

Application No.: A.22-05-025—~~XXX~~
Exhibit No.: _____
Witness: Scott D. Lewis

UPDATED PREPARED DIRECT TESTIMONY OF
SCOTT D. LEWIS
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY

****REDACTED, PUBLIC VERSION****

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



May 31, 2022October 12, 2022

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1 **UPDATED PREPARED DIRECT TESTIMONY OF**
2 **SCOTT D. LEWIS**
3 **ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

4 **I. PURPOSE AND OVERVIEW**

5 My updated prepared direct testimony presents San Diego Gas & Electric Company's
6 ("SDG&E's") 2021-2022¹ costs for greenhouse gas ("GHG") compliance instruments used to
7 satisfy its compliance obligations under the California Air Resources Board's ("ARB") cap-and-
8 trade program pursuant to Assembly Bill ("AB") 32. My testimony also includes SDG&E's
9 2021-2022 revenues related to the sale of its allowance allocation.² The purpose of this updated
10 prepared direct testimony is to present SDG&E's 2021-2022 emissions, costs and revenues in
11 accordance with applicable decisions. The following sections describe the cap-and-trade
12 program and detail SDG&E's 2021 actual revenues and ~~estimated emissions and final~~ costs as
13 well as estimates for SDG&E's 2022 revenues and costs. These emissions are a key input used
14 in the calculations of SDG&E's Direct GHG Emissions price and in customer rates, as further
15 explained in the testimony of SDG&E witnesses Mr. O'Connell.³ These revenues are used to

¹ The 2020 volumes and costs became final in September 2021 and were reported as part of SDG&E's Updated 2022 ERRRA Forecast Filing (Application ("A.") 21-04-010); thus the 2020 volumes and costs were not reported in the April 2021 testimony nor in this testimony. The 2021 ~~estimated emissions and costs reported in this testimony became final in September 2022, are subject to change due to emission verification for all of 2021. Additionally, †This updated testimony does not include 2022 emissions, costs and revenues since only January and February estimates are available at this time. In the November 2022 update of this testimony, it will include estimated costs and revenues for January through September of 2022 and forecasts for October – December 2022, all of which are subject to change when actualized and/or verified in August or September of 2023.~~

² The 2021 revenues are now final. 2022 revenues Revenues for January 2022 – September 2022 are final; however, the 2022 revenue total is subject to the outcome of the November 2022 auction. emissions and costs are subject to change due to emission verification which will become final in August September 2022. 2021 revenues, however, are now final.

³ SDG&E witness Mr. O'Connell provides a forecast of the 2023 GHG costs.

1 calculate SDG&E’s Climate Credit, which is further discussed in in the testimony of SDG&E
2 witness Ms. Morien.

3 **II. BACKGROUND**

4 **A. AB 32 Background**

5 The Global Warming Solutions Act of 2006, also referred to as AB 32,⁴ establishes a goal
6 of reducing California’s GHG emissions to the 1990 level by 2020. The statute grants ARB
7 broad authority to regulate GHG emissions to reach this target. ARB’s Scoping Plan includes a
8 recommendation that California adopt a portfolio of emissions reduction measures, including a
9 California GHG cap-and-trade program.⁵

10 In October 2011, ARB released its Final Regulation Order, which was approved by its
11 Board and by the Office of Administrative Law (“OAL”) in December 2011.⁶ The ARB
12 regulations create a GHG emissions allowance cap-and-trade system, with compliance
13 obligations in the electricity sector applicable to “first deliverers of electricity”⁷ that emit more
14 than 25,000 Metric Tons (“MT”) of GHG. The regulation requires that first deliverers of
15 electricity, including investor-owned utilities (“IOUs”) such as SDG&E, obtain all the
16 compliance instruments required to meet their compliance obligations by November 1 of the year
17 following the end of a compliance period. Compliance instruments consist of allowances and
18 offsets. An allowance is a limited, tradable authorization to emit up to one MT of carbon dioxide

⁴ AB 32, Stats. 2005-2006, Ch. 488 (Cal. 2006).

⁵ State of California Air Resources Board, *California Cap-and-Trade Program, Resolution 11-32* (October 20, 2011) at 3-4 available at: <https://www.arb.ca.gov/regact/2010/capandtrade10/res11-32.pdf>.

⁶ The ARB Final Regulation Order from December 2011 is codified at 17 California Code of Regulations section (“§”) 95800 *et seq.* and is also available at: <http://www.arb.ca.gov/regact/2010/capandtrade10/capandtrade10.htm>.

⁷ “First deliverers of electricity” is defined in § 95811(b) of ARB’s Final Regulation Order as electricity generators inside California and electricity importers.

1 equivalent (“CO2e”) and an offset is a project that reduces GHG in sectors outside of those
2 covered in the cap-and-trade program.⁸ Section 95892(b) of ARB’s Final Regulation Order
3 establishes that IOUs are required to sell all their free allowances and acquire an amount equal to
4 their direct compliance obligations. There are also annual requirements to surrender at least 30%
5 of expected annual obligations each year by November 1 of the following year.

6 **B. GHG Actual Revenue**

7 The revenues discussed in my testimony result from the sale of allowances allocated to
8 SDG&E by ARB for the benefit of its ratepayers. ARB requires that the allowances that are
9 allocated annually to the IOUs be made available for sale at the ARB auctions. Allowances
10 given to the IOUs must all be consigned by the last auction of that year. Except for the
11 November 2012 auction, where ARB specified the amount that each IOU needed to auction, all
12 other amounts consigned at auctions are up to the discretion of each IOU, provided the entire
13 annual volume is consigned by the end of each year. Revenues are calculated by multiplying the
14 volume sold by the auction settlement price. The revenues presented in this testimony consist of
15 allowances sold in the 2021 auctions and the 2022 quarterly auctions that occurred in February,
16 May, August, and an estimate for the 2022 November auctions.

17 **C. GHG Estimated Emission Volumes**

18 The 2021-~~2022~~ direct emissions will be the ~~estimated~~verified/calculated GHG emissions
19 for: (1) SDG&E’s California utility-owned generation (“UOG”), (2) California generators with
20 whom SDG&E has contracts where SDG&E is responsible for GHG costs, (3) estimated
21 emissions associated with SDG&E imports of both specified electricity and unspecified
22 electricity, and (4) Renewable Portfolio Standard adjustment (“RPS Adjustment”). The RPS

⁸ Refer to § 95801 of ARB’s Final Regulation Order for definitions.

1 Adjustment, which is an optional provision of the Cap-and-Trade regulation that reduces a
2 compliance entity’s direct compliance obligation, is calculated by multiplying the out-of-state
3 renewable megawatt-hours (“MWh”) eligible for RPS adjustment by the ARB assigned
4 unspecified emission factor. The 2022~~1~~ direct volumes may change because they are subject to:
5 (1) emission estimates and emission reporting verification, (2) changing emission factors, and (3)
6 contractual requirements for reviewing tolling agreement emissions for potential reductions. If
7 there are such changes, they will be reflected in future testimony.

8 The 2021-~~2022~~ indirect emissions are estimated emissions based on net purchases from
9 the California electricity market controlled by the California Independent System Operator
10 (“CAISO”) measured in MWh and multiplied by the ARB assigned unspecified emission factor.
11 Indirect emissions are not overseen by ARB. Indirect emissions are comprised of estimated
12 GHG emissions for which SDG&E was exposed because of purchasing power from third parties.
13 The 2022~~1~~ indirect emissions within this testimony are those calculated in SDG&E’s 2022~~1~~
14 ERRA Forecast Application and will be updated in the updated 2024~~3~~ ERRA Forecast testimony
15 in ~~November~~ October 2023~~2~~.

16 **D. GHG Cost Categories**

17 The costs outlined in ~~my~~ this testimony are broken down into two categories of GHG
18 costs: direct costs and indirect costs. SDG&E defines direct costs of a given compliance year as
19 the net cost of procuring compliance instruments that can be used to satisfy SDG&E’s
20 compliance year obligation. SDG&E defines indirect costs of a given compliance year as the
21 GHG compliance costs embedded in the price of electricity delivered in that year, which are
22 passed on from sellers.

23 Section III below addresses the carbon price for 2021-~~2022~~. Section IV.A addresses
24 direct GHG emissions associated with SDG&E’s UOG plants, procurement of electricity from

1 tolling agreements, electricity imports attributed to SDG&E, and potentially credits from
2 SDG&E’s eligible RPS Adjustment. Section IV.B addresses the approximate 2021-2022 indirect
3 GHG emissions for which SDG&E paid as GHG costs embedded in electricity prices charged by
4 third parties to SDG&E under contract for various supplies.⁹ Section IV.C summarizes the GHG
5 costs based on the carbon prices in Section III and emissions in Sections IV.A and IV.B.

6 **III. CARBON PRICE METHODOLOGY**

7 **A. Price for Direct GHG Emissions**

8 The 2021 Direct GHG Emissions price is based on the sum of 2021 monthly balancing
9 account entries and the 2021 emission volumes as described in section IV.A. The 2022-monthly
10 January 2022 – September 2022 Direct GHG Emissions price is based on the monthly balancing
11 account entries and the January – September emission estimates as described in section IV.A.

12 The Direct GHG Emissions price is listed in the table below:¹⁰

2021 Direct GHG Emissions (\$/MT)	
2021 Direct GHG Emissions (\$/MT)	
Jan-Sep 2022 Direct GHG Emissions (\$/MT)	

16
17 For October 2022 – December 2022 SDG&E will use the forecast price from Mr.
18 O’Connell’s Testimony in the SDG&E 2022 ERRA Forecast Application of \$28.86.

19 Historically, SDG&E included testimony in its ERRA forecast application that presented
20 SDG&E’s accounting procedure used to record the GHG compliance instrument costs using the

⁹ Indirect GHG costs are estimated based on the assumptions described herein.

¹⁰ Per D.19-04-016, the details and underlying computations for the Direct GHG Emissions price and the Weighted Average Cost (WAC) will be provided in the annual ERRA Compliance filing.

1 Weighted Average Costs (“WAC”). SDG&E previously included Attachment C in its annual
2 ERRA forecast application and provided supporting testimony regarding its methodologies and
3 assumptions.¹¹ However, in D.19-04-016, the Commission found that the language in OP 9 of
4 D.14-10-033 was ambiguous as it failed to distinguish between the differing compliance
5 obligations in the utilities’ ERRA forecast and ERRA compliance proceedings.¹² The
6 Commission clarified the requirements of D.14-10-033 to state that compliance with Attachment
7 C shall be demonstrated in the ERRA compliance proceeding and not the ERRA forecast
8 proceeding.¹³ Accordingly, SDG&E is not including Attachment C (or supporting testimony
9 regarding methodologies) in this ERRA forecast application. Rather, SDG&E will comply with
10 D.19-04-016, OP 3, which directs the IOUs to demonstrate compliance with the revised D.15-01-
11 024 Attachment C in its ERRA compliance filings and not in its ERRA forecasts. SDG&E will
12 submit the GHG WAC compliance testimony for record year 2022~~+~~ in its 2022~~+~~ ERRA
13 Compliance testimony, which ~~will~~ is currently scheduled to be filed on June 1, 2023~~2~~.

14 **B. Price for Indirect Emissions**

15 The embedded GHG costs for indirect emissions are estimated by using the average
16 CAISO GHG Allowance Price Indices, as listed in the table below.¹⁴ Indirect costs are estimated
17 since it is assumed that the GHG cost was passed on by all sources of power from market
18 purchases.

¹¹ Per D.14-10-033 at OP 9.

¹² D.19-04-016 at FOF 17.

¹³ *Id.* at OP 3.

¹⁴ Annual CAISO prices are a straight average of public daily GHG prices published on CAISO’s OASIS website.

2021 CAISO GHG Prices	
Jan-Dec 2021	\$23.15

2022 CAISO GHG Prices	
Jan-Sep 2022	\$30.00

IV. GHG COMPLIANCE COSTS

A. Direct Greenhouse Gas Emissions

Under ARB’s cap-and-trade program, the “first deliverer of electricity” within California must surrender one allowance or offset credit for each MT of GHG emissions. Accordingly, SDG&E had direct compliance obligations for GHGs emitted from burning natural gas at its UOG plants, namely, the Palomar Energy Center (“Palomar”) and Miramar Energy Facility I and II (collectively, “Miramar”).¹⁵ SDG&E’s UOG GHG emission volumes are derived from information extracted from each covered plant’s Continuous Emissions Monitoring Systems (“CEMS”) and that plant’s annual fuel usage. The data is reported to ARB (under the mandatory GHG reporting rule) and undergoes a rigorous quality assurance/quality control (“QA/QC”) process with supporting documentation from the CEMS systems. The data is then subject to third party verification by an ARB-certified verifier. The 2021 UOG emissions ~~will become~~ final in ~~August-September~~ September 2022. The verified 2021 ~~estimated~~ UOG emissions and January 2022 – September 2022 estimated UOG emissions are as follows:

¹⁵ ARB’s Mandatory Reporting Regulation require use of emission factors from federal regulations – title 40, Code of Federal Regulation (“CFR”) Part 98 promulgated by U.S. EPA and published in the Federal Register on October 30, 2009, July 12, 2010, September 22, 2010, October 28, 2010, November 30, 2010, December 17, 2010, and April 25, 2011. For pipeline natural gas, there are three components – CO₂, CH₄, and NO₂. Table C-1 of Subpart C of the CFR Part 98 provides an emissions rate for CO₂ of 0.05302 MT/MMBtu. Table C-2 of Subpart C of the 40 CFR Part 98 gives a default emission factor for CH₄ of 0.000001 MT/MMBtu. Using a Global Warming Potential of 21, the resulting CO₂e emission rate is 0.00002 MT/MMBtu. The default NO₂ emission rate is given as 0.0000001 MT/MMBtu, and its Global Warming Potential is 310, resulting in a CO₂e emission rate of 0.00003 MT/MMBtu. Combining the 3 elements results in an overall emission rate of 0.05307 MT/MMBtu.

Jan-Dec 2021 California UOG Plants	Emissions Estimate (in MT)
Palomar Energy Center	
Miramar Energy Facilities	
Total	

1

Jan-Dec 2021 California UOG Plants	Verified Emissions (in MT)
Palomar Energy Center	
Miramar Energy Facilities	
Total	

2

Jan-Sep 2022 California UOG Plants	Emissions Estimate (in MT)
Palomar Energy Center	
Miramar Energy Facilities	
Total	

3

4 In addition, SDG&E has agreements with some California generators which stipulate that
5 if SDG&E is dispatching the plant, then SDG&E will provide compliance instruments to the
6 generator for its GHG compliance obligations. The generators covered by these agreements
7 include, ~~the Orange Grove Energy Center (“Orange Grove”), the Escondido Energy Center~~
8 ~~(“EEC”),~~ the Pio Pico Energy Center (“Pio Pico”) and the Carlsbad Energy Center
9 (“Carlsbad”).¹⁶ The estimated emissions for these plants can be calculated by multiplying the
10 MMBtu burned with the emission factor of 0.05307 MT/MMBtu associated with natural gas as
11 the input fuel. These estimates are subject to change, not only because the emissions estimates
12 are based on fuel calculations instead of emission meter read calculations, but also because the

¹⁶ Orange Grove Energy Center (“Orange Grove”) and Escondido Energy Center (“EEC”) met the requirements established by CARB are eligible to exit the Cap-and-Trade program as their annual emissions have fallen below the 25,000 MT threshold for the entire compliance period three. Orange Grove received confirmation from CARB in March of 2022, -and EEC received confirmation from CARB in December of 2021 that they have been successfully removed from the program. Both entities are currently working with CARB to remove themselves from the program and SDG&E will no longer continue to report emissions and forecasts in its ERRR proceedings for EEC and Orange Grove, until their removal is officially approved by CARB.

1 tolling agreement contracts state that SDG&E will only cover the emissions generated resulting
 2 from SDG&E dispatches of efficiently run plants. The verified 2021 and estimated January 2022
 3 – September 2022 SDG&E obligations to tolling agreement partners are shown below. ~~SDG&E~~
 4 ~~will be analyzing the 2021 tolling data and could potentially adjust the 2021 estimated emissions~~
 5 ~~for non-SDG&E dispatches, inefficiencies or based on verification. If there are such changes,~~
 6 ~~they will be reflected in future testimony.~~

Jan-Dec 2021 California Tolling Generators	Emissions Estimate (in MT)
Orange Grove Energy Center	
Escondido Energy Center	
Pio Pico	
Carlsbad Energy Center	
<u>Total</u>	

Jan-Dec 2021 California Tolling Generators	Verified Emissions (in MT)
Orange Grove Energy Center	
Escondido Energy Center	
Pio Pico	
Carlsbad Energy Center	
<u>Total</u>	

Jan-Sep 2022 California Tolling Generators	Emissions Estimate (in MT)
Pio Pico	
Carlsbad Energy Center	
<u>Total</u>	

10 An entity that delivers out-of-state electricity to a delivery point inside California is also
 11 responsible for the GHG emissions associated with generation of that electricity. For known
 12 imports, called “specified sources,” the estimated GHG emissions related to the portion of
 13 outputs of plants that are delivered to California are covered in the cap-and-trade program and as
 14 such the importer of that electricity has a compliance obligation. SDG&E has a contract with
 15 Yuma Cogeneration Associates (“YCA”) in Arizona and owns the Desert Star Energy Center

1 (“Desert Star”) combined cycle plant in Nevada. These out-of-state generators are specified
 2 sources. The compliance obligation for the power imported from each of these sources is
 3 calculated by the product of the imported power times the transmission loss correction factor as
 4 listed in section 95111 of ARB’s mandatory reporting regulation, and the specified emissions
 5 factor assigned to those facilities by ARB.¹⁷ As with SDG&E’s other estimated obligations,
 6 specified imports are also subject to change, and those changes will be reflected in future
 7 testimony. The final 2021 ~~estimated~~ emissions for SDG&E’s specified imports and the January
 8 2022 – September 2022 estimated emissions for SDG&E’s specified imports are as follows:

Jan-Dec 2021 Specified Imports	Specified Import Estimates (in MWh)	Emission Factor Estimates	Transmission Loss Factor	Emissions Estimate (in MT)
Desert Star		0.414	1.00	
YCA		0.486	1.02	
Total				

Jan-Dec 2021 Specified Imports	Verified Specified Imports (in MWh)	Emission Factors	Transmission Loss Factor	Verified Emissions (in MT)
Desert Star		0.424	1.00	
YCA		0.451	1.02	
BPA - Asset Controlling Supplier		0.021	1.02	
Tacoma - Asset Controlling Supplier		0.034	1.02	
Total				

Jan-Sep 2022 Specified Imports	Specified Import Estimates (in MWh)	Emission Factor Estimates	Transmission Loss Factor	Emissions Estimate (in MT)
Desert Star		0.414	1.00	
YCA		0.486	1.02	
Total				

¹⁷ Specified Emission Factors are updated annually by ARB. See Confluence, Reporting Form Instructions, available at: <http://www.ccdsupport.com/confluence/display/calhelp/Reporting+Form+Instructions>.

1 In addition to specified sources, importing of “unspecified sources” also generates a
2 compliance obligation. SDG&E procured both contracted imports and market imports from
3 unspecified sources in 2021 and 2022. The cap-and-trade compliance obligation for these
4 unspecified imports is calculated by multiplying the number of MWh imported, adjusted upward
5 by two percent to account for transmission losses between the point of generation and the
6 California border, by the ARB default rate, as stated in its regulation (currently 0.428
7 MT/MWh).¹⁸ Finally, ARB recognizes that the building of new renewable generation outside
8 California reduces GHG. As such, the cap-and-trade regulations allow for an RPS Adjustment.
9 The RPS Adjustment reduces an entity’s GHG compliance burden and is calculated by assigning
10 the default emission rate (currently 0.428 MT/MWh) to the GHG-free renewable energy, as
11 measured at the point of generation. The adjustment does not account for the transmission losses
12 from the point of generation to California,¹⁹ and the cap-and-trade regulations also allow that
13 they be taken in following years. SDG&E successfully claimed the undelivered portion of its
14 potential 2014 RPS Adjustment in 2015. SDG&E has been unable to claim undelivered portions
15 of the 2015-20224 contractually purchased renewable energy applicable to the RPS Adjustment
16 provision in recent GHG reports to ARB and SDG&E will not be claiming the RPS Adjustment
17 for 20224.²⁰ If the RPS Adjustment data for any prior year(s) becomes available in the future,

¹⁸ ARB’s Mandatory Reporting Regulation, Section 95111(b)(1). See Section 95852(c) in ARB, *Article 5: California Cap on Greenhouse Gas Emissions and Market-based Compliance Mechanisms* at 116, available at: https://ww3.arb.ca.gov/cc/reporting/ghg-rep/regulation/mrr-2018-unofficial-2019-4-3.pdf?_ga=2.248590913.797450650.1572910305-557391757.1471971036.

¹⁹ See Section 95852(b)(1) of ARB’s Final Regulation Order for the calculation of the RPS Adjustment. ARB, *Article 5: California Cap on Greenhouse Gas Emissions and Market-based Compliance Mechanisms*, at 115, Section 95852(b)(1), available at https://ww3.arb.ca.gov/cc/capandtrade/capandtrade/ct_reg_unofficial.pdf.

²⁰ SDG&E’s ability to utilize the non-imported portion of its Glacier and Rim Rock contracts for the RPS Adjustment is dependent on receipt of Glacier and Rim Rock import volumes from Morgan

1 SDG&E will incorporate that benefit in an upcoming annual ARB Electric Power Entity (“EPE”)
 2 report. Both the estimated 2022+ unspecified imports and the RPS Adjustments claimed for
 3 2022+ are subject to change and those changes will be reflected in future testimony. The verified
 4 2021 ~~estimated~~ emissions for SDG&E’s unspecified imports and RPS adjustment claims, which
 5 became final in August 2022, and the January 2022 – September 2022 estimated emissions for
 6 SDG&E’s unspecified imports and RPS adjustment claims are as follows:

Jan-Dec 2021 Unspecified Imports & RPS Adjustment	Unspecified Import Estimates (in MWh)	Unspecified Emission Factor	Transmission Loss Factor	Emissions Estimate (in MT)
Unspecified Imports		0.428	1.02	
RPS Adjustment		0.428	1.00	
Total				

Jan-Dec 2021 Unspecified Imports & RPS Adjustment	Verified Unspecified Imports (in MWh)	Unspecified Emission Factor	Transmission Loss Factor	Verified Emissions (in MT)
Unspecified Imports		0.428	1.02	
RPS Adjustment		0.428	1.00	
Total				

Jan-Sep 2022 Unspecified Imports & RPS Adjustment	Unspecified Import Estimates (in MWh)	Unspecified Emission Factor	Transmission Loss Factor	Emissions Estimate (in MT)
Unspecified Imports		0.428	1.02	
RPS Adjustment		0.428	1.00	
Total				

Stanley. SDG&E has, thus far, not received this information for the 2015-2021 generation years. SDG&E continues to have discussions with Morgan Stanley and Open Access Technology International, Inc. (“OATI”) about obtaining this data and may receive it in the future at which point SDG&E can apply the prior RPS Adjustment volumes to the next compliance year’s report.

1 Based on the above, SDG&E's verified 2021-estimated direct compliance obligations and

2 January 2022 – September 2022 estimated direct compliance obligations are:

3

Jan-Dec 2021 Direct Compliance Obligations	Emissions Estimate (in MT)
California UOG Plants	
California Tolling Generators	
Specified Imports	
Unspecified Imports	
RPS Adjustment	
Total	

4

Jan-Dec 2021 Direct Compliance Obligations	Verified Emissions (in MT)
California UOG Plants	
California Tolling Generators	
Specified Imports	
Unspecified Imports	
RPS Adjustment	
Total	

5

Jan-Sep 2022 Direct Compliance Obligations	Emissions Estimate (in MT)
California UOG Plants	
California Tolling Generators	
Specified Imports	
Unspecified Imports	
RPS Adjustment	
Total	

6 **B. Indirect Greenhouse Gas Emissions**

7 SDG&E, along with all other purchasers of wholesale electricity, is subject to indirect
8 GHG compliance costs that generators incur and pass on to their buyers. This additional cost of
9 GHG compliance is embedded in the market price of electricity procured in the wholesale market
10 from third parties, thereby increasing SDG&E's cost to purchase wholesale electricity, as well as
11 from suppliers under contracts that include market-based prices. The cost of GHG affects both

1 market purchases and contracts based on the price of energy (such as combined heat and power
 2 [“CHP”] facilities); because the price of energy changes in tandem with the change in the GHG
 3 allowance prices, sellers of electricity demand higher revenues to offset the costs related to their
 4 cap-and-trade obligations. The 2021-2022 indirect GHG volumes are estimated, for both net
 5 market purchases and CHP contracts, as the MWh of electricity production multiplied by the
 6 ARB default rate for unspecified electricity of 0.428 MT/MWh. The forecasted-final 2021 and
 7 forecasted 2022 MWh and emissions of SDG&E’s indirect purchases are as follows:

2021 Forecasted Indirect Volumes in MWh and MT	
Total INDIRECTS (MWh)	[REDACTED]
Unspecified Emissions Factor (MT/MWh)	0.428
Total INDIRECTS (MT)	[REDACTED]

2021 Verified Indirect Volumes in MWh and MT	
Total INDIRECTS (MWh)	[REDACTED]
Unspecified Emissions Factor (MT/MWh)	0.428
Total INDIRECTS (MT)	[REDACTED]

2022 Forecasted Indirect Volumes in MWh and MT	
Total INDIRECTS (MWh)	[REDACTED]
Unspecified Emissions Factor (MT/MWh)	0.428
Total INDIRECTS (MT)	[REDACTED]

11 **C. GHG Costs**

12 Using the prices from Section III above, the 2021 direct GHG costs and 2022 estimated
 13 GHG costs are as follows:

2021 GHG Direct Cost Estimates	Emissions Estimate (in MT)	Direct GHG Emissions Price (in \$/MT)	Estimated Direct Cost
<u>Jan-Dec 2021 (estimated actuals)</u>	[REDACTED]	[REDACTED]	[REDACTED]

2021 GHG Direct Costs	Verified Emissions (in MT)	Direct GHG Emissions Price (in \$/MT)	Direct Cost
Jan-Dec 2021 (verified actuals)			

2022 GHG Direct Cost Estimates	Emissions Estimate (in MT)	Direct GHG Emissions Price (in \$/MT)	Estimated Direct Cost
Jan-Sep 2022 (estimated actuals)			
Oct - Dec 2022 (forecasted)			
Total			

Combining indirect volumes and the CAISO GHG allowance price indices,²¹ the 2021-

2022 estimated GHG indirect costs are as follows:

2021 Forecasted Indirect Volumes & Cost	
Total INDIRECTS (MT)	
CAISO GHG Price (Jan-Dec 2021) (\$/MT)	\$23.15
Total Indirect Cost	

2021 Indirect Volumes & Cost	
Total INDIRECTS (MT)	
CAISO GHG Price (Jan-Dec 2021) (\$/MT)	\$23.15
Total Indirect Cost	

2022 Forecasted Indirect Volumes & Cost	
Total INDIRECTS (MT)	
CAISO GHG Price (Jan-Dec 2021) (\$/MT)	\$30.00
Total Indirect Cost	

Thus, the 2021 and 2022 Direct and Indirect estimate blended cost is-are \$ and million (rounded) respectively.

²¹ Per D.14-10-033 at 25, indirect costs are calculated using a proxy price equal to the average of the published CAISO GHG index daily prices in OASIS.

1 **D. Education and Outreach Costs**

2 For 2023, the Detail of Outreach and Administrative Expense costs (Attachment G to the
3 Application) incorporates SDG&E’s proposal to retain the August and September Climate Credit
4 disbursement timing.²²

5 If SDG&E’s proposal in R.20-05-002 is approved, and in accordance with D.13-12-003,
6 SDG&E will maintain the three touchpoints with customers in April along with the distribution
7 months, August and September, including bill insert and email communications.

8 If SDG&E’s proposal in R.20-05-002 is not approved and SDG&E is required to revert to
9 the Climate Credit distribution months of April and October, SDG&E anticipates it will resume
10 the twice a year Climate Credit recipient communication as originally directed in D.16-06-04.
11 The administrative costs are projected to be slightly less given one less touch point.

12 Therefore, the total cost projection of the expenses to be incurred in 2023 is \$81,000.00
13 for the required touchpoints stated above. SDG&E anticipates a cost of \$58,000.00 for
14 residential customers and \$23,000.00 small business customers

15 **V. ACTUAL AND ESTIMATED GHG REVENUES**

16 SDG&E received 6,732,862 MT of vintage 2021 allowances to sell at 2021 auctions and
17 6,651,508 MT of vintage 2022 to sell at 2022 auctions. SDG&E’s annual allocated allowances
18 are required to be consigned at that year’s quarterly auctions; however, SDG&E has full
19 discretion on how to distribute its allowances across the four quarterly auctions. The tables
20 below show the volumes sold at each 2021 auction and at the first three 2022 auctions, with an
21 estimate for the last 2022 auction along with associated revenues.

²² The August and September distribution are pending Commission decision in R.20-05-002.

1

2021 GHG Revenues			
Auction	Settlement Price (\$/MT)	Sold Volume (MT)	Revenue
Feb-21	\$17.80		
May-21	\$18.80		
Aug-21	\$23.30		
Nov-21	\$28.26		
Total	\$24.04		

2022 GHG Revenues			
Auction	Settlement Price (\$/MT)	Sold Volume (MT)	Revenue
Feb-22	\$29.15		
May-22	\$30.85		
Aug-22	\$27.00		
Total	\$29.00		

2022 Estimated GHG Revenues Oct - Dec 2022			
Auction	ICE Price (\$/MT)	Consign Volume (MT)	Revenue
2022 Balance	\$28.86		
Total	\$28.86		

2

2022 Estimated GHG Revenues			
Total			

3

This concludes my prepared direct testimony.

1 **VI. QUALIFICATIONS**

2 My name is Scott D. Lewis. My business address is 8315 Century Park Court, San Diego,
3 CA 92123. I am employed by San Diego Gas & Electric as the Electric & Fuels Trading
4 Manager in the Energy Supply and Dispatch Department. My responsibilities include managing
5 the execution of SDG&E's GHG portfolio and also the day ahead and forward procurement of
6 electricity and natural gas that serves SDG&E's electric portfolio. I assumed my current position
7 in August 2014.

8 I have been employed by SDG&E in numerous positions including Senior Electric Fuels
9 Trader, Electricity Trader, Electricity Pre-scheduler, and Electric Real Time Operations. I have
10 been responsible for natural gas scheduling and trading, electricity scheduling and trading,
11 outage management and demand forecasting.

12 I hold a bachelor's degree in Business Administration with an emphasis in Finance from
13 California State University, Chico.

14 I have previously testified before the California Public Utilities Commission.

ATTACHMENT A

**DECLARATION OF CHRIS SUMMERS REGARDING
CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.16-08-024, *et al.***

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

**DECLARATION OF CHRIS SUMMERS
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.16-08-24, *et al.***

I, Chris Summers, do declare as follows:


1. I am the Director of Origination, Energy Supply & Dispatch in the Electric and Fuel Procurement department for San Diego Gas & Electric Company (“SDG&E”). I have been delegated authority to sign this declaration by Estela de Llanos, Vice President of Energy Procurement and Sustainability. I have reviewed Scott Lewis’s Prepared Direct Testimony (“Testimony”) and Attachment G, the GHG Revenue and Reconciliation Application Form, in support of SDG&E’s “November Update to Application”, related to its Application for approval of its 2023 Electric Procurement Revenue Requirement Forecasts and GHG Related-Forecasts (“Application”), filed October 12, 2022. I am personally familiar with the facts in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decisions (“D.”) D.16-08-024, D.17-05-035 and D.17-09-023 to demonstrate that the confidential information (“Protected Information”) provided in Mr. Lewis’s Testimony and Attachment G are within the scope of data protected as confidential under applicable law.

3. In accordance with the legal citations and narrative justification described in Attachment A, the Protected Information should be protected from public disclosure.

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

Executed this 10th day of October 2022, at San Diego.

DocuSigned by:

AAC77001481A4DB...
Chris Summers
Director of Origination, Energy Supply & Dispatch

ATTACHMENT A

SDG&E Request for Confidentiality on the following information contained in Scott Lewis’s Testimony and Attachment G in support of SDG&E’s Application

Location of Protected Information	Legal Citations	Narrative Justification
<p>1. SDG&E Direct GHG Emissions Price and Direct GHG Emissions calculations</p> <p><i>(The 2021 and Jan – Sep 2022 Direct GHG Emissions price appears in Scott Lewis’s Testimony. The Jan 2013 - Sep 2022 Direct GHG Emissions calculations are utilized in tab “D-2” of Attachment G.</i></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>The GHG Confidential Information Matrix in Attachment A of D.14-10-033 and revised in D.15-01-024</p> <p>The Matrix makes the following confidential: “Weighted Average Cost (WAC) of compliance instruments, and the calculation of WAC”</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C & D of D.15-01-024 and Appendices A & B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&E’s bidding/consignment strategies contain “commercial value,” which gives SDG&E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&E and its end-use ratepayers.</p>
<p>2. Historical/Recorded UOG Emissions</p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p>

<p><i>(The 2021 and Jan – Sep 2022 Historical UOG Emissions appear in Scott Lewis’s Testimony. The 2013-2021 and Jan - Sep 2022 Recorded UOG Emissions appear in Attachment G of this Application.)</i></p>	<p>09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>Annual GHG Emissions and Associated Costs in Template D-2 of D.14-10-033 and revised in D.15-01-024</p> <p>Template D-2 designates forecasted and recorded UOG emissions as confidential</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C & D of D.15-01-024 and Appendices A & B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&E’s bidding/consignment strategies contain “commercial value,” which gives SDG&E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&E and its end-use ratepayers.</p>
<p>3.</p> <p><i>Historical/Recorded California Tolling Agreement Emissions</i></p> <p><i>(The 2021 and Jan – Sep 2022 Tolling Agreement Emissions appear in Scott Lewis’s Testimony. The 2013-2021 and Jan - Sep 2022 Tolling Agreement Emissions appear in Attachment G of this Application.)</i></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>Annual GHG Emissions and Associated Costs in Template D-2 of D.14-10-033 and revised in D.15-01-024</p> <p>Template D-2 designates forecasted and recorded Tolling Agreements emissions as confidential</p> <p>Gov’t Code §§6254(k),</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C & D of D.15-01-024 and Appendices A & B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&E’s bidding/consignment strategies contain “commercial value,” which gives SDG&E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&E and its end-use ratepayers.</p>

	6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.	
<p>4. Historical/Recorded Specified Imported MWh and calculated Emissions</p> <p><i>(The 2021 and Jan – Sep 2022 Specified Imported MWh and calculated Emissions appear in Scott Lewis’s Testimony. The 2013-2021 and Jan - Sep 2022 Recorded Specified Imported Emissions appear in Attachment G of this Application.)</i></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>Annual GHG Emissions and Associated Costs in Template D-2 of D.14-10-033 and revised in D.15-01-024</p> <p>Template D-2 designates forecasted and recorded Energy Imports (Specified emissions as confidential. Knowledge of the MWh makes discovery of the emissions possible, thus the MWh are also confidential.</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C & D of D.15-01-024 and Appendices A & B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&E’s bidding/consignment strategies contain “commercial value,” which gives SDG&E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&E and its end-use ratepayers.</p>
<p>5. Historical/Recorded Unspecified Imported MWh and calculated Emissions</p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C & D of D.15-01-024 and Appendices A & B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance</p>

<p><i>(The 2021 and Jan – Sep 2022 Unspecified Imported MWh and calculated Emissions appear in Scott Lewis’s Testimony. The 2013-2021 and Jan - Sep 2022 Unspecified Imported Emissions appear in Attachment G of this Application.)</i></p>	<p>Annual GHG Emissions and Associated Costs in Template D-2 of D.14-10-033 and revised in D.15-01-024</p> <p>Template D-2 designates forecasted and recorded Energy Imports (Unspecified) emissions as confidential. Knowledge of the MWh makes discovery of the emissions possible, thus the MWh are also confidential.</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&E’s bidding/consignment strategies contain “commercial value,” which gives SDG&E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&E and its end-use ratepayers.</p>
<p>6. Historical RPS Adjustment eligible MWh and calculated Emissions</p> <p><i>(The RPS Adjustment eligible MWh and calculated Emissions for 2021 and Jan – Sep 2022 appear in Scott Lewis’s Testimony.</i></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>Annual GHG Emissions and Associated Costs in Template D-2 of D.14-10-033 and revised in D.15-01-024</p> <p>Template D-2 designates forecasted and recorded Energy Imports (Unspecified) emissions, which includes any applicable RPS Adjustments as confidential. Knowledge of the MWh</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C & D of D.15-01-024 and Appendices A & B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&E’s bidding/consignment strategies contain “commercial value,” which gives SDG&E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&E and its end-use ratepayers.</p>

	<p>makes discovery of the emissions possible, thus the MWh are also confidential</p> <p>Gov't Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	
<p>7. Total Direct Compliance Obligation</p> <p><i>(The 2021 and Jan – Sep 2022 Total Direct Compliance Obligation appears in Scott Lewis’s Testimony. The 2013-2021 and Jan - Sep 2022 Total Direct Compliance Obligation appear in Attachment G of this Application.)</i></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>Annual GHG Emissions and Associated Costs in Template D-2 of D.14-10-033 and revised in D.15-01-024</p> <p>Template D-2 designates forecasted and recorded Direct GHG Emissions Subtotal as confidential.</p> <p>Gov't Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C & D of D.15-01-024 and Appendices A & B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&E’s bidding/consignment strategies contain “commercial value,” which gives SDG&E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&E and its end-use ratepayers.</p>
<p>8. Indirect Purchases in MWh and calculated Emissions</p> <p><i>(The 2021 and 2022 forecasted Indirect Purchase MWhs and calculated Emissions</i></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C & D of D.15-01-024 and Appendices A & B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance</p>

<p><i>appear in Scott Lewis’s Testimony.</i></p>	<p>Annual GHG Emissions and Associated Costs in Template D-2 of D.14-10-033 and revised in D.15-01-024</p> <p>Template D-2 designates forecasted and recorded Indirect GHG Emissions as confidential. Knowledge of the MWh makes discovery of the emissions possible, thus, the MWh are also confidential.</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&E’s bidding/consignment strategies contain “commercial value,” which gives SDG&E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&E and its end-use ratepayers.</p>
<p>9. Direct GHG Costs</p> <p><i>(The 2021 and estimated 2022 Direct GHG Costs appear in Scott Lewis’s Testimony. The 2013 – 2021 final and 2022 estimated Direct GHG Costs appear in Attachment G of this Application.)</i></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>Annual GHG Emissions and Associated Costs in Template D-2 of D.14-10-033 and revised in D.15-01-024</p> <p>Template D-2 designates forecasted and recorded Direct GHG Costs as confidential.</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C & D of D.15-01-024 and Appendices A & B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&E’s bidding/consignment strategies contain “commercial value,” which gives SDG&E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&E and its end-use ratepayers.</p>

<p>10. Estimated Indirect GHG Costs</p> <p><i>(The 2021 and 2022 estimated Indirect GHG Costs appear in Scott Lewis’s Testimony.</i></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>Annual GHG Emissions and Associated Costs in Template D-2 of D.14-10-033 and revised in D.15-01-024</p> <p>Template D-2 designates forecasted and recorded Indirect GHG Costs as confidential.</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C & D of D.15-01-024 and Appendices A & B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&E’s bidding/consignment strategies contain “commercial value,” which gives SDG&E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p> <p>Disclosure of this information would place SDG&E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&E and its end-use ratepayers.</p>
<p>11. GHG Quarterly Auction Revenue</p> <p><i>(The 2021 and Jan – Sep 2022 actual GHG Quarterly Auction Revenues and the forecasted 2022 balance of Quarterly Auction Revenues appear in Scott Lewis’s Testimony. The 2013 - 2021 actual GHG Quarterly</i></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023, Public Utilities Code Section 454.5(g)</p> <p>General Order (“GO”) 66-D</p> <p>17 CCR § 95914(c) (the “ARB Confidentiality Regulations”)</p> <p>1a. of Attachment A of D.14-10-033 and revised in D.15-01-024</p> <p>1a. makes the following confidential: “AB 32 GHG auction participation.”</p>	<p>The Protected Information is entitled to confidential treatment under applicable law, including, but not limited to, the legal authority cited herein. The information does not expressly fall within any category of the IOU Matrix applicable to electric procurement information, but is market-sensitive information.</p> <p>Among other things, 17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information. Violation of Section 95914 may subject SDG&E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C & D of D.15-01-024 and Appendices A & B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of greenhouse gas (GHG) costs, GHG transactions, compliance instrument prices, weight average cost (“WAC”) and other GHG information to be kept confidential.</p> <p>Additionally, the Protected Information also includes trade secret information because SDG&E’s bidding/consignment strategies contain “commercial value,” which gives SDG&E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p>

<p><i>Auction Revenues and estimated 2022 GHG Quarterly Auction Revenues appear in Attachment G of this Application.)</i></p>	<p>Although Annual Auction Revenues are public, Quarterly Auction Revenue must be confidential since public auction settlement prices and Quarterly Auction Revenues would reveal SDG&E's quarterly auction participation as a consignee.</p> <p>Gov't Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>Disclosure of this information would place SDG&E at an unfair business disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SDG&E and its end-use ratepayers.</p>
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