

Application No.: A.24-05-XXX  
Exhibit No.: SDGE-5  
Witness: Sheri Miller

**PREPARED DIRECT TESTIMONY OF**  
**SHERI MILLER**  
**ON BEHALF OF**  
**SAN DIEGO GAS & ELECTRIC COMPANY**

***\*\*REDACTED – PUBLIC VERSION\*\****

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



**May 15, 2024**

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1 **PREPARED DIRECT TESTIMONY OF**  
2 **SHERI MILLER**  
3 **ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

4 **I. PURPOSE AND OVERVIEW**

5 This testimony describes the process of forecasting San Diego Gas & Electric Company's  
6 ("SDG&E") Power Charge Indifference Adjustment ("PCIA") costs in the 2025 Energy Resource  
7 Recovery Account ("ERRA") Forecast. The PCIA cost is equivalent to the utility's total portfolio  
8 costs, less its market value and its sales revenues, in a given year. Additional regulatory history of  
9 the PCIA is provided in SDG&E witness Erica Wissman's testimony.

10 The forecasted PCIA costs are calculated using the modeled forecast costs and volumes  
11 provided by SDG&E witness Mr. Elias, and the final PCIA costs presented in this testimony are  
12 used by SDG&E witness Ms. Felan in her testimony describing the 2025 balancing account  
13 revenue requirements. This PCIA testimony also supports SDG&E witness Ms. Wissman's  
14 development of customer rates in her testimony.

15 **II. PCIA-ELIGIBLE COSTS**

16 California Public Utilities Commission's ("CPUC" or "Commission") Decision ("D.") 18-  
17 10-019 directed the Investor-Owned Utilities ("IOUs") to record above-market costs of PCIA-  
18 eligible resources to the Portfolio Allocation Balancing Account ("PABA"). The primary inputs  
19 included in the above-market cost calculations are 1) the monthly resource costs, 2) net revenues  
20 received from the California Independent System Operator ("CAISO") for the PCIA resource's  
21 energy and ancillary services sold to CAISO, net of CAISO charges, 3) the market value of the  
22 renewable energy credits ("RECs") and resource adequacy ("RA") associated with the PCIA  
23 resources that SDG&E expects to use for its own compliance, and 4) any revenues forecasted to be  
24 received from sales or allocations contracts.

1           The monthly resource cost includes both contract costs and costs related to Utility-Owned  
2 Generation (“UOG”). The UOG operation and maintenance (“O&M”) and capital-related  
3 expenses for the Palomar, Miramar, Cuyamaca, Desert Star, and Ramona Solar resources were  
4 approved for recovery through the Non-Fuel Generation Balancing Account (“NGBA”)  
5 mechanism in the General Rate Case (“GRC”) decision, D.19-09-051. Since above-market costs  
6 are required to be recovered through the PCIA mechanism, the above-market costs for these  
7 resources are recovered in PABA, and the market value of the compliance instruments that  
8 SDG&E expects to use for its own compliance is recovered through NGBA.

9           In addition, SDG&E’s Modified Cost Allocation Mechanism (“MCAM”) was approved by  
10 D.22-05-015. The resources subject to MCAM cost recovery follow the decision’s requirements  
11 to recover MCAM costs using PCIA cost recovery in PABA vintage 2019,<sup>1</sup> with the exception of  
12 costs that are required to be recovered in the MCAM balancing account (“MCAMBA”)<sup>2</sup> or are  
13 subject to a Cost Allocation Mechanism (“CAM”) via the Local Generating Balancing Account  
14 (“LGBA”).<sup>3</sup> The PABA cost recovery treatment includes credits to PABA for the market value of  
15 any MCAM resources that are forecasted to be used for SDG&E’s resource adequacy compliance  
16 requirements, using the same process that is used for other resources recovered in PABA.

17           The forecasted actual costs, generation volumes and the CAISO net revenues are provided  
18 by SDG&E’s witness Mr. Elias. Each of the PCIA-eligible resources is identified as belonging to  
19 a specific year, called the resource’s “vintage,” which corresponds to the year in which the  
20 contract was executed or the year in which the UOG resource commenced operations. In most  
21 situations, the costs, generation, CAISO net revenues, sales revenues, and market value of

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<sup>1</sup> Per D.22-05-015, Ordering Paragraph (“OP”) 4.

<sup>2</sup> *Id.* at OP 2.

<sup>3</sup> *Id.* at OP 10.

1 attributes are assigned the vintage of the generating resource, unless they are required to have a  
2 different cost recovery per another CPUC decision. In D.20-05-006, the Commission ordered a  
3 “non-vintaged” subaccount to be established in PABA for the purpose of allocating certain costs  
4 to all PCIA-eligible customers without limiting recovery to the timeline of the resource vintage.  
5 In this forecast filing, SDG&E has included one contract in this new subaccount that is subject to  
6 the non-vintaged treatment.

7         In addition, for this 2025 ERRRA forecast filing and going forward, SDG&E has placed the  
8 O&M related to the UOG resources mentioned above in the non-vintaged PABA subaccount.  
9 These O&M costs are approved in SDG&E’s GRC and relate to the primary operations of  
10 SDG&E’s Procurement group. In the past these costs have been recovered through the  
11 corresponding vintages of the UOG resources because the cost recovery for UOG in the GRC  
12 filing is requested as a lump sum. Because these costs are associated with the energy scheduling,  
13 CAISO management, contract origination, and settlement activity of SDG&E’s entire portfolio  
14 and not only the UOG resources, SDG&E has carved out the O&M portion of the UOG lump sum  
15 costs and included it in the non-vintaged subaccount. Pacific Gas & Electric Company (“PG&E”)  
16 raised a similar issue in its prehearing conference statement to address Fixed Generation Costs that  
17 it submitted in Track 2 of its Application (“A.”) 23-05-012, where it identified a cost shift in its  
18 Energy Supply Administration (“ESA”) costs. In its statement, PG&E proposed to recover 100%  
19 of its ESA costs through its Legacy UOG vintage PCIA subaccount to ensure that the  
20 administration costs “are equitably recovered from a broader set of customers.”<sup>4</sup> This change will  
21 more fairly distribute these costs and prevent cost-shifting between customer groups as load  
22 departs. At the time of this filing, SDG&E is awaiting a decision in its current GRC Application

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<sup>4</sup> A.23-05-012, Prehearing Conference Statement of PG&E (January 5, 2024) at 5.

1 (A.22-05-016) which may affect the amount of O&M described in this section. If SDG&E  
2 receives a decision which changes the amount of O&M revenue requirement, this amount will be  
3 updated in the October Update filing.

4 **III. PCIA BENCHMARKS**

5 Pursuant to D.22-01-023, Energy Division issues updated PCIA market price benchmarks  
6 (“MPB”) in the beginning of October. This May filing of the 2025 ERRA Forecast uses the latest  
7 available benchmarks to calculate PCIA, shown in Table 1 below, that were received from Energy  
8 Division on October 2, 2023. In October of 2024, Energy Division will issue new benchmarks,  
9 and SDG&E will submit an updated 2025 ERRA Forecast in its October Update incorporating the  
10 new benchmarks, and Table 1 below will be updated accordingly.

11 **Table 1 – 2024 SDG&E Forecast Adders**

12

Energy Index On-Peak	\$68.30 (\$/MWh)
Energy Index Off-Peak	\$62.59 (\$/MWh)
System RA	\$15.23 (\$/kW-month)
Local RA	\$8.60 (\$/kW-month)
Flexible RA	\$9.12 (\$/kW-month)
Renewable Portfolio Standard (“RPS”) adder – REC	\$31.73 (\$/MWh)

13  
14 D.23-06-006 requires SDG&E to calculate a factor to be multiplied by the Commission-  
15 provided energy benchmarks, as described in Appendix B of the decision. The factor is a measure  
16 of the difference between a three-year historical average of actual energy revenues received for  
17 PCIA resources and the actual average CAISO SP15 day ahead market prices. In accordance with  
18 D.23-06-006, SDG&E has completed its calculation of its weighting factors to be used in its 2025  
19 ERRA Forecast filing, using historical data from the last three full years (2021, 2022, and 2023).  
20 This calculation is provided in the file “CONFIDENTIAL SDG&E 2025 ERRA Forecast Energy  
21 Index calculation workpaper”.

1 SDG&E then used the issued on-peak and off-peak forecast energy indexes together with  
2 the updated energy factor to calculate the forecasted weighted average price of the energy  
3 component of the contract attributes. This price is then multiplied by the forecasted hourly  
4 generation for each resource to calculate the expected market value of the PCIA resource  
5 generation in 2025. This expected market value represents the amount of CAISO revenue that  
6 SDG&E expects to receive for its PCIA resources, including contracted resources and UOG. This  
7 amount is presented in Ms. Felan’s testimony in Table 8 “PABA revenue requirement,” labeled  
8 “Supply ISO Revenues.” The actual CAISO revenues will be recorded in PABA each month  
9 when they are received by SDG&E, and the revenue will partially offset the costs of the PCIA  
10 resources.

11 To calculate the forecast market value of the RA attributes of the resources, each resource  
12 is assigned to one of the Local, Flex, or System RA categories, based on the RA category that the  
13 resource most commonly serves, and if a resource serves more than one category, Local is  
14 assigned first if applicable, then Flex, and then System. The most updated monthly net qualifying  
15 capacity (“NQC”) listing is obtained from the CAISO website, and an average monthly NQC  
16 value for each resource is calculated. The resource’s NQC value is then multiplied by the  
17 assigned RA benchmark to calculate the forecasted market value of the RA for 2025. Adjustments  
18 are made for RA forecasted to be sold during the year. Additional adjustments are made to  
19 account for the amount of RA actually expected to be needed for compliance after taking departed  
20 load into consideration, if necessary. The resulting forecast market value for contract resources is  
21 then included in the ERRA revenue requirement as an expense, as it represents the value of the RA  
22 attributes which SDG&E retained to use for the RA compliance obligations on behalf of its  
23 bundled customers. The market value associated with UOG resources is excluded from ERRA

1 because the UOG costs are recovered in NGBA, and were previously approved for recovery in  
2 D.19-09-051, which approved SDG&E's 2019 GRC Application (A.17-10-007).

3 D.22-06-050 adopted a 24-hour slice of day ("SOD") approach to RA program  
4 requirements. It is possible that in the future, the PCIA methodology for RA may need to be  
5 changed to accommodate the SOD approach. At the time of this filing, however, no changes to  
6 the PCIA RA methodology for SOD have been discussed in front of the Commission, and  
7 therefore no changes have been approved. SDG&E is therefore making no such changes to the  
8 PCIA methodology for RA in this filing, and the methodology is consistent with prior years'  
9 filings.

10 To calculate the forecasted market value of the REC attributes of the resources, the  
11 applicable REC benchmark is applied to the 2025 forecasted generation expected to provide the  
12 required compliance instruments for SDG&E's bundled customers. The resulting forecasted  
13 market value for contract resources is then included in the ERRA revenue requirement as an  
14 expense, as it represents the value of the REC attributes which SDG&E is forecasting to retain to  
15 use for the Renewable Portfolio Standard ("RPS") compliance obligations on behalf of its bundled  
16 customers. As with the RA value discussed above, the market value associated with RECs from  
17 UOG generation is excluded from ERRA and recovered in NGBA. The total of the REC and RA  
18 market values for contracts is included in Ms. Felan's testimony in Table 1 labeled "ERRA  
19 Revenue Requirement," on line 3 "non-CTC contract costs," and also mentioned in Ms.  
20 Wissman's testimony as part of the "up-to-market" energy procurement costs recovered in ERRA.

21 At the time of this filing, SDG&E is forecasting to have sufficient RECs from its 2025  
22 voluntary allocations to cover RPS obligations, but will continue to monitor the situation. If it  
23 appears that SDG&E will need to utilize a small amount of its previously banked RECs, it will be  
24 included in the October Update to this filing.



1 **IV. VOLUNTARY ALLOCATIONS OF REC ATTRIBUTES**

2 Pursuant to D.21-05-030, D.22-01-004, and its approved Advice Letters (“AL”) 4121-E  
3 and 4257-E, SDG&E includes forecasted RPS allocations in this 2025 forecast application. These  
4 allocations include short-term and long-term RPS contracts with the Load-Serving Entities  
5 (“LSE”) in SDG&E’s territory that voluntarily elected to receive PCIA RPS allocations.

6 In addition, this forecast also assumes that SDG&E will take 100% of its own REC  
7 allocations in 2025. Forecasts of allocations are based upon the forecasted generation of resources  
8 in the allocation pool, multiplied by the percentage of load and elections for each LSE contract,  
9 and applying the 2024 forecasted RPS MPB. Forecasted allocation revenues are reflected in the  
10 PABA revenue requirement in this filing. Pursuant to D.22-11-021, any forecasted generation in  
11 excess of SDG&E’s allocations to itself that is not sold or allocated to any other LSE will not be  
12 included in the market value expense forecasted in ERRA.

13 **V. MARKET OFFER OF REC ATTRIBUTES**

14 Pursuant to D.21-05-030 and approved advice letters 3983-E, 4117-E, 4126-E, 4188-E,  
15 4249-E, 4250-E, SDG&E has implemented its PCIA market offer process for RPS products that  
16 were not previously allocated as part of the PCIA voluntary allocation process. SDG&E has  
17 executed contracts for both short-term and long-term market offers, which will be active in 2025.  
18 Accordingly, SDG&E has included the associated forecasted revenues in this filing, which are  
19 reflected in the PABA revenue requirement.

20 **VI. ADDITIONAL RPS REQUEST FOR OFFERS**

21 The Commission has granted SDG&E authorization to conduct an RPS solicitation to  
22 purchase additional renewable resources to meet its compliance requirements.<sup>5</sup> The purpose of

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<sup>5</sup> D.23-12-008 at OP 14.

1 holding such a solicitation would be to ensure that SDG&E has enough Portfolio Content  
2 Category (“PCC”) 1 RECs to remain in compliance with RPS program requirements.

3 At this time, SDG&E does not foresee a shortage of RECs for 2025, and therefore does not  
4 plan to launch an additional solicitation in 2024 to procure 2025 renewable energy. Accordingly,  
5 no additional contract costs are included in this 2025 forecast. If, however, an RPS solicitation is  
6 launched or completed before the October Update of this application, any resulting contract costs  
7 will be included in my October Update testimony.

## 8 **VII. GREEN TARIFF SHARED RENEWABLES**

9 A history of Senate Bill (“SB”) 43, which was intended to expand access to renewable  
10 energy to ratepayers, is provided in Ms. Wissman’s testimony. Until August 2022, SDG&E  
11 provided its bundled customers with the option to purchase 100% renewable energy through the  
12 Green Tariff Shared Renewables (“GTSR”) program, branded at SDG&E as EcoChoice. The  
13 EcoChoice option enabled customers to purchase renewable energy from contracted solar  
14 resources that have been dedicated to the program, which included Midway Solar and Wister  
15 Solar. The costs for these resources were to be recovered in the Green Tariff Shared Renewable  
16 Balancing Account (“GTSRBA”).

17 On August 25, 2022, the CPUC issued a Ruling that granted SDG&E’s request for  
18 authorization to temporarily suspend its EcoChoice program.<sup>6</sup> This order suspended the  
19 EcoChoice option to new participants and directed SDG&E to quickly disenroll customers from  
20 the EcoChoice program. Because there will be no EcoChoice participation in 2025, no contract  
21 costs for GTSRBA are included in this 2025 ERRRA forecast. The two dedicated resources  
22 mentioned above are instead included in the standard PCIA cost allocation process.

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<sup>6</sup> A.22-05-023, Administrative Law Judge’s Ruling Granting Request for Green Tariff Suspension (August 25, 2022) at OP 1.

1 SB 43 codified in Public Utilities Code Section 2833(t) states,

2 A participating utility shall, in the event of participant customer attrition or other  
3 causes that reduce customer participation or electrical demand below generation  
4 levels, apply the excess generation from the eligible renewable energy resources  
5 procured through the utility's green tariff shared renewables program to the utility's  
6 renewable portfolio standard procurement obligations or bank the excess generation  
7 for future use to benefit all customers in accordance with the renewables portfolio  
8 standard banking and procurement rules approved by the commission.

9 Pursuant to this mandate, SDG&E has included the forecasted generation from both of its green  
10 tariff dedicated generators in the cost recovery mechanism used for its RPS eligible contracts,  
11 namely ERRA and PABA through the PCIA process.

12 The Enhanced Community Renewables ("ECR") program was also established under  
13 AB43, which allowed customers to purchase a share of a community renewable project. The  
14 Commission issued a Proposed Decision in A.22-05-022 on March 3, 2024 that would, if adopted,  
15 discontinue the ECR program to new projects. SDG&E does not currently have any ECR projects,  
16 and so this requirement would effectively terminate SDG&E's ECR program.

#### 17 **VIII. SALES OF RESOURCE ADEQUACY**

18 Pursuant to D.22-05-015, SDG&E has signed bilateral sales agreements with LSEs in its  
19 territory to sell resource adequacy from resources subject to MCAM cost recovery. D.23-12-014  
20 further refined this directive by ordering the IOUs to revise the methodology of calculating the  
21 amount of MCAM RA that was to be sold to each LSE, effectively raising the amount of RA  
22 available for sale beginning on January 1, 2025. On April 2, 2024, SDG&E filed AL 4421-E with  
23 amendments to its original MCAM RA sales contracts. The MCAM volumes that are estimated to  
24 be sold for 2025 delivery pursuant to these decisions are removed from the vintage 2019 capacity  
25 volumes in the calculation of the PCIA indifference amount. The sales revenues are forecasted for  
26 cost recovery according to the accounting described above in my testimony.

1 SDG&E may also sell 2025 resource adequacy from non-MCAM contracts, but at this time  
2 the amount that will be sold is unknown and no contracts have been signed. For its 2024 ERRRA  
3 Forecast proceeding, SDG&E was directed in D.23-12-021 by the Commission to use the 2023  
4 average of actual RA sales as a basis for calculating the 2024 forecast RA sales.<sup>7</sup> However, that  
5 method was not prescribed for future forecast proceedings.<sup>8</sup>

6 As SDG&E's witness Mr. Elias states in his testimony, SDG&E has estimated sales of  
7 excess RA in addition to the MCAM RA sales, using a methodology that takes into consideration  
8 hourly constraints by month, an estimated Planning Reserve Margin, and allowing for  
9 uncertainties around unplanned outages, additional load departure, and Slice of Day  
10 implementation. Adding to the uncertainty is the fact that neither SDG&E nor the LSEs in its  
11 territory know yet what their RA requirements are for 2025, and whether the RA market in 2025  
12 will experience high demand, lower demand, or perhaps high demand only for specific types of  
13 RA products to satisfy the new Slice of Day requirements.

14 The estimated sales from PCIA-eligible resources are incorporated into the PCIA  
15 calculation in the corresponding vintages. As Mr. Elias states in his testimony, SDG&E expects  
16 some of the uncertainty surrounding RA to be resolved by the time it files its October Update, and  
17 any necessary refinements or revisions to forecasted RA expenses or revenues will be incorporated  
18 in its October Update filing.

19 **IX. MONTHLY ACCOUNTING FOR REC AND RA MARKET VALUES, AND**  
20 **ANNUAL TRUE-UP**

21 Accruals for the estimated REC and RA market values of PCIA eligible resources are  
22 recorded monthly to PABA and ERRRA by SDG&E's Settlements & Systems group as part of the

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<sup>7</sup> D.23-12-021 at OP 10.

<sup>8</sup> *Id.*

1 monthly accounting close process. Pursuant to D.19-10-001, these amounts will be adjusted when  
2 the final 2024 benchmarks are received from Energy Division later this year. The October Update  
3 filing of my testimony will include a true-up of the REC and RA market values recorded during  
4 January-August 2024, to reflect the updated benchmarks. This true-up will be included in the  
5 October Update of the forecasted PABA year-end balance in my testimony.

6 However, SDG&E notes that as of the filing of this Application, market prices for RECs  
7 and RA are significantly higher than the current benchmarks. If these higher prices continue,  
8 SDG&E is concerned that the current RA MPB methodology could result in materially higher  
9 benchmarks in October, and in turn, materially higher bundled rates for 2025. SDG&E will  
10 continue to monitor the situation and reserves the right to seek appropriate relief in the course of  
11 this proceeding, including but not limited to, requesting Commission authorization to adopt an  
12 alternative ratesetting scenario that would allow SDG&E to continue the use of the 2024 system  
13 RA MPB for 2025 ratesetting purposes.<sup>9</sup>

14 **X. OTHER COSTS RECOVERED IN PABA**

15 As SDG&E's witness Mr. Elias describes in his testimony, this forecast of the 2025 PABA  
16 revenue requirement includes the natural gas fuel costs and associated Greenhouse Gas ("GHG")  
17 expenses for PCIA-eligible conventional resources. These costs are included in the PCIA as part  
18 of the above-market cost calculation of the gas-fired resources in their respective vintages.

19 In addition, SDG&E is including the 2024 PABA year-end forecasted balance of  
20 [REDACTED] million in its 2025 Indifference Amount, pursuant to D.19-10-001 which authorized  
21 the PABA prior year-end balance recovery through that mechanism. The 2024 PABA forecasted  
22 year-end balance is calculated using three months of actual data and nine months of forecasted

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<sup>9</sup> SDG&E understands that PG&E intends to make a similar request in its 2025 ERRA Forecast Application filed on May 15, 2024.

1 data, and it has been adjusted to include only the amount of Investment Tax Credits relating to  
 2 PABA-eligible resources that SDG&E will be including in rates in 2025. It is presented in  
 3 Attachment C to my testimony, and mentioned by SDG&E’s witnesses Ms. Wissman and Ms.  
 4 Felan.

5 **XI. SUMMARY**

6 A summary of the total 2025 forecasted PCIA above market cost (without franchise fees  
 7 and uncollectibles) is shown in Table 2 below. The CAISO revenues, fuel, GHG costs, and total  
 8 PABA revenue requirement shown below are also referenced in Ms. Felan’s testimony.

9 **Table 2 – 2025 PCIA Forecast Summary**

	PCIA Components	2025 Forecast (in millions)
1.	PCIA contract costs	█
2.	PCIA UOG costs	\$204
3.	Generation fuel cost	█
4.	Direct GHG costs	█
5.	Less VAMO REC market offer sales	█
6.	Less RA sales	█
7.	Less VAMO REC allocations	█
8.	Less contract PCIA REC market value	(\$47)
9.	Less contract PCIA RA market value	(\$50)
10.	Less UOG PCIA RA market value	(\$81)
11.	Less CAISO supply revenues	█
12.	= Total Indifference Amount revenue requirement	█

10 This concludes my prepared direct testimony.  
 11  
 12

1 **XII. QUALIFICATIONS**

2 My name is Sheri Miller. My business address is 8315 Century Park Court, San Diego,  
3 CA 92123. I am employed by SDG&E as a Principal Settlement Advisor in the Settlements &  
4 Systems group in the Energy Supply organization. My responsibilities include writing and  
5 reviewing ERRA witness testimony and advising on regulatory and legislative matters that impact  
6 SDG&E's energy and gas procurement settlements and cost recovery processes.

7 I joined SDG&E in October 2000, and since that time, I have held various positions at  
8 SDG&E including Senior Accountant, Principal Accountant, and Settlements Manager. I have  
9 experience with many aspects of SDG&E's accounting processes, including approving the gas and  
10 electric commodity invoices and overseeing the reporting processes.

11 I received a Bachelor of Science degree in Accounting and a Masters of Business  
12 Administration from National University. I am also a Certified Public Accountant licensed in the  
13 state of California.

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

**ATTACHMENT A**

**DECLARATION OF SHERI MILLER**



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

**DECLARATION  
OF SHERI MILLER**

**A.24-05-XXX**

**Application of San Diego Gas & Electric Company (U 902-E)  
for Approval of Its 2025 Electric Procurement Revenue Requirement Forecast, 2025  
Electric Sales Forecast, and GHG-Related Forecasts**

I, Sheri Miller, declare as follows:

1. I am a Principal Settlements Advisor for San Diego Gas & Electric Company (“SDG&E”). I included my Prepared Direct Testimony (“Testimony”) in support of SDG&E’s May 15, 2024 Application for Approval of its 2025 Electric Procurement Revenue Requirement Forecasts, 2025 Electric Sales Forecast, and GHG-Related Forecasts (“Application”). Additionally, as a Principal Settlements Advisor, 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. This Declaration is meant to apply to my testimony and workpapers, and also certain duplicate tabs in Ms. Wissman’s workpapers. 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>Location of Protected Information</b>	<b>Matrix Reference</b>	<b>Reason for Confidentiality and Timing</b>
Amounts highlighted in yellow in Table 2 of testimony named “2025 PCIA Forecast Summary”	II.B.1 II.B.4	Generation Cost Forecasts of Utility Retained Generation, confidential for three years Generation Cost Forecast of Non-QF Bilateral Contracts; confidential for three years
Cells highlighted in yellow in Attachment C “Forecasted 2024 Year End Balance of PABA”	II.B.1 II.B.3 II.B.4 IV.A IV.F XI	Generation Cost Forecasts of Utility Retained Generation, confidential for three years Generation Cost Forecast of QF Contracts; confidential for three years Generation Cost Forecast of Non-QF Bilateral Contracts; confidential for three years Forecast of IOU Generation Resources; confidential for three years Forecast of Post-1/1/2003 Bilateral Contracts; confidential for three years Detail of monthly variable cost on energy and utility operation (ERRA filings)
Cells highlighted in yellow in the spreadsheet named “CONFIDENTIAL PCIA 2025 ERRA forecast workpapers_Miller.xlsx”, tab ‘Utility Owned Generation’	IV.A	Forecast of IOU Generation Resources; confidential for three years

<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.

<b>Location of Protected Information</b>	<b>Matrix Reference</b>	<b>Reason for Confidentiality and Timing</b>
Cells highlighted in yellow in the spreadsheet named “CONFIDENTIAL PCIA 2025 ERRA forecast workpapers_Miller.xlsx”, tab ‘Workpaper IOU TPS’	II.B.I	Generation Cost Forecasts of Utility Retained Generation, confidential for three years
Cells highlighted in yellow in the spreadsheet named “CONFIDENTIAL PCIA 2025 ERRA forecast workpapers_Miller.xlsx”, tab ‘IOU Total Portfolio summary’.  Cells highlighted yellow in the spreadsheet named “CONFIDENTIAL-PCIA Rates Model_2025 ERRA Forecast May”, tab ‘IOU Total Portfolio Summary’.	II.B.I	Generation Cost Forecasts of Utility Retained Generation, confidential for three years
Cells highlighted in yellow in the spreadsheet named “CONFIDENTIAL PCIA 2025 ERRA forecast workpapers_Miller.xlsx”, tab ‘Indifference Amount Calc’.  Cells highlighted in yellow in the spreadsheet named “CONFIDENTIAL-PCIA Rates Model_2025 ERRA Forecast May”, tab ‘Indifference Amount Calc’.	II.B.I	Generation Cost Forecasts of Utility Retained Generation, confidential for three years
Cells highlighted in yellow in the spreadsheet named “CONFIDENTIAL SDG&E 2025 ERRA Forecast Energy Index calculation workpaper”, tabs ‘Weight calculation’ and ‘volumes and revenues’.	XI	Detail of monthly variable cost on energy and utility operation (ERRA filings)

4. I am not aware of any instances where the Protected Information has been disclosed to the public. To my knowledge, no party, including SDG&E, has publicly revealed any of the Protected Information.

5. SDG&E will comply with the limitations on confidentiality specified in the Matrix for the Protected Information.

6. The Protected Information cannot be provided in a form that is aggregated, partially redacted, or summarized, masked or otherwise protected in a manner that would allow further disclosure of the data while still protecting confidential information.

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

Executed this 15th day of May 2024, in San Diego, California.

*Sheri Miller*

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Sheri Miller  
Principal Settlements Advisor  
San Diego Gas & Electric Company

**ATTACHMENT B**

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

I, Aaron Franz, do declare as follows:

1. I am the Manager of the Settlements & Systems department for San Diego Gas & Electric Company (“SDG&E”). I have been delegated authority to sign this declaration by Adam Pierce, Vice President of Energy Procurement & Rates. I have reviewed Sheri Miller’s Prepared Direct Testimony (“Testimony”) in support of SDG&E’s “Application of San Diego Gas & Electric Company (U 902-E) for Approval of its 2025 Electric Procurement Revenue Requirement Forecast, 2025 Electric Sales Forecast, and GHG-Related Forecasts” (“Application”). I am personally 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 my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decisions (“D.”) 14-10-003, D.16-08-024, D.17-05-035, and D.17-09-023 to demonstrate that the confidential information (“Protected Information”) provided in the Testimony is within the scope of data protected as confidential under applicable law.

3. In accordance with the legal authority described herein, 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 15th day of May, 2024, at San Diego.

*Aaron Franz*

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Aaron Franz  
Manager, Settlements & Systems

# ATTACHMENT A

## SDG&E Request for Confidentiality on the following information in its Application for Approval of Its 2025 Electric Procurement Revenue Requirement Forecasts and GHG- Related Forecasts

Location of Protected Information	Legal Authority	Narrative Justification
Table 2, line 4: Direct GHG Costs	D.14-10-033; D.16-08-024; D.17-05-035; D.17-09-023; Public Utilities Code Section 454.5(g).  California Code of Regulations, Title 17, Section 95914(c)(1)	GHG emissions forecasts: Providing these forecasts to market participants would allow them to know SDG&E's forecasted GHG obligation, thereby compromising SDG&E's contractual bargaining power such that customer costs are likely to rise. Thus, the release of this non-public confidential information will unjustifiably allow market participants to use this information to the disadvantage of SDG&E's customers.

**ATTACHMENT C**

**FORECASTED 2024 YEAR END BALANCE OF PABA**

**CONFIDENTIAL**



SAN DIEGO GAS & ELECTRIC  
ATTACHMENT C  
FORECASTED 2024 YEAR END PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) BALANCES  
(THOUSANDS OF DOLLARS)

No.	Non-Interest	Yr 2020	Yr 2021	Yr 2022	Yr 2023	Yr 2024	Yr 2025	Yr 2026	Yr 2027	Yr 2028	Yr 2029	Yr 2030	Yr 2031	Yr 2032	Yr 2033	Yr 2034	Yr 2035	Yr 2036	Yr 2037	Yr 2038	Yr 2039	Yr 2040	Yr 2041	Yr 2042	Yr 2043	Yr 2044	Yr 2045	Total
1	<b>Recorded Balances from January through March 2024 (a)</b>																											
2	Beginning Balances																											
3	Portfolio Costs																											
4	Brown Power Market Value																											
5	Imputed REC Market Value																											
6	Imputed RA Market Value																											
7	PC&S Bid Customer Revenue																											
8	O&M and Capital Costs																											
9	Interest																											
10	Transfers																											
11	Activity Jan through March																											
12	Balances as of March 31, 2024																											
13	<b>Forecasted April through December 2024 (b)</b>																											
14	Portfolio Costs																											
15	Brown Power Market Value																											
16	Imputed REC Market Value																											
17	Imputed RA Market Value																											
18	PC&S Bid Customer Revenue																											
19	REC MPS true up (October update only)																											
20	RA MPS true up (October update only)																											
21	LOG REC MPS true up (October update only)																											
22	LOG RA MPS true up (October update only)																											
23	PC&S Voluntary Allocation Sales MPS true up (October update only)																											
24	O&M and Capital Costs																											
25	Interest																											
26	Forecasted April through December 2024 Activity																											
27																												
28	<b>Year-End 2024 Forecast (c, d, e, f)</b>																											
29	Portfolio Costs																											
30	Brown Power Market Value																											
31	Imputed REC Market Value																											
32	Imputed RA Market Value																											
33	PC&S Bid Customer Revenue																											
34	REC MPS true up (October update only)																											
35	RA MPS true up (October update only)																											
36	PC&S Voluntary Allocation Sales MPS true up (October update only)																											
37	O&M and Capital Costs																											
38	Interest																											
39	Transfers																											
40	Total 2024 actual & forecast activity																											
41	Beginning balance																											
42	Total Year-End Balance Forecast																											
43	Adjustment to remove the 2025 portion of REC credit amortization amount																											
44	<b>Adjusted Year-End Balance Forecast</b>																											