

Application No.: 20-06-  
Exhibit No.: \_\_\_\_\_  
Witness: Scott Lewis  
Date: June 1, 2020

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**PREPARED DIRECT TESTIMONY OF**  
**SCOTT LEWIS**

**PUBLIC VERSION**

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



**June 1, 2020**

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## ACRONYM GLOSSARY

AB	Assembly Bill
ARB	California Air Resources Board
BPP	Bundled Procurement Plan
CAISO	California Independent System Operator
CAM	Cost Allocation Mechanism
CARB	California Air Resources Board
CEMS	Continuous Emissions Monitoring System
CO <sub>2</sub> e	Carbon Dioxide Equivalent
CUYAMACA	Cuyamaca Peak Energy Plant
CYCG	Czamecki-Yester Consulting Group LLC
DESERT STAR	Desert Star Energy Center
EEC	Escondido Energy Center
EECC	Electric Energy Commodity Cost
ENVOY	ENVOY is dashboard-styled web interface for managing natural gas supplies
EPE	Electric Power Entity; The EPE Report contains all import/RPS Adjustment Data submitted to ARB
ERRA	Energy Resource Recovery Account
GHG	Greenhouse Gas
IOU	Investor Owned Utility
LTPP	Long-Term Procurement Plan
MIRAMAR	Miramar Energy Facility I & Miramar Energy Facility II
MIRAMAR I	Miramar Energy Facility I
MIRAMAR II	Miramar Energy Facility II
MT	Metric Ton
MWh	Megawatt hour
OAL	Office of Administrative Law
OMAR	Operational Meter Analysis and Reporting (CAISO Online Metering System)
OMEC	Otay Mesa Energy Center
ORANGE GROVE	Orange Grove Energy Center
PALOMAR	Palomar Energy Center
PPA	Power Purchase Agreement
QA/QC	Quality Assurance/Quality Control
QCR	Quarterly Compliance Report
QFs	Qualifying Facilities
RPS	Renewable Portfolio Standard
SDG&E	San Diego Gas & Electric Company
UOG	Utility Owned Generation
WAC	Weighted Average Cost
YCA	Yuma Cogeneration Associates

**PREPARED DIRECT TESTIMONY OF  
SCOTT LEWIS  
ON BEHALF OF SDG&E**

**I. INTRODUCTION**

This testimony presents San Diego Gas & Electric Company’s (“SDG&E”) procurement of Greenhouse Gas (“GHG”) compliance instruments during the record period of January 1, 2019 through December 31, 2019 for compliance with California’s Cap-and-Trade Program and recently issued Decision (“D.”) 19-04-016, inclusive of its Attachment C, which requires the submission of Templates C-1 and D-2 with relevant data applicable to the 2019 record period.

By way of background, on May 6, 2019, the California Public Utilities Commission (“Commission”) issued Decision (“D.”) 19-04-016 which adopted a clarified Attachment C, which sets forth the methodology that each utility must follow to calculate their Weighted Average Cost (“WAC”) as well as the manner in which each utility presents and establishes compliance with that methodology. D.19-04-016 approved a Petition for Modification (“PFM”) submitted jointly by SDG&E, Pacific Gas and Electric Company (“PG&E”), and Southern California Edison Company (“SCE”), and upon the adoption of the PFM and its new Attachment C, the prior Commission decisions, D.14-10-033, as corrected in D.14-10-055 and D.15-01-024, inclusive of their versions of Attachment C, were superseded in their entirety. My testimony follows the newly issued WAC methodology established in D.19-04-016, Attachment C, and it includes Templates C-1 and D-2.

The following sections describe the Cap-and-Trade Program and demonstrate that: (1) SDG&E procured compliance instruments during the record period in a manner consistent with Track III of the Long-Term Procurement Plan (“LTPP”) Decision (“D.”) 12-04-046 and the related Commission-approved SDG&E 2014 Bundled Procurement Plan (“BPP”), implemented by SDG&E Advice Letter (“AL”) 2850-E; and (2) SDG&E has complied with the directives in

1 D.19-04-016.<sup>1</sup> Based on this showing, SDG&E requests that the Commission find that  
2 SDG&E’s 2019 GHG product procurement complies with: (1) D.12-04-046 and SDG&E’s BPP,  
3 and (2) the methodology and requirements of D.19-04-016.

## 4 **II. DEVELOPMENT OF CALIFORNIA’S CAP-AND-TRADE PROGRAM**

5 In 2006, Assembly Bill (“AB”) 32 became law. The bill requires California to lower  
6 GHG emissions to 1990 levels by 2020. To achieve AB 32’s goals, the California Air  
7 Resource’s Board (“CARB”) created a scoping plan that included multiple comprehensive  
8 actions. One such action was creating California’s Cap-and-Trade Program, intended to  
9 establish a market-based price for GHG emissions, provide market signals to promote investment  
10 in Energy Efficiency (“EE”) activities and encourage the use of low emitting electric generation  
11 to reduce GHG emissions. The Cap-and-Trade Program covers compliance years 2013 to 2030.  
12 The 2013-2020 compliance years are divided into three separate compliance periods:  
13 Compliance Period 1 (“CP1”) covers years 2013-2014; Compliance Period 2 covers years 2015-  
14 2017; and Compliance Period 3 covers years 2018-2020. Compliance periods for 2021-2030 are  
15 described in the recent Cap-and-Trade regulation.<sup>2</sup>

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<sup>1</sup> Greenhouse Gas product procurement is addressed in Track III of the Long-Term Procurement Plan Proceeding in D.12-04-046 at 40-59, Findings of Fact 12, 13; Conclusions of Law 8, 9, and Ordering Paragraphs 8-10. Appendix F of SDG&E’s Bundled Procurement Plan, which was originally approved in AL 2362-E-A, approved November 14, 2012 and effective October 11, 2012, by Resolution E-4543 and amended in AL 2831-E, approved January 26, 2016 and effective January 1, 2016, and later amended again in AL 2850-E-A, approved March 30, 2016 and effective February 19, 2016, addresses SDG&E’s Commission-approved plan of GHG product procurement. Sheets F-12, F-18 and F-24 of SDG&E’s BPP were additionally updated with SDG&E’s 2019 forecasts and limits in AL 3322-E, approved March 15, 2019 and effective December 13, 2018.

<sup>2</sup> See Section 95840 of the Cap-and-Trade Regulation for further details on Compliance Periods for 2021-2030. California Air Resources Board, *Article 5: California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms* at 109-110 available at [https://ww3.arb.ca.gov/cc/capandtrade/ct\\_reg\\_unofficial.pdf](https://ww3.arb.ca.gov/cc/capandtrade/ct_reg_unofficial.pdf)

1 CARB has set declining GHG Emissions Caps for each year of the program to provide a  
2 trajectory to achieve the State’s 2020 and 2030 GHG emissions goals. An Emission Cap equals  
3 the amount of California GHG allowances issued by CARB for that year. The program was  
4 designed so that allowances can be banked for use in future years. Future vintages, however,  
5 cannot be used to satisfy an obligation for a prior year.

6 Compliance instruments consist of GHG allowances and CARB-verified offsets, the  
7 latter of which is a verified reduction of GHG emissions from sectors outside the Cap-and-Trade  
8 Program. While one offset is equivalent to one allowance and can be used for compliance, their  
9 use is limited. For compliance years 2013 – 2020, no more than 8% of compliance year  
10 obligations can be fulfilled with offsets. Compliance years 2021-2025 have a 4% annual limit  
11 and years 2026-2030 have a 6% annual offset limit.<sup>3</sup>

12 **A. Covered Entities**

13 Emitters covered under the Cap-and-Trade Program must procure one Compliance  
14 Instrument for every metric ton (“MT”) of carbon dioxide equivalent (“CO<sub>2</sub>e”) that they emit.  
15 Only entities that exceed emissions thresholds and are in sectors covered by the program are  
16 subject to compliance. Entities subject to compliance are called Covered Entities.<sup>4</sup> Electric  
17 generators that exceed 25,000 MTs of emissions in a calendar year and electric imports are  
18 covered entities. As such, SDG&E must purchase Compliance Instruments for its imported  
19 power and for its Utility-Owned Generation (“UOG”) plants. Imported power includes generic  
20 out-of-state market purchases as well as specified power such as electricity generated from the

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<sup>3</sup> Note that offsets, although calculated annually, do not need to be surrendered until the end of the compliance period. *See id.* at 136.

<sup>4</sup> *See* Section 95811 of the Cap-and-Trade Regulation for further details on Covered Entities and Thresholds. *Id.* at 64-66.

1 SDG&E-owned Desert Star Energy Center and from SDG&E contracted Yuma Cogeneration  
2 Association (“YCA”). At the time of SDG&E’s updated 2019 GHG forecast within its BPP,  
3 SDG&E had two California UOG plants that were Covered Entities in the program: Palomar  
4 Energy Center and Miramar Energy Facility.<sup>5</sup> In addition, as a result of contractual agreements  
5 pursuant to its Purchased Power Agreements (“PPAs”), SDG&E has procurement obligations for  
6 various tolling agreements. For compliance years 2018 – 2021, SDG&E forecasted that it would  
7 have compliance obligations for the following tolling agreements: Otay Mesa Energy Center  
8 (“OMEC”),<sup>6</sup> Goal Line,<sup>7</sup> Pio Pico Energy Center, Carlsbad Energy Center, Orange Grove Energy  
9 and Escondido Energy Center.<sup>8</sup>

10 **B. LTTP Approved Procurement Methods**

11 The Commission recognized the utilities’ need to procure compliance instruments to  
12 fulfill requirements with California’s Cap-and-Trade Program. As a result, the Commission  
13 granted procurement authority of GHG compliance instruments along with limitations on  
14 procurement methodologies, vintages and volumetric limits in D.12-04-046 and in SDG&E’s

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<sup>5</sup> The Cuyamaca Peak Energy Plant which was a Covered Entity in CP1 (2013-2014), was verified to be below the 25,000 MT threshold for 2012-2014, thus making it eligible to be removed as a Covered Entity in the Cap-and-Trade program. The 2019 forecast continued to show Cuyamaca below the threshold.

<sup>6</sup> In October 2019, the OMEC-PPA expired and was replaced by a new capacity-only agreement which shifts the burden of purchasing compliance instruments back to Otay Mesa. As such Otay Mesa no longer contributes to SDG&E’s Cap-and-Trade Obligation portfolio, though it did contribute during 2018-2019. *See* AL 3476-E.

<sup>7</sup> In August 2019, Goal Line was removed from the Cap-and-Trade program as it emitted below the 25,000 MT threshold for an entire compliance period. This occurred during CP2 from 2015-2017. If, in any year Goal Line exceeds the threshold, it will re-enter the program as of that year and remain a covered entity through the end of that compliance period and the entire following compliance period.

<sup>8</sup> *See* AL 3322-E, approved March 15, 2019 and effective December 13, 2018 at Appendices, Sheet F-12, and AL 2850 E-A, approved March 30, 2016 and effective February 19, 2016 at Appendix F, Sheet F-12.

1 BPP. In accordance with SDG&E’s BPP, SDG&E is authorized to procure seller-guaranteed  
2 offsets through a Request for Offering (“RFO”) or via approved broker. SDG&E is also  
3 authorized to purchase and sell allowance futures via approved exchanges and allowances from  
4 CARB-run quarterly auctions and Price Containment Reserve Sales. For SDG&E’s 2019  
5 procurement period, the LTPP authorized purchases and sales of Vintages 2013 – 2021.  
6 SDG&E’s BPP GHG Limit for the 2019 procurement period was [REDACTED].<sup>9</sup>

7 **III. 2019 GHG COMPLIANCE INSTRUMENT PROCUREMENT**

8 SDG&E seeks the Commission’s determination in this proceeding that SDG&E’s  
9 procurement of GHG-related products during 2019 was in compliance with the Commission’s  
10 approach on GHG procurement, as stated in the Track III Decision of the LTPP Proceeding,  
11 D.12-04-046. In that Decision, the Commission issued a procurement limit regarding  
12 Compliance Instruments that “provides the utilities broad latitude, particularly giving them the  
13 opportunity to forward procure to the degree they believe compliance instrument prices are  
14 favorable, or to postpone procurement to when they believe pricing will become more  
15 favorable.”<sup>10</sup>

16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]

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<sup>9</sup> *Id.* at Sheets F-18 and F-19.

<sup>10</sup> D.12-04-046 at 57.

<sup>11</sup> *See* AL 3322-E, approved March 15, 2019 and effective December 13, 2018 at Appendices, Sheet F-18 and F-19, and AL 2850 E-A, approved March 30, 2016 and effective February 19, 2016 at Appendix F, Sheets F-18 and F-19.



1 [REDACTED] Actual settlement prices in 2019 for  
2 the Vintage 2019 quarterly auctions were \$15.73, \$17.45, \$17.16 and \$17.00. The Vintage 2022  
3 quarterly auctions typically settled at slightly lower prices: \$15.62, \$17.40, \$16.85 and \$16.80.  
4 SDG&E's procurement activity in 2019 is shown in Appendix A.

5 SDG&E purchased [REDACTED] and sold [REDACTED] of Compliance Instruments in the  
6 2019 procurement period; net purchases were [REDACTED], which was below SDG&E's limit of  
7 [REDACTED]. SDG&E's 2019 Quarterly Compliance Report ("QCR") Attachment Q tables in  
8 Appendix A herein show the specific transactions executed in 2019 and the individual costs  
9 associated with each transaction. SDG&E's total net cost spent on GHG procurement in 2019  
10 was [REDACTED].

11 See Appendix A for SDG&E's four 2019 QCR Attachment Q tables.

#### 12 **IV. 2019 GHG WAC AND MODIFIED TEMPLATE D-2**

13 SDG&E also seeks the Commission's determination in this proceeding that SDG&E has  
14 met the requirements of D.19-04-016's Revised Attachment C which states: "a utility's annual  
15 demonstration of compliance with the WAC methodology set forth in this Attachment is met by  
16 providing portions of Template D-2 as noted above and a completed Template C-1, consistent  
17 with the methodology provided in this Attachment C."<sup>12</sup>

18 SDG&E's 2019 WAC of Compliance Instruments and SDG&E's modified Template D-2  
19 are both presented in Appendix B and Appendix C of this testimony, respectively.

#### 20 **V. CONCLUSION**

21 SDG&E's procurement activity was consistent with the approach prescribed by the  
22 Commission in D.12-04-046, D.15-10-031, and SDG&E's BPP in Advice Letter 2850-E-A and

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<sup>12</sup> D.19-04-016 at Attachment A, C-16.

1 AL 3163-E, discussed above, for procuring GHG compliance instruments. SDG&E's showing  
2 of its 2019 WAC and modified Template D-2, also discussed above, is demonstrated herein as  
3 required by D.19-04-016's Revised Attachment C. Therefore, SDG&E requests that the  
4 Commission find that SDG&E complied with D.12-04-046, D.15-10-031, Commission-approved  
5 AL 2850-E-A and AL 3163-E, and D.19-04-016 based on the testimony provided herein for the  
6 record period January 1, 2019 through December 31, 2019.

7

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 This is my first written testimony submitted to the Commission. I have not previously  
15 testified before the Commission.

**APPENDIX A**

**QCR ATTACHMENT Q – GHG DEALS – Q1 2019**

**(CONFIDENTIAL)**

## APPENDIX A

### QCR Attachment Q - GHG DEALS - Q1 2019

Deal Number	Initiation Date*	Transfer Date*	Counter Party	Purchase or Sale	Total Volume (MT)	Average Price (\$/MT)	Notional Value (\$)	Vintage **	Product Type	Method of Transaction	Affiliate	Comments	Offset Project Type **	Offset Location **	Compliance Period Eligibility ***
[Redacted Data]															

For Auctions, Initiation Day is the Auction Date and Transfer Date is when SDG&E received the allowances

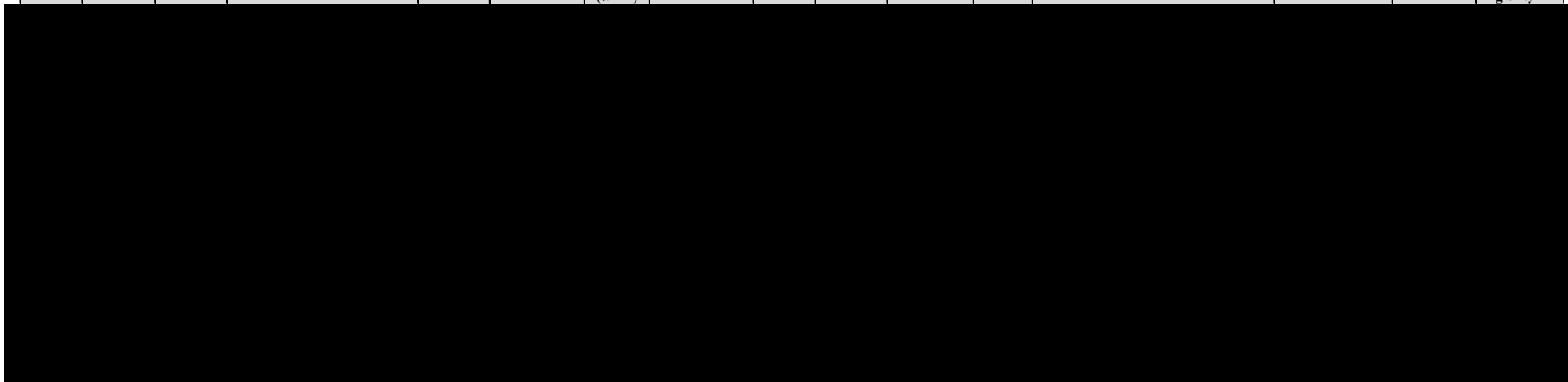
For Offsets and Bilateral transactions, Initiation Date is the date the confirm was signed or formal agreement was made and Transfer date is when SDG&E received/delivered the compliance instruments

\*\* Vintage, Offset Project Type and Offset Location are typically unknown at the time of transaction

\*\*\* Compliance Periods are as follows: CP1 is 2013-2014; CP2 is 2015-2017; CP3 is 2018-2020; CP4 is either 2021-2022 or 2021-2023 (depending on US EPA Clean Power Plan outcome)

**QCR Attachment Q - GHG DEALS - Q2 2019**

Deal Number	Initiation Date*	Transfer Date*	Counter Party	Purchase or Sale	Total Volume (MT)	Average Price (\$/MT)	Notional Value (\$)	Vintage **	Product Type	Method of Transaction	Affiliate	Comments	Offset Project Type **	Offset Location **	Compliance Period Eligibility ***
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\* Initiation Date refers to the date that SDG&E committed to the purchase/sale. The Transfer Date refers to the date SDG&E received/delivered the allowances/offsets.

For Auctions, Initiation Day is the Auction Date and Transfer Date is when SDG&E received the allowances.

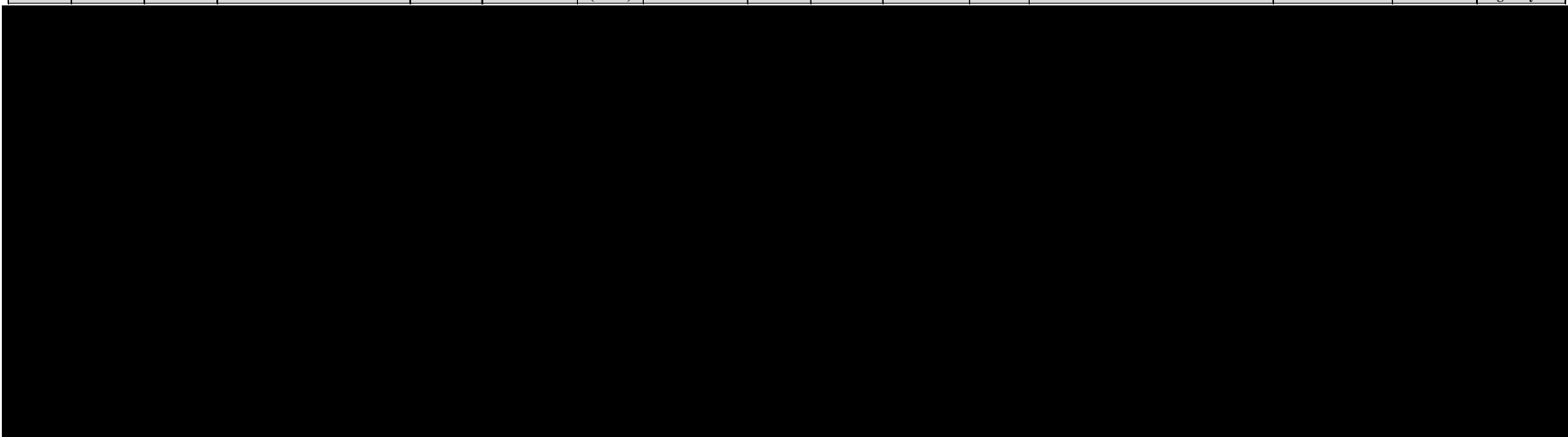
For Offsets and Bilateral transactions, Initiation Date is the date the confirm was signed or formal agreement was made and Transfer date is when SDG&E received/delivered the compliance instruments.

\*\* Vintage, Offset Project Type and Offset Location are typically unknown at the time of transaction.

\*\*\* Compliance Periods are as follows: CP1 is 2013-2014; CP2 is 2015-2017; CP3 is 2018-2020; CP4 is either 2021-2022 or 2021-2023 (depending on US EPA Clean Power Plan outcome).

**QCR Attachment Q - GHG DEALS - Q3 2019**

Deal Number	Initiation Date*	Transfer Date*	Counter Party	Purchase or Sale	Total Volume (MT)	Average Price (\$/MT)	Notional Value (\$)	Vintage **	Product Type	Method of Transaction	Affiliate	Comments	Offset Project Type **	Offset Location **	Compliance Period Eligibility ***
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\* Initiation Date refers to the date that SDG&E committed to the purchase/sale. The Transfer Date refers to the date SDG&E received/delivered the allowances/offsets

For Auctions, Initiation Day is the Auction Date and Transfer Date is when SDG&E received the allowances

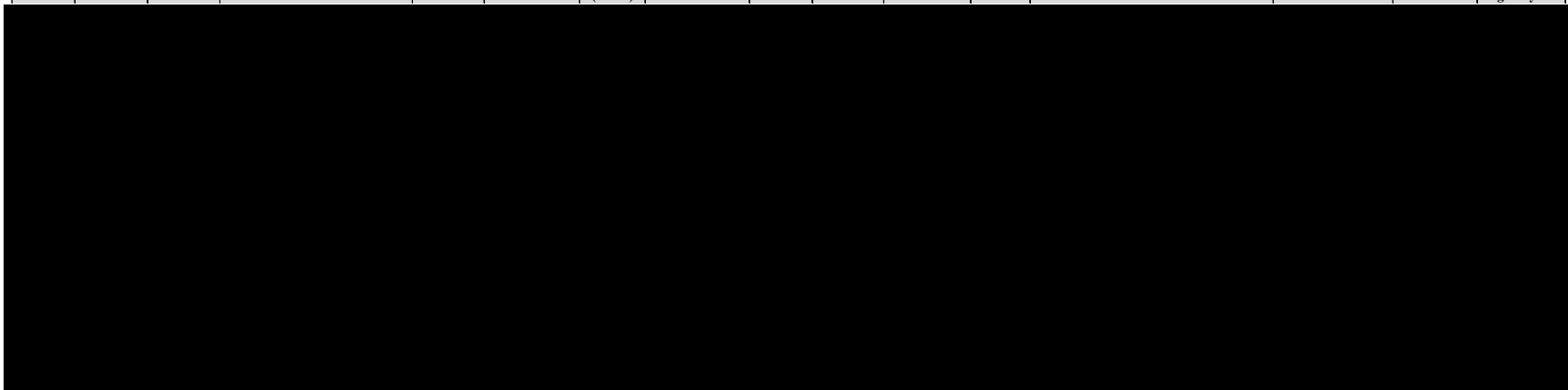
For Offsets and Bilateral transactions, Initiation Date is the date the confirm was signed or formal agreement was made and Transfer date is when SDG&E received/delivered the compliance instruments

\*\* Vintage, Offset Project Type and Offset Location are typically unknown at the time of transaction

\*\*\* Compliance Periods are as follows: CP1 is 2013-2014; CP2 is 2015-2017; CP3 is 2018-2020; CP4 is either 2021-2022 or 2021-2023 (depending on US EPA Clean Power Plan outcome)

**QCR Attachment Q - GHG DEALS - Q4 2019**

Deal Number	Initiation Date*	Transfer Date*	Counter Party	Purchase or Sale	Total Volume (MT)	Average Price (\$/MT)	Notional Value (\$)	Vintage **	Product Type	Method of Transaction	Affiliate	Comments	Offset Project Type **	Offset Location **	Compliance Period Eligibility ***
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\* Initiation Date refers to the date that SDG&E committed to the purchase/sale. The Transfer Date refers to the date SDG&E received/delivered the allowances/offsets.

For Auctions, Initiation Date is the Auction Date and Transfer Date is when SDG&E received the allowances.

For Offsets and Bilateral transactions, Initiation Date is the date the confirm was signed or formal agreement was made and Transfer date is when SDG&E received/delivered the compliance instruments.

\*\* Vintage, Offset Project Type and Offset Location are typically unknown at the time of transaction.

\*\*\* Compliance Periods are as follows: CP1 is 2013-2014; CP2 is 2015-2017; CP3 is 2018-2020; CP4 is either 2021-2022 or 2021-2023 (depending on US EPA Clean Power Plan outcome).



**APPENDIX B**

**SDG&E'S MONTHLY WAC CALCULATION**

**(CONFIDENTIAL)**

## APPENDIX B

### SDG&E's Monthly WAC Calculation<sup>13</sup>

(Calculation date of January 3, 2020)

Month	Transaction/Activity Details							Inventory Quantity and \$		WAC Pricing (\$/MT)	Direct GHG Costs		True-Ups	Monthly BA Entry
Month	Transaction Date	Transaction Type	Quantity Pur/(Sales) (MT)	Purchase \$ (\$/MT)	Sales \$ (\$/MT)	Total Cost (\$)	Total Sales (\$)	Inventory Balance (\$)	Total Qty in Inventory (MT)	WAC (\$/MT)	Direct Monthly Emissions (MT)	WAC x Direct Emissions Qty (\$)	True-Up Value +/- (\$)	Monthly Balancing Account Entries (\$)
Jan-19	1/1/2019	Surrender Event												
Jan-19														
Jan-19														
Jan-19														
Jan-19														
Jan-19	1/31/2019	Monthly Recording to ERRA												
Feb-19	2/1/2019	Surrender Event												
Feb-19														
Feb-19														
Feb-19														
Feb-19														
Feb-19	2/28/2019	Monthly Recording to ERRA												
Mar-19	3/1/2019	Surrender Event												
Mar-19														
Mar-19														
Mar-19														
Mar-19														
Mar-19	3/31/2019	Monthly Recording to ERRA												

<sup>13</sup> Compliance Period 3 covers years 2018-2020. The 2018 Monthly WAC Calculation was provided in the Prepared Direct Testimony of Ana Garza-Beutz (May 31, 2019) (“Garza-Beutz Direct Testimony”) at Appendix B.

Apr-19	4/1/2019	Surrender Event					
Apr-19							
Apr-19							
Apr-19							
Apr-19							
Apr-19							
Apr-19	4/30/2019	Monthly Recording to ERRA					
May-19	5/1/2019	Surrender Event					
May-19							
May-19							
May-19							
May-19							
May-19							
May-19	5/31/2019	Monthly Recording to ERRA					
Jun-19	6/1/2019	Surrender Event					
Jun-19							
Jun-19							
Jun-19							
Jun-19							
Jun-19							
Jun-19	6/30/2019	Monthly Recording to ERRA					
Jul-19	7/1/2019	Surrender Event					
Jul-19							
Jul-19							
Jul-19							
Jul-19							
Jul-19							
Jul-19	7/31/2019	Monthly Recording to ERRA					
Jul-19							



**APPENDIX C**

**SDG&E'S MODIFIED TEMPLATE D-2**

**(CONFIDENTIAL)**

**APPENDIX C**

SDG&E's Modified Template D-2  
(Calculation date of January 3, 2019)

**Template D-2: Annual GHG Emissions and Associated Costs**

Line	Description	2018	2019
		Recorded	Recorded (Estimate)
1	<b>Direct GHG Emissions (MTCO<sub>2</sub>e)</b>		
2	Utility Owned Generation (UOG)		
3	Tolling Agreements		
4	Energy Imports (Specified)		
5	Energy imports (Unspecified)		
6	RPS Adjustment		
7	Qualifying Facility (QF) Contracts Contract with Financial Settlement		
8	<b>Subtotal</b>		
15	<b>GHG Costs (\$)</b>		
16	Direct GHG Costs		
16.5	Direct GHG Costs True-Up for WAC approach		
17	Direct GHG Costs - Financial Settlement		

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

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

I, Elsa Valay-Paz, 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 Miguel Romero, Vice President of Energy Supply. I have reviewed Scott Lewis’ Prepared Direct Testimony (“Testimony”) in support of SDG&E’s June 1, 2020 “Application ... for Approval of ERRR Compliance of Record Period 2019” (“Application”). 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' Testimony is 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 1<sup>st</sup> day of June 2020, at San Diego.

/s/ Elsa Valay-Paz  
Elsa Valay-Paz  
Director of Origination, Energy Supply & Dispatch

# ATTACHMENT A

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

Location of Protected Information	Legal Citations	Narrative Justification
<p><b>1. SL-5, lines 7 and 18; SL-6, line 7</b></p> <p><i>(SDG&amp;E’s 2019 volumetric limit)</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>Idii. of Attachment A makes the following confidential: CPUC-approved procurement limits for compliance exposure and financial exposure</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&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; 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&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;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&amp;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&amp;E and its end-use ratepayers.</p>
<p><b>2. SL-5, lines 17-19; SL-6 lines 1-2</b></p>	<p>D.08-04-023</p> <p>D.14-10-033, D.16-08-024, D.17-05-035, D.17-09-023,</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>(SDG&amp;E's 2019 auction procurement strategy)</i></p>	<p>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>1a of Attachment A makes the following confidential: Utility AB 32 GHG auction participation, including but not limited to.... Auction bidding strategy</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&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; 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&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;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&amp;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&amp;E and its end-use ratepayers.</p>
<p><b>3. SL-6, lines 6, 7, and 11</b></p> <p><i>(SDG&amp;E’s 2019 Direct GHG procurement: volumes and cost)</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 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&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; 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&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;E “an opportunity to obtain a business advantage over competitors who do not know or use it.”</p>

	<p>1b of Attachment A makes the following confidential: Utility GHG compliance instrument inventories or quantities that can be used to derive GHG compliance instrument holdings</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&amp;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&amp;E and its end-use ratepayers.</p>
<p><b>4. Tables on SL-A-1, SL-A-2, SL-A-3, and SL-A-4</b></p> <p><i>(SDG&amp;E's 2019 Direct GHG procurement: volumes, prices and costs appear in Appendix A of Scott Lewis' 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>The GHG Confidential Information Matrix in Attachment A of D.14-10-033 and revised in D.15-01-024</p> <p>1b of Attachment A makes the following confidential: Utility GHG compliance instrument inventories or quantities that can be used to derive GHG compliance instrument holdings</p> <p>1c of Attachment A makes the following confidential: Negotiated contract terms of non-public contract terms of Utility AB32 GHG transactions</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&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; 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&amp;E's bidding/consignment strategies contain "commercial value," which gives SDG&amp;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&amp;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&amp;E and its end-use ratepayers.</p>

	Gov't Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.	
<p><b>5. <i>SDG&amp;E 2019 WAC prices and WAC calculations on SL-B-1 – B-3</i></b></p> <p><i>(The 2019 WAC calculations appear in Appendix B of Scott Lewis' 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>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&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; 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&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;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&amp;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&amp;E and its end-use ratepayers.</p>
<p><b>6. <i>Historical/Recorded UOG Emissions in Template D-2 on SL-C-1</i></b></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&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; B of D.15-10-032 require Auction-related information, forecasts of emissions intensity, forecasts of</p>

<p><i>(The 2018-2019 Recorded UOG Emissions appear in Appendix C of Scott Lewis’ 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 UOG emissions as confidential</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>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&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;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&amp;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&amp;E and its end-use ratepayers.</p>
<p><b>7. Historical/Recorded California Tolling Agreement Emissions in Template D-2 on SL-C-1</b></p> <p><i>(The 2018-2019 Historical Tolling Agreement Emissions appear in Appendix C of Scott Lewis’ 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 Tolling Agreements emissions 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&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; 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&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;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&amp;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&amp;E and its end-use ratepayers.</p>
<p><b>8. Historical/Recorded Specified Imported, calculated Emissions in</b></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>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-</p>

<p><b>Template D-2 on SL-C-1</b></p> <p><i>(The 2018-2019 Historical Specified Imported, calculated Emissions appear in Appendix C of Scott Lewis' Testimony.)</i></p>	<p>General Order (“GO”) 66-D 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>related information. Violation of Section 95914 may subject SDG&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; 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&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;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&amp;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&amp;E and its end-use ratepayers.</p>
<p><b>9. Historical/Recorded Unspecified Imported, calculated Emissions in Template D-2 on SL-C-1</b></p> <p><i>(The 2018-2019 Recorded Unspecified Imported Emissions appear in Appendix C of Scott Lewis' 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 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 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&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; 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&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;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&amp;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&amp;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><b>10. Historical RPS Adjustment eligible calculated Emissions in Template D-2 on SL-C-1</b></p> <p><i>(The 2018-2019 Historical RPS Adjustment calculated Emissions appear in Appendix C of Scott Lewis' 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 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&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; 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&amp;E's bidding/consignment strategies contain "commercial value," which gives SDG&amp;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&amp;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&amp;E and its end-use ratepayers.</p>
<p><b>11. Total Direct Compliance Obligation in Template D-2 on SL-C-1</b></p> <p><i>(The 2018-2019 Total Direct</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>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-</p>

<p><i>Compliance Obligation appear in Appendix C of Scott Lewis’ Testimony.)</i></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>related information. Violation of Section 95914 may subject SDG&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; 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&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;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&amp;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&amp;E and its end-use ratepayers.</p>
<p><b>12. Direct GHG Costs in Template D-2 on SL-C-1</b></p> <p><i>(The 2018-2019 Direct GHG Costs appear in Appendix C of Scott Lewis’ 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 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&amp;E to penalties by the California Air Resources Board.</p> <p>In addition, Attachments A, C &amp; D of D.15-01-024 and Appendices A &amp; 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&amp;E’s bidding/consignment strategies contain “commercial value,” which gives SDG&amp;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&amp;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&amp;E and its end-use ratepayers.</p>