ~~and~~ February through September of 2021) and ~~ten-three~~ 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.~~

<sup>29</sup> Per D.21-08-026, Small Business GHG funds are to be returned to qualifying customers in the same manner as residential customers, i.e., a semi-annual credit. The CCC is discussed further in Section IV.

<sup>30</sup> 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.

1 requirements beginning January 1, 2022. The net ~~\$530,621~~447,501 million (including FF&U)<sup>31</sup>  
 2 decrease from the currently effective revenue requirements and 2022 forecasted bundled sales would  
 3 ~~decrease~~increase the system average rate by ~~5.10~~90.145 cents per kWh, or ~~18.58~~0.52%. Without the  
 4 Residential and Small Business Semi-Annual CCC, the system average rate would ~~decrease~~increase  
 5 by ~~5.01~~30.605 cents per kWh, or ~~17.89~~2.12%.<sup>32</sup> Table 5 below presents the illustrative class bill  
 6 impacts associated with the revenue requirements presented in Table 2.

7 **Table 3**  
 8 **Illustrative Class Average Rate Impacts from 2022 ERRAs, PABA, CTC, LG,**  
 9 **SONGS, ~~and~~ GHG, and CAPBA Revenue Requirements<sup>33,34</sup>**

Customer Classes	Current Effective Rates <sup>35</sup> (¢/kWh)	Proposed Rates (¢/kWh)	Change (¢/kWh)	Change (%)
Residential	<del>31.348</del> <u>32.072</u>	<del>25.770</del> <u>31.169</u>	<del>(5.578)</del> <u>0.903</u>	<del>-17.79</del> <u>-2.82</u> %
Small Commercial	<del>28.052</del> <u>28.876</u>	<del>23.725</del> <u>29.060</u>	<del>(4.327)</del> <u>0.184</u>	<del>-15.420</del> <u>.64</u> %
Medium and Large Commercial and Industrial	<del>25.540</del> <u>26.090</u>	<del>20.368</del> <u>26.777</u>	<del>(5.172)</del> <u>0.687</u>	<del>-20.252</del> <u>.63</u> %
Agriculture	<del>19.522</del> <u>20.026</u>	<del>15.913</del> <u>20.315</u>	<del>(3.609)</del> <u>0.289</u>	<del>-18.491</del> <u>.44</u> %
Streetlighting	<del>25.430</del> <u>26.140</u>	<del>21.949</del> <u>26.425</u>	<del>(3.481)</del> <u>0.285</u>	<del>-13.691</del> <u>.09</u> %
System	<del>27.502</del> <u>28.036</u>	<del>22.393</del> <u>28.181</u>	<del>(5.109)</del> <u>0.145</u>	<del>-18.580</del> <u>.52</u> %

10  
 31 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.

~~32 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).~~

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

34

~~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.~~

35 Current effective rates effective ~~March 1, 2021~~November 1, 2021 per AL ~~3696-E-A-B~~3855-E.

1 **Table 4**  
 2 **Illustrative Bundled Commodity Rate Impacts from 2022 ERA, ~~and PABA, and CAPBA~~**  
 3 **Revenue Requirements<sup>36,37,38</sup>**

Customer Classes	Current Effective Rates <sup>39</sup> (¢/kWh)	Proposed Rates (¢/kWh)	Change (¢/kWh)	Change (%)
Residential	12.349	<del>7.559</del> <u>13.385</u>	<del>(4.790)</del> <u>1.036</u>	<del>-38.798</del> <u>8.39%</u>
Small Commercial	10.728	<del>6.681</del> <u>11.830</u>	<del>(4.047)</del> <u>1.102</u>	<del>-37.721</del> <u>10.27%</u>
Medium and Large Commercial and Industrial	12.638	<del>7.821</del> <u>13.707</u>	<del>(4.817)</del> <u>1.069</u>	<del>-38.128</del> <u>8.46%</u>
Agriculture	8.807	<del>5.396</del> <u>9.543</u>	<del>(3.411)</del> <u>0.736</u>	<del>-38.738</del> <u>8.36%</u>
Streetlighting	8.097	<del>4.953</del> <u>8.773</u>	<del>(3.144)</del> <u>0.676</u>	<del>-38.838</del> <u>8.35%</u>
System	12.027	<del>7.406</del> <u>13.116</u>	<del>(4.621)</del> <u>1.089</u>	<del>-38.429</del> <u>9.05%</u>

4 **Table 5**  
 5 **Illustrative Class Bill Impacts from 2022 ERA, PABA, CTC, LG,**  
 6 **SONGS, ~~and GHG, and CAPBA~~ Revenue Requirements<sup>40,41</sup>**

Customer Classes	Current Bill <sup>42</sup> (\$/kWhmonth)	Proposed Bill (\$/kWhmonth)	Change (\$/kWhmonth)	Change (%)
Residential Non-CARE <sup>43</sup>	<del>133.30</del> <u>136.31</u>	<del>109.58</del> <u>132.47</u>	<del>(23.72)</del> <u>3.84</u>	<del>-17.79</del> <u>-2.82%</u>
Residential CARE <sup>44</sup>	<del>86.64</del> <u>88.60</u>	<del>71.23</del> <u>86.10</u>	<del>(15.42)</del> <u>2.49</u>	<del>-17.79</del> <u>-2.82%</u>

<sup>36</sup> These rate impacts do not reflect the TMNBC revenue requirement.

<sup>37</sup> ~~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).~~

<sup>38</sup> ~~Proposed rates include the impact of the 2022 bundled sales forecast on under- and over-collections that are included in the bundled commodity rates.~~

<sup>39</sup> Based on rates effective ~~March 1~~November 1, 2021 per AL ~~3696 E A B~~3855-E.

<sup>40</sup> These bill impacts do not reflect the TMNBC revenue requirement.

<sup>41</sup> 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-August~~January-July 2020 to ~~January-July~~January-July 2021. Average monthly usage excludes Net Energy Metering ("NEM") consumption.

<sup>42</sup> Current bill impacts are based on rates effective ~~March 1~~November 1, 2021 per AL ~~3696 E A B~~3855-E.

<sup>43</sup> 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.

<sup>44</sup> 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.

Small Commercial <sup>45</sup>	<del>281.45</del> <u>333.32</u>	<del>238.04</del> <u>335.44</u>	<del>(43.41)</del> <u>2.12</u>	<del>-15.42</del> <u>0.64%</u>
Medium and Large Commercial and Industrial <sup>46</sup>	<del>13,005.69</del> <u>5,318.31</u>	<del>10,371.96</del> <u>5,458.35</u>	<del>(2,633.73)</del> <u>140.04</u>	<del>-20.25</del> <u>2.63%</u>
Agriculture <sup>47</sup>	<del>1,096.43</del> <u>945.25</u>	<del>893.73</del> <u>958.89</u>	<del>(202.69)</del> <u>13.64</u>	<del>-18.49</del> <u>1.44%</u>
Streetlighting <sup>48</sup>	<del>225.23</del> <u>192.27</u>	<del>194.40</del> <u>194.36</u>	<del>(30.83)</del> <u>2.10</u>	<del>-13.69</del> <u>1.09%</u>

1  
2 **IV. 2022 RATES FOR RETURN OF THE GHG ALLOWANCE REVENUES**

3 In compliance with D.12-12-033 and ~~D.20-10-002~~ D.21-08-026, the GHG allowance revenues  
4 eligible for return to customers is based on the GHG Allowance Revenues forecast of

5 ~~\$128.41~~ \$194.404 million (~~\$129.97~~ \$196.762 million including FF&U) presented in the updated

6 testimony of SDG&E witness ~~Stefan Covie~~ Matthew O’Connell, adjusted for the following:

7 1. Reconciliation of 2020 forecasted with 2020 year-end actuals recorded in GHG

8 Revenue Balancing Account (“GHGRBA”) presented in the amended-updated

9 testimony of SDG&E witness Coreen Salcido of ~~\$(4.20)~~ \$(15.087) million (including

10 FF&U);

11 2. GHG expenses related to customer outreach and education and administrative costs

12 presented in the updated testimony of SDG&E witness April Bernhardt of

13 ~~\$0.06~~ \$0.082 million (including FF&U) that will be recorded in the GHG Customer

<sup>45</sup> Small commercial class average bill impacts are based on ~~1,003~~ 1,154 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.

<sup>46</sup> M/L C&I class average bill impacts are based on ~~50,923~~ 20,384 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.

<sup>47</sup> Agriculture class average bill impacts are based on ~~5,616~~ 4,720 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.

<sup>48</sup> Streetlighting class average bill impacts are based on ~~886~~ 735 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.

1 Outreach and Education Memorandum Account (“GHGCOEMA”) and the GHG  
2 Administrative Costs Memorandum Account (“GHGACMA”);

- 3 3. Solar on Multifamily Affordable Housing (“SOMAH”) Program funding<sup>49</sup> of  
4 ~~\$12.841~~19.440 million (~~\$12.997~~19.676 million including FF&U) for 2022.<sup>50</sup> In  
5 addition, Disadvantaged Community Single-Family Solar Homes (“DAC-SASH”) Program  
6 funding of \$1.030 million (\$1.042 million including FF&U), the DAC –  
7 Green Tariff (“DAC-GT”) Program funding of \$0 million (\$0 million including  
8 FF&U), and the Community Solar Green Tariff (“CSGT”) Program funding of \$0  
9 million (\$0 million including FF&U), also presented in the updated testimony of  
10 SDG&E witness ~~Stefan Covie~~Matthew O’Connell; and<sup>51</sup>
- 11 4. The SOMAH Program prior year true-up funding for October through December 2020  
12 request of \$(0.209) (\$(0.212) million including FF&U) pursuant to D.20-04-012, and  
13 also presented in the amended updated testimony of SDG&E witness Coreen Salcido.

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

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<sup>49</sup> 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.

<sup>50</sup> The SOMAH program currently has a statewide budget of \$100 million. As SDG&E has informed Energy Division staff, it is possible that this budget would be exceeded if all utility participants (i.e., SDG&E, Pacific Gas and Electric Company, Southern California Edison Company, PacifiCorp, and Liberty Utilities) each seek their required percentage allocations of SOMAH funds pursuant to D.17-12-022. If each utility participant does in fact seek their required percentage allocations, then collectively the statewide budget of \$100 million could potentially be exceeded by an estimated \$32.426 million.

<sup>51</sup> On February 1, 2021, SDG&E filed AL 3682-E which requested no funding for 2022.



**Table 6**  
**GHG Allowance Revenues<sup>52</sup> Eligible for Return to Customers**

	<b>Current Authorized<sup>53</sup> (\$000)</b>	<b>Proposed (\$000)</b>	<b>Change<sup>54</sup> (\$000)</b>	<b>Change (%)</b>
GHG Allowance Revenues	\$(115,836)	<del>\$(128,412)</del> \$194,404	<del>\$(12,576)</del> 78,567	<del>10.96</del> 7.8%
Interest	\$2	<del>\$6</del> (16)	<del>\$3</del> (19)	<del>139.7</del> -787.2%
GHG Expenses <sup>55</sup>	\$45	<del>\$59</del> 60	<del>\$14</del> 15	<del>30.7</del> 32.5%
Clean Energy/Energy Efficiency Program Costs	\$17,774	<del>\$13,662</del> 20,261	<del>\$(4,112)</del> 2,488	<del>-23.1</del> 14.0%
FF&U	\$(1,189)	<del>\$(1,391)</del> 2,112	<del>\$(202)</del> 923	<del>17.0</del> 77.6%
Prior Year GHGRBA Revenue Return True-Up <sup>56</sup>	\$3,173	<del>\$4,204</del> (15,087)	<del>\$1,031</del> (18,260)	<del>32.5</del> -575.5%
<b>GHG Allowance Revenues Eligible for Return to Customers</b>	\$(96,031)	<del>\$(111,873)</del> 191,298	<del>\$(15,841)</del> 95,266	<del>16.5</del> 99.2%

OP 1 of D.12-12-033, ~~and~~ OP 1 of D.20-10-002, and OP 6 of D.21-08-026 direct the Investor-Owned Utilities (“IOUs”) to distribute GHG allowances revenues eligible for return to customers in the following manner:<sup>57</sup>

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

<sup>52</sup> All values exclude FF&U unless otherwise noted.

<sup>53</sup> Authorized by D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

<sup>54</sup> Differences may not equal due to rounding.

<sup>55</sup> GHG Expenses include utility outreach and administrative costs, including information technology (“IT”) billing and program management costs, as well as statewide outreach costs. Expenses include forecasted expenses of \$0.082 million and reconciliation of prior year balancing accounts of \$(0.022) as presented in the updated testimony of SDG&E witness Coreen Salcido.

<sup>56</sup> D.14-10-033, Findings of Fact (“FOF”) 15 allows utilities to use a balancing account to maintain a record of allowance revenues.

<sup>57</sup> Consistent with D.15-07-001, OP 18, the Residential Volumetric Return is no longer applicable.



1           2.     **Small Business ~~Volumetric~~ Return** is intended to offset the rate impacts of the Cap-  
2           and-Trade program in the electricity rates of small businesses, defined as entities with  
3           monthly demand not exceeding 20 kilowatts (“kW”) in more than three months in a  
4           twelve-month period,<sup>58</sup> through a ~~volumetrically calculated rate adjustment~~flat credit  
5           distribution method and is described in more detail below; and

6           3.     **Residential CCC** for the distribution of all remaining GHG Allowance revenues to  
7           residential customers on an equal per residential account basis delivered as a semi-  
8           annual, on-bill credit in conjunction and equally to Small Business customers, and is  
9           described in more detail below.<sup>59</sup>

10          **A.     EITE**

11           OP 1 of D.20-10-002 directs the IOUs to distribute GHG allowance proceeds in the same  
12          manner as previously directed in D.12-12-033, D.13-12-002, and D.14-12-037 (as modified by D.15-  
13          08-006 and D.16-07-007). D.20-10-002 also extended the existing formulas for the California  
14          Industry Assistance Credit for EITE until the California Air Resources Board (“CARB”) begins the  
15          process of providing assistance or the Commission directs further changes.<sup>60</sup> D.21-08-026 modifies  
16          the definitions and formulas for the dollar conversion factor and the emissions factors currently used  
17          for electricity purchases. Pursuant to OP 3 of D.21-08-026, the dollar conversion factor is defined as  
18          the average of the California Independent System Operator’s (“CAISO”) daily Greenhouse Gas  
19          Allowance Index Price for the preceding year plus eight percent. D.21-08-026 OP 4 adopts the  
20          emission-intensity metric calculated as part of each utility’s annual allowance calculation used by

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<sup>58</sup> D.12-12-033, OP 1(B).

<sup>59</sup> 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.

<sup>60</sup> D.15-01-024, Attachment D, page 5.

1 CARB in place of the emissions factors currently used for utility electricity purchases. In addition,  
2 pursuant to OP 5 of D.21-08-026, the Dollar Conversion Factor and Emissions Factor equations  
3 provided in Appendix B of that decision are adopted and replace Equations 1, 5, and 9~~D.15-01-024~~  
4 ~~states “[o]nce EITE customers have begun receiving an EITE return, the forecast return is based on~~  
5 ~~the recorded prior year revenue returned to EITE customers.”<sup>61</sup>—With respect to the California~~  
6 ~~Industry Assistance Credit for EITE, D.20-10-002 extended the existing formulas until the California~~  
7 ~~Air Resources Board (“CARB”) begins the process of providing assistance or the Commission directs~~  
8 ~~further changes.<sup>62</sup>—In 2021, EITE customers received EITE returns in the amount of \$0.839 million.~~  
9 ~~As such, t~~The adjustment to GHG Allowance Revenues eligible for return to customers in 2022  
10 reflects an assumed return to EITE customers of \$~~0.713~~0.389 million.

11 **B. Small Business ~~Volumetric~~ Return**

12 OP 1 of D.12-12-033 defines small businesses as non-residential customers on a general  
13 service or agricultural tariff with monthly demand not exceeding 20 kW for more than three months  
14 in a twelve-month period. This includes customers from SDG&E’s Small Commercial, Medium and  
15 Large Commercial and Industrial, and Agricultural customer classes. Pursuant to OP 1 of D.12-12-  
16 033 small businesses are entitled to receive allowance revenue returns that will offset the rate impacts  
17 of GHG costs ~~subject to an assistance factor that determines the amount of transition assistance small~~  
18 ~~business customers will receive from GHG Allowance revenues, which, pursuant to D.21-08-026,~~  
19 will be returned as a bill credit also known as the Small Business California Climate Credit (CCC).  
20 ~~OP 2 of D.20-10-002 modified the assistance factors applied to small businesses to provide a~~  
21 ~~smoother transition path for the decline in level of assistance level and avoid discrete and large~~  
22 ~~changes, which can be problematic for small business customers from year to year, with the 2021~~

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<sup>61</sup>~~—D.15-01-024, Attachment D, page 5.~~

<sup>62</sup>~~—D.20-10-002 at pp. 2 and 13.~~

1 ~~effective factor of 50%. However, D.20-10-002 did not provide any extension of the effective factor~~  
 2 ~~for 2022 and beyond. As such, SDG&E must bring the assistance down to 0% until the open~~  
 3 ~~rulemaking, R.20-05-002, provides a decision for 2022 and beyond.<sup>63</sup> The Commission determined~~  
 4 ~~that the current distribution of the Small Business CCC does not comply with CARB regulations~~  
 5 ~~because it provides credits on a volumetric basis.<sup>64</sup> Pursuant to OP 6 of D.21-08-026, a flat credit~~  
 6 ~~distribution method, where qualifying small businesses receive a credit identical to the Residential~~  
 7 ~~CCC at the same time and in the same manner that the Residential CCC is distributed, will replace~~  
 8 ~~the current volumetric distribution method. Section IV.3 below describes how the Residential CCC~~  
 9 ~~is developed and the frequency of its distribution, and Table 7 presents the final Small Business CCC~~  
 10 ~~semi-annual distribution amount of \$64.17 (which is identical to the Residential CCC).~~

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

13 ~~Table 7—Small Business Volumetric Return~~  
 14

<b>Customer Class</b>	<b>Rate Impact of GHG Costs (¢/kWh) (A)</b>	<b>Small Business Volumetric Return (¢/kWh) (B)</b>	<b>Assistance (%) (C= -B/A)<sup>65</sup></b>
Small Commercial	(0.00470)	(0.00000)	0%
M/L C&I	(0.00559)	(0.00000)	0%
Agriculture	(0.00396)	(0.00000)	0%
<b>Small Business Allowance Revenues for Return<sup>66</sup> (\$000)</b>		(\$0)	

<sup>63</sup> ~~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.~~

<sup>64</sup> ~~D.21-08-026, at p. 34.~~

<sup>65</sup> ~~May not equal due to rounding.~~

<sup>66</sup> ~~Includes FF&U.~~

1 **C. Residential CCC**

2 After determining the EITE customer return revenue amount, The the remaining GHG  
 3 Allowance revenues eligible for return to customers will be allocated to all residential and eligible  
 4 small business customers on an equal cents-per-~~household-customer~~<sup>67</sup> basis, ~~which~~ The return to  
 5 residential and small business customers will be credited to customers semi-annually as a bill credit,  
 6 also known as the ~~Residential~~ Semi-Annual CCC.<sup>68</sup> Table ~~8-7~~ below presents the remaining GHG  
 7 Allowance revenues available for return through the Residential and Small Business CCC of  
 8 ~~\$111.160~~190.908 million, which results in a semi-annual Residential and Small Business CCC of  
 9 ~~\$41.19~~64.17.

10 **Table 87**  
 11 **GHG Allowance Revenues<sup>69</sup> Eligible for Return through Residential and Small Business CCC**

	Current Authorized (\$000) <sup>70</sup>	Proposed (\$000)	Change <sup>71</sup> (\$000)	Change (%)
<b>GHG Allowance Revenues Eligible for Return</b>	\$96,031	<del>\$(111,873)</del> <u>191,298</u>	<del>\$(15,841)</del> <u>95,266</u>	<del>+6.599.2%</del> <u>19.914.1%</u>
EITE Customer Return Revenues	\$839	<del>\$713</del> <u>389</u>	<del>\$(126)</del> <u>449</u>	<del>+15.0</del> <u>53.6%</u>
Small Business Volumetric Return Revenues	\$1,657	\$0	\$(1,657)	-100.0%
<b>Residential <u>and Small Business</u> CCC Revenues</b>	\$93,536	<del>\$111,160</del> <u>190,908</u>	<del>\$17,624</del> <u>97,372</u>	<del>+18.8</del> <u>104.1%</u>
<b>Residential <u>and Small Business</u> Semi-Annual CCC (\$/semi-annual)</b>	\$34.60	<del>\$41.19</del> <u>64.17</u>	<del>\$6.58</del> <u>29.56</u>	<del>+19.0</del> <u>85.4%</u>

12 <sup>67</sup> For the Residential CCC, the term “customer” refers to the residential household.

<sup>68</sup> 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.

<sup>69</sup> Includes FF&U.

<sup>70</sup> Authorized by D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

<sup>71</sup> Differences may not equal due to rounding.

1 **V. 2022 PCIA RATES**

2 In D.06-07-030, modified by D.07-01-030, the Commission established authority for the  
3 PCIA component of the Cost Responsibility Surcharge (“CRS”) to preserve bundled customer  
4 indifference by ensuring departing load customers pay their share of the cost responsibility associated  
5 with the above-market costs based on an administrative benchmark, also known as the “indifference  
6 amount,” of the utilities’ total procurement resource portfolio.<sup>72</sup>

7 In D.08-09-012, the Commission continued to refine the indifference amount methodology to  
8 better protect bundled customer indifference by introducing the requirement to “vintage” departing  
9 load customers, based on their departure date, when determining the customers’ cost responsibility  
10 for the “total portfolio” of resources.<sup>73</sup> Assigning customers to a vintage ensured that departing load  
11 customers pay their share of above-market costs associated with the specific vintage portfolio of  
12 resources that were acquired to serve them prior to their departure from bundled load service in order  
13 to better protect bundled customer indifference. After departure from bundled service, the departing  
14 load customers are not required to pay for above-market costs associated with utility procurement  
15 commitments after that load departs.

16 In D.11-12-018, the Commission adopted further refinement to the indifference amount  
17 methodology recognizing that regulatory and industry changes had impacted energy procurement  
18 practices. Changes to the Market Price Benchmark (“MPB”) methodology, used to determine the  
19 “above-market” value of electricity, now included the addition of a renewables portfolio standards  
20 adder (“RPS adder”) to better reflect the market value of renewable resources and a revised resource  
21 adequacy capacity adder (“CAP adder”), which resulted in vintage MPBs.<sup>74</sup> The vintage portfolio of

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<sup>72</sup> In D.07-01-025, the Commission adopted the PCIA methodology for CCA customers.

<sup>73</sup> D.08-09-012, OP 10.

<sup>74</sup> D.11-12-018, OP 2.

1 resources calculation was revised to better reflect time-of-use load variations and also removed load-  
2 related costs incurred by the California Independent System Operator (“CAISO”) that are then  
3 charged to the utilities.

4 In accordance with D.16-09-044, the Joint Utilities and CCAs<sup>75</sup> developed a uniform  
5 workpaper template through the PCIA Working Group to “facilitate comparison and analysis of the  
6 PCIA across utilities.”<sup>76</sup> Pursuant to D.17-08-026 OP 1 and consistent with SDG&E’s 2020 ERRAs  
7 Forecast, SDG&E has reflected the uniform workpaper template as attached in Appendix 7 of D.06-  
8 07-030 as part of this filing. The Commission further ordered in D.18-10-019 that PG&E, SCE and  
9 SDG&E develop a uniform common template for the calculation of each of their PCIA rates  
10 reflecting the changes ordered in the Decision.<sup>77</sup> SDG&E submitted its common template to the  
11 Commission’s Energy Division and concurrently served the updated common template to the service  
12 list for its ERRAs proceeding.

13 In D.18-10-019, the Commission issued a decision modifying the PCIA methodology revising  
14 inputs to the MPB that is used to calculate the PCIA. The revised methodology affects PCIA rates  
15 that were effective as of January 1, 2019. In addition to the revised MPB inputs, the decision also  
16 adopted an annual true-up mechanism, as recommended by a number of parties, as well as a cap that  
17 will limit the change of the PCIA rate from one year to the next. Starting in forecast year 2020, the  
18 cap level of the PCIA rate ~~is~~was set at 0.5 cents/kWh more than the prior year’s PCIA, differentiated  
19 by system average vintage rate. In AL 3318-E, PABA was established to record the “above-market”

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<sup>75</sup> 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.

<sup>76</sup> D.17-08-026, p. 2.

<sup>77</sup> D.18-10-019, OP 3.

1 costs and revenues associated with all PCIA eligible resources by vintage subaccounts. This  
2 balancing account became effective as of January 1, 2019.

3 In D.19-10-001, the Commission issued a decision further modifying the PCIA methodology  
4 revising the inputs to the billing determinants (sales) that is used to calculate the PCIA rates. The  
5 revised methodology affects PCIA rates that became effective January 1, 2020.<sup>78</sup> This revision  
6 ordered SDG&E to use vintage billing determinants of those responsible for the vintage portfolio to  
7 determine PCIA rates, instead of the currently used system net billing determinants. In addition, the  
8 decision authorized any over/under-collection in the PABA vintage subaccounts in a given year to be  
9 rolled into the next year's ERRA Forecast filing. The decision adopted the methodology for SDG&E  
10 to true-up the values in PABA for the imputed RPS and resource adequacy ("RA") costs using the  
11 updated benchmarks provided by the Energy Division on November 1<sup>st</sup>. The true-up amounts for  
12 both RPS and RA will be booked as adjustments to PABA annually through the ERRA Forecast  
13 filing.

14 AL 3436-E established the PCIA under-collection balancing account ("CAPBA").<sup>79</sup> CAPBA  
15 establishes an interest-bearing balance account that will be used in the event that the PCIA cap is  
16 reached, in order to track any obligation that accrues for departing load customers by vintage  
17 subaccounts.<sup>80</sup>

18 D.21-05-030 removed the PCIA cap and trigger mechanisms effective as of May 24, 2021.  
19 SDG&E is required to leave its 2021 capped PCIA rates and rate adders in effect through 2021 and

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<sup>78</sup> 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.

<sup>79</sup> SDG&E AL 3436-E was filed on September 30, 2019 approved on October 31, 2019.

<sup>80</sup> 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.

1 implement the removal of the PCIA cap in rates effective January 1, 2022.<sup>81</sup> This change is reflected  
2 in this updated testimony. For PCIA vintages that were capped during 2021, the balance of the  
3 CAPBA undercollection that was previously paid by bundled customers will be collected from  
4 departing load customers through PCIA rate adders and returned to bundled customers. Additionally,  
5 the removal of the PCIA cap effective January 1, 2022, pursuant to D.21-05-030 OP 1, also means  
6 that SDG&E’s adopted 2020 ERRR Trigger vintage 2020 PCIA rate adders, pursuant to D.21-0-014,  
7 that were previously capped when SDG&E’s 2020 ERRR Trigger was approved now must return to  
8 their uncapped level on January 1, 2022 in order for SDG&E to comply with D.21-05-030.

9 As discussed in the updated testimony of SDG&E witness ~~Stefan Covie~~ Matthew O’Connell,  
10 SDG&E has participated in meet-and-confer activities with the necessary community choice  
11 aggregators for forecasting load departure from bundled service within SDG&E’s service territory.<sup>82</sup>

12 In D.21-03-051, the Commission granted the Joint IOUs’ uncontested Petition for  
13 Modification (“PFM”) to D.17-08-026 which updates the PCIA workpaper to remove the application  
14 of line losses to capacity volumes and utilizes energy volumes as measured at the generator meter  
15 instead of customer meter. These updates are incorporated in this record year 2022 ERRR Forecast  
16 application.

17 **A. Indifference Methodology**

18 Under Commission rules,<sup>83</sup> departing load customers are responsible for their fair share of  
19 above-market costs, or an indifference amount, incurred by the utility on behalf of those customers  
20 when electric generation costs exceed the current market price, or market price benchmark. To  
21 maintain bundled customer indifference to the departure of SDG&E’s customers to non-utility

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<sup>81</sup> D.21-05-030 per OP 1.

<sup>82</sup> Required as part of the D.20-03-019 per OP 1.

<sup>83</sup> California Public Utilities Code Section 365.2.



1 service, SDG&E calculates the indifference amount to determine the cost responsibility for DA, CCA  
2 and other departing load, specifically:

3 **Indifference Amount = CTC + PCIA**  
4

5 The above-market costs for both the CTC and PCIA are determined using the MPB, a  
6 calculated proxy for the market value of electricity. This methodology is consistent with  
7 Commission directives, specifically D.11-12-018 and Resolution E-4475. CTC revenue requirements  
8 are addressed in the updated testimony of SDG&E witness ~~Stefan Covie~~Matthew O’Connell with rate  
9 impacts discussed above.

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

- 15 • Forecasted 2022 PABA, and CTC revenue requirements;
- 16 • Projected 2021 PABA year-end balance; and
- 17 • SDG&E’s authorized 2022 Non-Fuel Generation Balancing Account  
18 (“NGBA”) revenue requirement.<sup>84</sup>

19 ~~However, the 2022 NGBA revenue requirements and the vintage 2022 MPBs are not~~  
20 ~~available at the time of this filing.<sup>85</sup> Therefore, the 2021 NGBA<sup>86</sup> revenue requirements and the~~  
21 ~~current MPBs<sup>87</sup> were used in the preliminary calculation of the vintage 2022 PCIA rates in this~~  
22 ~~amended testimony and will be updated in SDG&E’s November Update filing in this proceeding.~~

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<sup>84</sup> ~~SDG&E filed AL 3886-E on November 4, 2021.~~

<sup>85</sup> ~~SDG&E expects to update this testimony in November once that information is available.~~

<sup>86</sup> ~~SDG&E filed AL 3640-E on November 5, 2020.~~

<sup>87</sup> ~~Per SDG&E’s updated November 2021 ERRA Forecast Application (A.20-04-014) and D.21-01-017.~~

1           **B.     Treatment of SONGS-related Costs**

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

6           SDG&E’s PCIA rates therefore no longer include SONGS-related Regulatory Asset costs.<sup>88</sup>  
7 The only remaining SONGS-related costs included in PCIA rates are non-fuel related costs  
8 authorized in SDG&E’s 2019 General Rate Case (D.19-09-051), which are included in the PCIA  
9 rates in Attachment A.

10           **C.     PCIA Rate CAP Removal**

11           As part of the ERRA Forecast proceeding, and pursuant to D.18-10-019, SDG&E ~~must~~  
12 ~~now was required to~~ evaluate whether the \$0.005/kWh PCIA cap ~~has had~~ been reached based on the  
13 system average PCIA rate by customer vintage, using a comparison between the prior year’s  
14 DA/CCA PCIA rates and the PCIA rates proposed in the current year’s ERRA Forecast  
15 proceeding.<sup>89,90</sup> If the system average PCIA rate by customer vintage ~~is was~~ forecasted to increase by  
16 more than \$0.005/kWh, then all PCIA rates for that customer vintage would be capped. When the  
17 rate cap for any PCIA rate vintage was reached, the PCIA rates for that vintage could only be  
18 increased by \$0.005/kWh and bundled customers were responsible for the revenue shortfall.

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<sup>88</sup> 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.

<sup>89</sup> SDG&E’s CAPBA Preliminary Statement pursuant to AL 3436-E and approved October 30, 2019.

<sup>90</sup> ~~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.~~

1        The Commission removed the PCIA rate cap in D.21-05-030.<sup>91</sup> However, as discussed in  
2 SDG&E’s 2021 ERRA Forecast application and SDG&E’s 2020 ERRA Trigger application, multiple  
3 vintages of 2021 PCIA rates were capped during 2021.<sup>92</sup> Therefore, with removal of the PCIA cap  
4 and its trigger mechanism, the undercollection that occurred during 2021 from these multiple  
5 vintages will be recovered from departing load customers in 2022 and returned to the bundled  
6 customers that funded the revenue shortfall during 2021. SDG&E proposes to recover this 2021  
7 CAPBA undercollection from departed load customers as PCIA rate adders (shown in Attachment  
8 D), as well as the proposed PCIA rate adders resulting from the 2021 CAPBA overcollection owed to  
9 bundled customers transferring to PABA vintages 2021 and 2022 (shown in Attachment D).  
10 Additionally, SDG&E proposes to calculate the 2021 CAPBA undercollection owed by departed load  
11 customers using the authorized revenue allocation approved in D.20-12-028 (i.e.; equal cent per  
12 kWh), in order to avoid unnecessary rate shock to departed load customers’ PCIA rates as a result of  
13 low departed sales necessary to recover this undercollection.

14        As presented in the updated testimony of Coreen Salcido, the 2021 CAPBA activity  
15 forecasted through December 31, 2021 of \$(20.139) million (\$(20.383) with FF&U) will be  
16 transferred to PABA and redistributed in 2022. Because some bundled customers who paid for the  
17 revenue shortfall during 2021 are now or will become departed load customers in 2022, a portion of  
18 the CAPBA will be allocated and returned to PCIA vintages 2021 and 2022 through the transfer to  
19 PABA vintage 2021. The balance of this return to previously bundled but now departed load  
20 customers is \$(2.367) million (\$(2.395) million with FF&U). The remainder of the 2021 CAPBA  
21 overcollection balance of \$(17.772) million (\$(17.988) million with FF&U) will be returned to

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<sup>91</sup> D.21-05-030, OP 1.

<sup>92</sup> See Updated Prepared Direct Testimony of Stacy Fuhrer on Behalf of SDG&E, A.20-04-014 and Prepared Direct Testimony of Stacy Fuhrer on Behalf of SDG&E, A.20-12-007.

~~bundled customers through their 2022 commodity rates. These amounts offset the \$(20.139) million (\$20.383) million with FF&U) 2021 CAPBA undercollection that is being transferred to PABA.~~

~~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),<sup>93</sup> 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	N/A
Exceed \$0.005/kWh Cap	No	No	No	No	No	No	No	No	No	No	No	No	No	
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 million (\$13.115 million including FF&U) into the 2022 CAPBA.<sup>94</sup> The forecasted revenue shortfall~~

<sup>93</sup>—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.

<sup>94</sup>—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 CAPBA trigger point and trigger threshold.

~~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,<sup>95</sup> 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.<sup>96</sup> 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."<sup>97</sup>

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 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

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<sup>95</sup> ~~SDG&E's bundled sales were approved in D.21-01-017 and implemented March 1, 2021 per AL 3696 E-A-B.~~

<sup>96</sup> ~~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.~~

<sup>97</sup> California Public Utilities Code Section 2831 (b) and (f).

1 ERRA forecast application. Pursuant to D.15-01-051, “[t]he RPR [Renewable Power Rate]<sup>98</sup> and  
2 other components of GTSR rates should be updated annually”<sup>99</sup> and “[c]hanges to the rates can be  
3 accomplished through Advice Letters.”<sup>100</sup> As such, for 2022 SDG&E proposes updating the 2022  
4 GTSR Program rate components, to be effective with SDG&E’s 2022 ERRA Forecast, which as  
5 requested, would implement with SDG&E’s 2022 Consolidated Filing to implement January 1, 2022  
6 electric rates, assuming Commission approval of this filing in time for inclusion in the 2022  
7 Consolidated Filing.

8 GTSR rates (the differential adder or credit to the customer’s otherwise applicable rate) are  
9 dependent on forecasted participation in the program. If SDG&E forecasts higher customer  
10 participation in the GTSR program, the proposed GTSR rates will be lower because the costs of the  
11 program are spread over more customers. SDG&E has and will continue to undergo significant load  
12 departure during 2021 and 2022. Given this load departure, SDG&E is forecasting very little  
13 participation in its GTSR program in 2022. Due to the statutory requirements related to calculating  
14 the GTSR rates, costs of the GTSR program must be recovered from future GTSR customers in order  
15 to ensure bundled customer indifference.<sup>101</sup> Therefore, the current undercollections of the program,  
16 as presented in the updated testimony of SDG&E witness Coreen Salcido, also factor into the  
17 calculation of the rate differential. If the GTSR rate differential increases to a point where it is no  
18 longer reasonable to assume that customers would choose to pay the incremental differential adder, it  
19 may become unreasonable for SDG&E to forecast any participation in the program, which would in

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<sup>98</sup> SDG&E’s RPR was previously referred to as the Cost of Local Solar.

<sup>99</sup> D.15-01-051, COL 53.

<sup>100</sup> *Id.* COL 51.

<sup>101</sup> PU Code § 2833.

1 turn increase the GTSR differential rate, making the program more and more uneconomical for  
2 customers.

3 As discussed below, SDG&E believes its current GTSR program undercollection and  
4 forecasted program participation make the 2022 GTSR program rates uneconomical for most  
5 customers. Therefore, in this updated testimony, SDG&E is presenting two options for the  
6 Commission to consider: (1) amortization of the 2018 and 2019 GTSRBA through the Renewable  
7 Power Rate over 12 months; or (2) amortization of the 2018 and 2019 GTSRBA through the  
8 Renewable Power Rate over 21 months, with a delayed implementation date of April 1, 2022.<sup>102,103</sup> It  
9 should be noted that eEven with a 21-month amortization period for the undercollection, the GTSR  
10 adder is significant and would likely cause bill volatility for participating customers. However, a  
11 delayed implementation date of April 1, 2022 will provide SDG&E with time to communicate the  
12 2022 GTSR rates to customers so they may opt out of the rate if they choose. SDG&E is concerned  
13 that historically, there is very little time between adoption and implementation of GTSR rates, and  
14 SDG&E will not have sufficient time to communicate this large rate increase to its participating  
15 customers to allow them to make an informed decision. Although customers may opt of out the  
16 program at any time without penalty,<sup>104</sup> SDG&E is considering filing a subsequent advice letter to  
17 suspend the GTSR program pursuant to program requirements, in order to protect ratepayers.<sup>105</sup> An  
18 implementation date of April 1, 2022 will also provide the Commission with more time to review  
19 SDG&E’s aforementioned advice letter to suspend the program. In the absence of a decision on a

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<sup>102</sup> Pursuant to Resolution E-5028, SDG&E is required to recover any undercollections from GTSR over the remaining cycle of the program. The current GTSR budget cycle extends until December 31, 2023. SDG&E is requesting delayed implementation of April 1, 2021, which would require a 21-month amortization period to recover undercollections through the end of the program’s budget cycle.

<sup>103</sup> No other components of the GTSR rate are affected by this option.

<sup>104</sup> 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.

<sup>105</sup> D.15-01-051, OP 14 allows for suspension of the GTSR program if it is “necessary to protect ratepayers.”-

1 forthcoming advice letter to suspend the GTSR program prior to January 1, 2022, SDG&E presents  
2 the Commission with both GTSR rate options below. SDG&E recommends that the Commission  
3 adopt the second option (as reflected in Table 9 below), with the longer amortization period and the  
4 delayed implementation date.

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

11 The rate components for the GT and ECR rates<sup>106</sup> associated with these programs are as  
12 follows:

- 13 1. **Renewable Power Rate**<sup>107</sup> for the GT rate is the price that customers pay for the  
14 commodity portion which is based on the cost of the incremental local solar projects  
15 that the Utility procures for the program. The 2022 cost of local solar component of  
16 the GT is ~~\$46.60~~50.13/ megawatt-hour (“MWh”) as described in the ~~direct updated~~  
17 testimony of SDG&E witness ~~Stefan Covie~~Matthew O’Connell.<sup>108</sup> 2022 also includes  
18 the requested recovery of the undercollected 2018 GTSRBA ending balance of \$0.125  
19 million<sup>109</sup> and 2019 GTSRBA undercollection of \$2.019 million<sup>110</sup> as described in the  
20 ~~amended direct updated~~ testimony of SDG&E witness Coreen Salcido. When SDG&E  
21 combines the 2022 Renewable Power Rate from the ~~direct updated~~ testimony of  
22 SDG&E witness ~~Stefan Covie~~Matthew O’Connell with the combined \$2.145 million  
23 GTSRBA undercollection from ~~amended direct updated~~ testimony of SDG&E witness  
24 Coreen Salcido, the final 2022 Renewable Power Rate comes to

<sup>106</sup> All GT and ECR rate components include FF&U unless otherwise noted.

<sup>107</sup> SDG&E’s Renewable Power rate was previously referred to as the Cost of Local Solar.

<sup>108</sup> SDG&E witness ~~Stefan Covie~~Matthew O’Connell shows the Renewable Power Rate as  
~~\$46.60~~50.13/MWh, which is without FF&U. The rate of ~~\$47.17~~50.74/MWh includes FF&U.

<sup>109</sup> As requested in SDG&E’s 2018 ERRAs Compliance filing (A.19-05-007) and approved in D.20-12-036.

<sup>110</sup> As requested in SDG&E’s 2019 ERRAs Compliance filing (A.20-06-001) and approved in D.21-07-018.



1 \$256.75289.07/MWh.<sup>111</sup> Using a 21-month amortization period, the final 2022  
2 Renewable Power Rate comes to \$186.93/MWh.<sup>112</sup>

- 3 2. **Renewable Energy Commodity Price**<sup>113</sup> for the ECR rate is equal to the portion of  
4 the renewable generating facility's output that the customer has subscribed to,  
5 multiplied by the amount per kWh that the Utility has agreed to pay the developer  
6 ("Renewable Energy Commodity Price"). These values are part contract agreement  
7 with the Developers and therefore not addressed in this proceeding.
- 8 3. **Renewable Energy Value Adjustment**<sup>114</sup> for the GT and ECR rates calculates the  
9 relative value of energy and capacity for the solar resources supporting the GT and  
10 ECR programs compared to the Utility's current portfolio of resources serving all  
11 bundled load. The 2022 Renewable Energy Value Adjustment is  
12 \$0.007580.01551/kWh as described in the direct updated testimony of SDG&E  
13 witness Stefan CovieMatthew O'Connell.<sup>115</sup>
- 14 4. **Administrative Costs** for the GT and ECR rates include incremental costs such as  
15 labor and non-labor for program management and policy support, Green-e  
16 certification, and IT costs. Per Resolution E-5028 which approved the administrative  
17 costs for the GT and ECR programs, the 2022 charge for administrative costs is  
18 \$0.023650.02650/kWh for GT and \$0.00000/kWh for ECR.<sup>116</sup>
- 19 5. **Marketing Costs** for the GT and ECR rates includes incremental costs needed to  
20 implement the marketing plan. These costs are composed of labor (spent for planning,  
21 managing to the marketing plan, and community outreach) and non-labor tactical  
22 implementation (*i.e.*, creative design, production, translation and mailing fees). Per  
23 Resolution E-5028 which approved the marketing costs for the GT and ECR  
24 programs, the 2022 marketing charge is \$0.025880.03039/kWh for GT and  
25 \$0.00000/kWh for ECR.<sup>117</sup>
- 26 6. **Renewable Energy Commodity Credit**<sup>118</sup> for the ECR rate assumes the customer has  
27 already purchased the rights to this output from the developer, the Utility concurrently

<sup>111</sup> \$256.75285.64/MWh is without FF&U. The rate of \$259.86289.07/MWh includes FF&U.

<sup>112</sup> \$184.71/MWh is without FF&U. The rate of \$186.93/MWh includes FF&U.

<sup>113</sup> Formerly the Solar Commodity Price.

<sup>114</sup> 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.

<sup>115</sup> SDG&E witness Stefan CovieMatthew O'Connell shows the Renewable Energy Value Adjustment as \$0.007580.01532/kWh, which is without FF&U. The adjustment of \$0.007670.01551/kWh includes FF&U.

<sup>116</sup> Commission approved AL 3168-E, effective September 26, 2019 per Resolution E-5028.

<sup>117</sup> Commission approved AL 3168-E, effective September 26, 2019 per Resolution E-5028.

<sup>118</sup> Formerly known as Solar Commodity Credit.

1 assigns a credit to the customer equal to Renewable Energy Commodity Price  
2 (“Renewable Energy Commodity Credit”). These values are part of the contract  
3 agreement with the Developers and therefore not addressed in this proceeding.

- 4 7. **SDG&E’s Average Commodity Cost Adjustment** for the GT and ECR rates is  
5 intended to approximate the avoided commodity costs and is based on SDG&E’s class  
6 average commodity cost at the time of this filing which is credited to the customer and  
7 is discussed in more detail below.
- 8 8. **Western Renewable Energy Generation Information System (“WREGIS”)** for the  
9 GT and ECR rates may include, but is not limited to, the annual WREGIS fee and a  
10 per MWh certificate fee that is charged as Renewable Energy Credits (“RECs”) are  
11 retired. As discussed in the ~~direct~~-updated testimony of SDG&E witness ~~Stefan~~  
12 ~~Covie~~Matthew O’Connell, the WREGIS costs are \$0.00400/MWh, or  
13 ~~\$0.00001~~0.00000/kWh.
- 14 9. **CAISO GMC** for the GT and ECR rates include CAISO charges are associated with  
15 grid management charges (“GMC”) and energy scheduling. The 2022 CAISO costs,  
16 as described in the ~~direct~~-updated testimony of ~~Stefan Covie~~Matthew O’Connell, are  
17 \$0.00670/MWh, or ~~\$0.00063~~0.00001/kWh.<sup>119</sup>
- 18 10. **Renewable Integration Costs (“RIC”)** for the GT and ECR rates are currently set at  
19 \$0/kWh as a placeholder.<sup>120</sup> A RIC Charge that is greater than \$0/kWh may be  
20 imposed in the future on a going-forward basis only to all customers served under this  
21 Schedule, unless otherwise directed by the Commission.
- 22 11. **PCIA** for the GT and ECR rates is intended to serve as a reasonable proxy for the  
23 GTSR customer indifference charge and is discussed further below.
- 24

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<sup>119</sup> SDG&E witness ~~Stefan Covie~~Matthew O’Connell shows CAISO GMC as ~~\$0.00063~~0.00001/kWh, which is without FF&U. The cost of ~~\$0.00064~~0.00001/kWh includes FF&U.

<sup>120</sup> 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 108**  
**GT Rate Components – 12 Month Amortization of Undercollection**

	<b>GT Rate Components</b>	
	<b>Current Authorized<sup>121</sup></b>	<b>Proposed</b>
Renewable Power Rate <sup>122</sup>	0.06034	<del>0.259860</del> .28907
Renewable Energy Value Adjustment <sup>123</sup>	0.00825	<del>0.007670</del> .01551
Administrative Costs	0.00390	<del>0.023650</del> .02650
Marketing Costs	0.00448	<del>0.025880</del> .03039
SDG&E's Average Commodity Cost Adjustment	See Table 112 below	
WREGIS	\$0.00001	<del>\$0.00001</del> 0.00000
CAISO GMC	\$0.00073	<del>\$0.000640</del> .00001
Renewable Integration Cost	\$0.00000	\$0.00000
PCIA	See Attachment E	

**Table 9**  
**GT Rate Components – 21 Month Amortization of Undercollection & April 1, 2022 Implementation**

	<b>GT Rate Components</b>	
	<b><u>Current Authorized<sup>124</sup></u></b>	<b><u>Proposed</u></b>
<u>Renewable Power Rate<sup>125</sup></u>	<u>0.06034</u>	<u>0.18693</u>
<u>Renewable Energy Value Adjustment<sup>126</sup></u>	<u>0.00825</u>	<u>0.01551</u>
<u>Administrative Costs</u>	<u>0.00390</u>	<u>0.02650</u>
<u>Marketing Costs</u>	<u>0.00448</u>	<u>0.03039</u>
<u>SDG&amp;E's Average Commodity Cost Adjustment</u>	<u>See Table 11 below</u>	
<u>WREGIS</u>	<u>\$0.00001</u>	<u>\$0.00000</u>
<u>CAISO GMC</u>	<u>\$0.00073</u>	<u>\$0.00001</u>
<u>Renewable Integration Cost</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
<u>PCIA</u>	<u>See Attachment E</u>	

<sup>121</sup> Authorized by D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

<sup>122</sup> Formerly known as Cost of Local Solar per SDG&E AL 3006-E.

<sup>123</sup> Formerly known as Value of Solar Energy and Capacity Adjustment per SDG&E AL 3006-E.

<sup>124</sup> Authorized by D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

<sup>125</sup> Formerly known as Cost of Local Solar per SDG&E AL 3006-E.

<sup>126</sup> Formerly known as Value of Solar Energy and Capacity Adjustment per SDG&E AL 3006-E.

**Table 101**  
**ECR Rate Components**

	<b>ECR Rate Components</b>	
	<b>Current Authorized<sup>127</sup></b>	<b>Proposed</b>
Renewable Energy Commodity Price <sup>128</sup>	Refer to Contract	
Renewable Energy Value Adjustment <sup>129</sup>	0.00825	<del>0.007670</del> .01551
Administrative Costs	0.04750	0.00000
Marketing Costs	0.00092	0.00000
Renewable Energy Commodity Credit <sup>130</sup>	Refer to Contract	
SDG&E's Average Commodity Cost Adjustment	See Table 12 below	
WREGIS	\$0.00001	<del>\$0.00001</del> 0.00000
CAISO GMC	\$0.00073	<del>\$0.00064</del> 0.00001
Renewable Integration Cost	\$0.00000	\$0.00000
PCIA	See Attachment E	

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 ~~2021-2022~~ NGBA update.<sup>131</sup> 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

<sup>127</sup> Authorized by D.21-01-017 and effective March 1, 2021 per AL 3696-E-A-B.

<sup>128</sup> Formerly known as Solar Commodity Price.

<sup>129</sup> Formerly known as Value of Solar Energy and Capacity Adjustment per SDG&E AL 3006-E.

<sup>130</sup> Formerly known as Solar Commodity Credit.

<sup>131</sup> SDG&E filed ~~AL 3640-E~~ AL 3886-E on November ~~5, 2020~~, 2021.

1 on the proposed effective average commodity rate by customer class,<sup>132</sup> with the adjustments stated  
 2 above, are shown in the Table 112 below. ~~Upon implementation of the 2022 GTSR rates, SDG&E~~  
 3 ~~proposes to update the SDG&E's Average Commodity Cost Adjustment to include current effective~~  
 4 ~~commodity rates at the time of implementation to better reflect the avoided commodity costs.~~

5 **Table 112**  
 6 **GT and ECR Rate Components – Class Average Commodity Adjustment Rates (\$/kWh)**

	<b>Current Authorized<sup>133</sup></b>	<b>Proposed</b>
<b>Residential</b>	(0.06973)	<del>(0.07560)</del> <u>0.13386</u>
<b>Small Commercial</b>	(0.06486)	<del>(0.06681)</del> <u>0.11830</u>
<b>M/L C&amp;I</b>	(0.07404)	<del>(0.07822)</del> <u>0.13708</u>
<b>Agricultural</b>	(0.05037)	<del>(0.05396)</del> <u>0.09543</u>
<b>Streetlighting</b>	(0.04579)	<del>(0.04953)</del> <u>0.08773</u>

7  
 8 The PCIA component of the GT and ECR rates comprises the indifference adjustment or the  
 9 above-market cost of the Utility's existing procurement portfolio and is calculated annually. D.15-  
 10 01-051 FOF 100 states, "[t]he PCIA calculated for DA and CCA customers provides a reasonable  
 11 proxy for the GTSR customer indifference charge." Accordingly, the utilities were directed to use  
 12 vintaged PCIA as a proxy for the indifference adjustment.<sup>134</sup> This is a cost that is ultimately born by  
 13 all customers for resources that were procured on their behalf. GT and ECR customers' PCIA rates  
 14 will be billed by customer class and customer specific vintage using the 2022 PCIA rates discussed  
 15 above and identified in Attachment E.

<sup>132</sup> Current commodity rates effective ~~March 1, 2021 per AL 3696-E-A-B~~ November 1, 2021 per AL 3855-E.

<sup>133</sup> Effective March 1, 2021 per AL 3696-E-A-B.

<sup>134</sup> D.15-01-051, p. 103.

1 Per SDG&E AL 3593-E, GTSR participants are no longer subjected to a termination fee if  
2 they cancel their subscription. As such, SDG&E no longer calculates or presents termination fees for  
3 GTSR participants.<sup>135</sup>

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

## 6 **VII. SUMMARY AND RELIEF REQUESTED**

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

- 9 1. Approve for recovery in rates: (1) the 2022 ERRA revenue requirement of  
10 ~~\$495.901786.955~~ million, which includes GHG costs; (2) the 2022 PABA revenue  
11 requirement of ~~\$341.708181.940~~ million and the projected 2021 PABA year-end  
12 balance of ~~\$(159.590111.698)~~ million; (3) the 2022 CTC revenue requirement of  
13 ~~\$11.6969.577~~ million; (4) the 2022 LG revenue requirement of ~~\$143.125146.842~~  
14 million; (5) the SONGS revenue requirement of ~~\$1.1081.188~~ million; (6) the TMNBC  
15 revenue requirement as set forth in the ~~amended~~-updated testimony of SDG&E  
16 witness Coreen Salcido and confidentiality declaration attached thereto; ~~and~~ (7) the  
17 balances recorded to the 2018 LGBA of \$(91.084) million and the 2019 LGBA of  
18 \$(0.888) million;<sup>136,137</sup> and the net 2021 CAPBA overcollection of \$(17.988) million.
- 19 2. Approve SDG&E's 2022 proposed rates for:

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<sup>135</sup> 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.

<sup>136</sup> 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 ~~\$(887,690887.680)~~.

<sup>137</sup> All revenue requirement values include the currently approved FF&U rate of 1.012133. An updated FF&U rate was approved in SDG&E's GRC decision (D.19-09-051), and pursuant to that decision and AL 3885-E, SDG&E will implement the new Commission approved FF&U rate on January 1, 2022 contemporaneously with the implementation of the rates approved in this ERRA Forecast decision.

- 1 a. GHG Allowance return to customers for the Residential and Small Business  
2 Semi-Annual CCC of ~~\$41.19~~64.17;
- 3 b. 2022 PCIA rates presented in Attachment A; ~~and~~  
4 c. 2021 CAPBA rate adders presented in Attachment D; and  
5 de. 2022 rate components for the GTSR Program, which includes rates for the GT  
6 program and ECR program presented in Attachment B and C, with the  
7 GTSRBA undercollections amortized either over 12 months or 21 months  
8 (with an April 1, 2022 implementation date). ~~Upon implementation of the~~  
9 2022 GTSR rates, SDG&E proposes to update the SDG&E's Average  
10 Commodity Cost Adjustment to include current effective commodity rates at  
11 the time of implementation to better reflect the avoided commodity costs.
- 12 3. Approve SDG&E's request to allocate 2022 bundled commodity revenues using the  
13 SAPC methodology.

14 This concludes my ~~amended~~updated prepared direct testimony.

1 **VIII. QUALIFICATIONS**

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

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

12 ~~I have previously testified before the California Public Utilities Commission. In addition, I~~  
13 ~~have previously submitted testimony before the Federal Energy Regulatory Commission (“FERC”).~~

14 My name is Gwendolyn Morien. My business address is 8330 Century Park Court, San  
15 Diego, California 92123. I have been employed as a Rate Strategy Project Manager in the Customer  
16 Pricing Department at San Diego Gas & Electric Company since 2017. My primary responsibilities  
17 include the development of electric rate design and policy in various regulatory filings. I began work  
18 at SDG&E in 2016 as a Business/Economics Analyst and have held positions of increasing  
19 responsibility in the Customer Pricing group.

20 I received a Bachelor of Science in Accounting from the State University of New York at  
21 Geneseo in 2010 and a Master of International Affairs with a concentration in Environmental and  
22 Energy Policy from the School of Global Policy and Strategy at the University of California, San  
23 Diego in 2016. I am a licensed CPA in New York.

24 I have previously testified before the California Public Utilities Commission and the Federal  
25 Energy Regulatory Commission.



**ATTACHMENT A**

**2022 ILLUSTRATIVE PCIA RATES PURSUANT TO THIS  
INSTANT APPLICATION**

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT  
2022 ERRR Forecast**

**Attachment A**

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers<sup>138</sup>  
(\$/kWh)

<b>Rate Group</b>	<b>PCIA 2001 Vintage</b>	<b>PCIA 2002 Vintage</b>	<b>PCIA 2003 Vintage</b>	<b>PCIA 2004 Vintage</b>	<b>PCIA 2005 Vintage</b>	<b>PCIA 2006 Vintage</b>	<b>PCIA 2007 Vintage</b>	<b>PCIA 2008 Vintage</b>	<b>PCIA 2009 Vintage</b>	<b>PCIA 2010 Vintage</b>	<b>PCIA 2011 Vintage</b>
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
<b>System Total</b>	<b>0.00008</b>	<b>0.00027</b>	<b>0.00027</b>	<b>0.00353</b>	<b>0.00422</b>	<b>0.00637</b>	<b>0.00400</b>	<b>0.00418</b>	<b>0.00458</b>	<b>0.00726</b>	<b>0.01513</b>
<b>Rate Group</b>	<b>PCIA 2001 Vintage</b>	<b>PCIA 2002 Vintage</b>	<b>PCIA 2003 Vintage</b>	<b>PCIA 2004 Vintage</b>	<b>PCIA 2005 Vintage</b>	<b>PCIA 2006 Vintage</b>	<b>PCIA 2007 Vintage</b>	<b>PCIA 2008 Vintage</b>	<b>PCIA 2009 Vintage</b>	<b>PCIA 2010 Vintage</b>	<b>PCIA 2011 Vintage</b>
Residential	0.00012	0.00013	0.00013	0.00312	0.00434	0.00589	0.00222	0.00339	0.00702	0.00979	0.01058
Small Commercial	0.00009	0.00010	0.00010	0.00249	0.00346	0.00471	0.00177	0.00271	0.00560	0.00782	0.00845
Medium & Large C&I	0.00007	0.00007	0.00007	0.00247	0.00344	0.00469	0.00175	0.00268	0.00559	0.00786	0.00853
Agriculture	0.00007	0.00007	0.00007	0.00190	0.00264	0.00359	0.00135	0.00206	0.00427	0.00596	0.00645
Streetlighting	0.00006	0.00007	0.00007	0.00170	0.00237	0.00322	0.00121	0.00185	0.00383	0.00535	0.00578
<b>System Total</b>	<b>0.00009</b>	<b>0.00009</b>	<b>0.00009</b>	<b>0.00269</b>	<b>0.00375</b>	<b>0.00510</b>	<b>0.00191</b>	<b>0.00293</b>	<b>0.00608</b>	<b>0.00852</b>	<b>0.00922</b>

<sup>138</sup> 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 ERRR Forecast**

**Attachment A Continued**

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers<sup>139</sup>  
(\$/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
<b>System Total</b>	<b>0.01733</b>	<b>0.01698</b>	<b>0.01720</b>	<b>0.01666</b>	<b>0.01666</b>	<b>0.01698</b>	<b>0.01943</b>	<b>0.01964</b>	<b>0.02777</b>	<b>0.01759</b>	<b>0.01759</b>
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	0.01196	0.01115	0.01117	0.01062	0.01062	0.01071	0.01338	0.01284	0.01868	0.01310	0.01310
Small Commercial	0.00956	0.00891	0.00893	0.00849	0.00849	0.00856	0.01072	0.01028	0.01502	0.00669	0.00669
Medium & Large C&I	0.00974	0.00903	0.00905	0.00857	0.00857	0.00865	0.01110	0.01058	0.01637	0.00580	0.00580
Agriculture	0.00732	0.00681	0.00682	0.00648	0.00648	0.00654	0.00821	0.00787	0.01155	0.00765	0.00765
Streetlighting	0.00654	0.00609	0.00610	0.00580	0.00580	0.00585	0.00731	0.00702	0.01020	0.00674	0.00674
<b>System Total</b>	<b>0.01047</b>	<b>0.00973</b>	<b>0.00975</b>	<b>0.00926</b>	<b>0.00926</b>	<b>0.00934</b>	<b>0.01181</b>	<b>0.01130</b>	<b>0.01688</b>	<b>0.00960</b>	<b>0.00960</b>

<sup>139</sup> 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 ERRR Forecast**

**Attachment B**

2022 Proposed Green Tariff Rate Components – 12-Month Amortization

	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh
Description	Residential	Sm Commercial	M/L C&I	Agriculture	Streetlighting
Renewable Power Rate	<u>0.259860.28907</u>	<u>0.259860.28907</u>	<u>0.259860.28907</u>	<u>0.259860.28907</u>	<u>0.259860.28907</u>
Renewable Energy Value Adjustment	<u>0.007670.01551</u>	<u>0.007670.01551</u>	<u>0.007670.01551</u>	<u>0.007670.01551</u>	<u>0.007670.01551</u>
Administrative Costs	<u>0.023650.02650</u>	<u>0.023650.02650</u>	<u>0.023650.02650</u>	<u>0.023650.02650</u>	<u>0.023650.02650</u>
Marketing Costs	<u>0.025880.03039</u>	<u>0.025880.03039</u>	<u>0.025880.03039</u>	<u>0.025880.03039</u>	<u>0.025880.03039</u>
SDG&E's Average Commodity Cost Adjustment	<u>(0.075690.13386)</u>	<u>(0.066840.11830)</u>	<u>(0.078220.13708)</u>	<u>(0.053960.09543)</u>	<u>(0.049530.08773)</u>
WREGIS	<u>0.000040.00000</u>	<u>0.000040.00000</u>	<u>0.000040.00000</u>	<u>0.000040.00000</u>	<u>0.000040.00000</u>
CAISO GMC	<u>0.000640.00001</u>	<u>0.000640.00001</u>	<u>0.000640.00001</u>	<u>0.000640.00001</u>	<u>0.000640.00001</u>
Renewable Integration Cost	0.00000	0.00000	0.00000	0.00000	0.00000
<b><i>GT Differential</i></b>	<u>0.242140.22763</u>	<u>0.250890.24318</u>	<u>0.239490.22441</u>	<u>0.263740.26605</u>	<u>0.268170.27375</u>
PCIA	See Attachment E				

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT**  
**2022 ERRR Forecast**

**Attachment B Continued**

**2022 Proposed Green Tariff Rate Components – 21-Month Amortization & April 1, 2022 Implementation**

	<u>\$/kWh</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	<u>\$/kWh</u>
<u>Description</u>	<u>Residential</u>	<u>Sm Commercial</u>	<u>M/L C&amp;I</u>	<u>Agriculture</u>	<u>Streetlighting</u>
<u>Renewable Power Rate</u>	<u>0.18693</u>	<u>0.18693</u>	<u>0.18693</u>	<u>0.18693</u>	<u>0.18693</u>
<u>Renewable Energy Value Adjustment</u>	<u>0.01551</u>	<u>0.01551</u>	<u>0.01551</u>	<u>0.01551</u>	<u>0.01551</u>
<u>Administrative Costs</u>	<u>0.02650</u>	<u>0.02650</u>	<u>0.02650</u>	<u>0.02650</u>	<u>0.02650</u>
<u>Marketing Costs</u>	<u>0.03039</u>	<u>0.03039</u>	<u>0.03039</u>	<u>0.03039</u>	<u>0.03039</u>
<u>SDG&amp;E's Average Commodity Cost Adjustment</u>	<u>(0.13386)</u>	<u>(0.11830)</u>	<u>(0.13708)</u>	<u>(0.09543)</u>	<u>(0.08773)</u>
<u>WREGIS</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>
<u>CAISO GMC</u>	<u>0.00001</u>	<u>0.00001</u>	<u>0.00001</u>	<u>0.00001</u>	<u>0.00001</u>
<u>Renewable Integration Cost</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>
<b><u>GT Differential</u></b>	<u>0.12549</u>	<u>0.14104</u>	<u>0.12227</u>	<u>0.16391</u>	<u>0.17161</u>
<u>PCIA</u>	<u>See Attachment E</u>				

**ATTACHMENT C**

**2022 PROPOSED ENHANCED COMMUNITY  
RENEWABLES RATE COMPONENTS**



**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT  
2022 ERRR Forecast**

**Attachment C**

2022 Proposed Enhanced Community Renewables Rate Components

	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh
<b>Description</b>	<b>Residential</b>	<b>Sm Commercial</b>	<b>M/L C&amp;I</b>	<b>Agriculture</b>	<b>Streetlighting</b>
Renewable Energy Commodity Price	Refer to Contract				
Value of Solar Energy and Capacity Adjustment	<u>0.007670.01551</u>	<u>0.007670.01551</u>	<u>0.007670.01551</u>	<u>0.007670.01551</u>	<u>0.007670.01551</u>
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	<u>(0.075600.13386)</u>	<u>(0.066810.11830)</u>	<u>(0.078220.13708)</u>	<u>(0.053960.09543)</u>	<u>(0.049530.08773)</u>
WREGIS	<u>0.00001-0.00000</u>	<u>0.00001-0.00000</u>	<u>0.00001-0.00000</u>	<u>0.00001-0.00000</u>	<u>0.00001-0.00000</u>
CAISO GMC	<u>0.000640.00001</u>	<u>0.000640.00001</u>	<u>0.000640.00001</u>	<u>0.000640.00001</u>	<u>0.000640.00001</u>
Renewable Integration Cost	0.00000	0.00000	0.00000	0.00000	0.00000
<b>ECR Differential</b>	<u>(0.067270.11834)</u>	<u>(0.058490.10278)</u>	<u>(0.069890.12156)</u>	<u>(0.045640.07991)</u>	<u>(0.041210.07221)</u>
PCIA	See Attachment E				

## ATTACHMENT D

2022 PCIA RATE ADDERS PURSUANT TO D.20-12-028, ~~AND~~  
D.21-02-014, AS MODIFIED BY D.21-05-030

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT  
2022 ERRR Forecast**

**Attachment D**

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers<sup>140,141</sup>  
(\$/kWh)

<b>Rate Group</b>	<b>PCIA 2001 Vintage</b>	<b>PCIA 2002 Vintage</b>	<b>PCIA 2003 Vintage</b>	<b>PCIA 2004 Vintage</b>	<b>PCIA 2005 Vintage</b>	<b>PCIA 2006 Vintage</b>	<b>PCIA 2007 Vintage</b>	<b>PCIA 2008 Vintage</b>	<b>PCIA 2009 Vintage</b>	<b>PCIA 2010 Vintage</b>	<b>PCIA 2011 Vintage</b>
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
<b>Rate Group</b>	<b>PCIA 2001 Vintage</b>	<b>PCIA 2002 Vintage</b>	<b>PCIA 2003 Vintage</b>	<b>PCIA 2004 Vintage</b>	<b>PCIA 2005 Vintage</b>	<b>PCIA 2006 Vintage</b>	<b>PCIA 2007 Vintage</b>	<b>PCIA 2008 Vintage</b>	<b>PCIA 2009 Vintage</b>	<b>PCIA 2010 Vintage</b>	<b>PCIA 2011 Vintage</b>
Residential	-	-	-	-	-	-	-	-	0.00179	0.00349	0.01021
Small Commercial	-	-	-	-	-	-	-	-	0.00179	0.00349	0.01021
Medium & Large C&I	-	-	-	-	-	-	-	-	0.00179	0.00349	0.01021
Agriculture	-	-	-	-	-	-	-	-	0.00179	0.00349	0.01021
Streetlighting	-	-	-	-	-	-	-	-	0.00179	0.00349	0.01021
System Total	-	-	-	-	-	-	-	-	0.00179	0.00349	0.01021

<sup>140</sup> 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.

<sup>141</sup> Pursuant to D.21-05-030, the PCIA cap is removed. As PCIA Vintage 2020 is no longer capped, the adder approved in D.21-02-024 is applied.

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT  
2022 ERRR Forecast**

**Attachment D Continued**

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers<sup>142,143</sup>  
(\$/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
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	0.01252	0.00623	0.00634	0.01289	0.00635	0.01115	0.01092	0.00636	0.00892	0.00288	0.00288
Small Commercial	0.01252	0.00623	0.00634	0.01289	0.00635	0.01115	0.01092	0.00636	0.00821	0.00131	0.00131
Medium & Large C&I	0.01252	0.00623	0.00634	0.01289	0.00635	0.01115	0.01092	0.00636	0.00933	0.00173	0.00173
Agriculture	0.01252	0.00623	0.00634	0.01289	0.00635	0.01115	0.01092	0.00636	0.00762	0.00210	0.00210
Streetlighting	0.01252	0.00623	0.00634	0.01289	0.00635	0.01115	0.01092	0.00636	0.00734	0.00195	0.00195
System Total	0.01252	0.00623	0.00634	0.01289	0.00635	0.01115	0.01092	0.00636	0.00893	0.00236	0.00236

<sup>142</sup> 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.

<sup>143</sup> Pursuant to D.21-05-030, the PCIA cap is removed. As PCIA Vintage 2020 is no longer capped, the adder approved in D.21-02-024 is applied.

**ATTACHMENT E**

**TOTAL 2022 ILLUSTRATIVE PCIA RATES**

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT  
2022 ERRR Forecast**

**Attachment E**

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers<sup>144,145</sup>  
(\$/kWh)

<b>Rate Group</b>	<b>PCIA 2001 Vintage</b>	<b>PCIA 2002 Vintage</b>	<b>PCIA 2003 Vintage</b>	<b>PCIA 2004 Vintage</b>	<b>PCIA 2005 Vintage</b>	<b>PCIA 2006 Vintage</b>	<b>PCIA 2007 Vintage</b>	<b>PCIA 2008 Vintage</b>	<b>PCIA 2009 Vintage</b>	<b>PCIA 2010 Vintage</b>	<b>PCIA 2011 Vintage</b>
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
<b>System Total</b>	<b>0.00008</b>	<b>0.00027</b>	<b>0.00027</b>	<b>0.00353</b>	<b>0.00422</b>	<b>0.00637</b>	<b>0.00400</b>	<b>0.00418</b>	<b>0.00575</b>	<b>0.00947</b>	<b>0.02036</b>

  

<b>Rate Group</b>	<b>PCIA 2001 Vintage</b>	<b>PCIA 2002 Vintage</b>	<b>PCIA 2003 Vintage</b>	<b>PCIA 2004 Vintage</b>	<b>PCIA 2005 Vintage</b>	<b>PCIA 2006 Vintage</b>	<b>PCIA 2007 Vintage</b>	<b>PCIA 2008 Vintage</b>	<b>PCIA 2009 Vintage</b>	<b>PCIA 2010 Vintage</b>	<b>PCIA 2011 Vintage</b>
Residential	0.00012	0.00013	0.00013	0.00312	0.00434	0.00589	0.00222	0.00339	0.00881	0.01328	0.02078
Small Commercial	0.00009	0.00010	0.00010	0.00249	0.00346	0.00471	0.00177	0.00271	0.00740	0.01131	0.01866
Medium & Large C&I	0.00007	0.00007	0.00007	0.00247	0.00344	0.00469	0.00175	0.00268	0.00738	0.01135	0.01874
Agriculture	0.00007	0.00007	0.00007	0.00190	0.00264	0.00359	0.00135	0.00206	0.00606	0.00945	0.01666
Streetlighting	0.00006	0.00007	0.00007	0.00170	0.00237	0.00322	0.00121	0.00185	0.00563	0.00884	0.01599
<b>System Total</b>	<b>0.00009</b>	<b>0.00009</b>	<b>0.00009</b>	<b>0.00269</b>	<b>0.00375</b>	<b>0.00510</b>	<b>0.00191</b>	<b>0.00293</b>	<b>0.00787</b>	<b>0.01201</b>	<b>0.01943</b>

<sup>144</sup> 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.

<sup>145</sup> Pursuant to D.21-05-030, the PCIA cap is removed. As PCIA Vintage 2020 is no longer capped, the adder approved in D.21-02-024 is applied.

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT  
2022 ERRR Forecast**

**Attachment E Continued**

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers<sup>146,147</sup>  
(\$/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
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	0.02448	0.01738	0.01751	0.02351	0.01697	0.02186	0.02430	0.01920	0.02760	0.01598	0.01598
Small Commercial	0.02209	0.01514	0.01527	0.02138	0.01484	0.01971	0.02164	0.01663	0.02324	0.00800	0.00800
Medium & Large C&I	0.02226	0.01526	0.01539	0.02146	0.01492	0.01980	0.02202	0.01694	0.02571	0.00753	0.00753
Agriculture	0.01985	0.01304	0.01317	0.01937	0.01283	0.01768	0.01913	0.01423	0.01917	0.00975	0.00975
Streetlighting	0.01906	0.01232	0.01245	0.01870	0.01216	0.01700	0.01823	0.01337	0.01754	0.00870	0.00870
System Total	0.02299	0.01597	0.01610	0.02215	0.01561	0.02049	0.02273	0.01766	0.02582	0.01196	0.01196

<sup>146</sup> 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.

<sup>147</sup> Pursuant to D.21-05-030, the PCIA cap is removed. As PCIA Vintage 2020 is no longer capped, the adder approved in D.21-02-024 is applied.

**ATTACHMENT F**

**DECLARATION OF ~~STACY FUHRER~~GWENDOLYN MORIEN  
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 GWENDOLYN MORIEN**

**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, Gwendolyn Morien, declare as follows:

1. I am a Rate Strategy Project Manager for San Diego Gas & Electric Company (“SDG&E”). I included my Updated Direct Testimony (“Testimony”) in support of SDG&E’s November Update to 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.<sup>1</sup> As such, the Protected Information is allowed confidential treatment in accordance with the Matrix, as follows:

<b>Confidential Information</b>	<b>Matrix Reference</b>	<b>Reason for Confidentiality and Timing</b>
Cells highlighted in yellow in the excel file named “CONFIDENTIAL - PCIA Model_2022 ERRRA Forecast Nov Update.xlsx”	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
Cells highlighted in yellow in the excel file named “CONFIDENTIAL - Class Avg Rates_2022 ERRRA Forecast Nov Update.xlsx”	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
Application Appendix G, Template D-1: Revenue	V.C	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.

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<sup>1</sup> 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.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 8th day of November, 2021, at San Diego, California.

/s/ Gwendolyn Morien  
Gwendolyn Morien  
Rate Strategy Project Manager III  
San Diego Gas & Electric Company