

Application No.: A.21-04-
Exhibit No.: _____
Witness: Scott D. Lewis

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

****PUBLIC VERSION****

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



April 15, 2021

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

4 **I. PURPOSE AND OVERVIEW**

5 My testimony presents San Diego Gas & Electric Company's ("SDG&E's") 2020¹ costs
6 for greenhouse gas ("GHG") compliance instruments used to satisfy its compliance obligations
7 under the California Air Resources Board's ("ARB") cap-and-trade program pursuant to
8 Assembly Bill ("AB") 32. My testimony also includes SDG&E's 2020 revenues related to the
9 sale of its allowance allocation.² The purpose of this testimony is to present SDG&E's 2020
10 emissions, costs and revenues in accordance with applicable decisions. The following sections
11 describe the cap-and-trade program and detail SDG&E's 2020 actual revenues and estimated
12 emissions and costs. These emissions are a key input used in the calculations of SDG&E's
13 Direct GHG Emissions price and in customer rates, as further explained in the testimony of
14 SDG&E witnesses Mr. Covic.³ These revenues are used to calculate SDG&E's Climate Credit,
15 which is further discussed in in the testimony of SDG&E witness Ms. Fuhrer.

¹ The 2019 volumes and costs became final in September 2020 and were reported as part of SDG&E's Updated 2021 ERRRA Forecast Filing (Application ("A.") 20-04-014); thus the 2019 volumes and costs were not reported in the April 2020 testimony. The 2020 estimated emissions and costs reported in this testimony are subject to change due to emission verification for all of 2020. Additionally, this testimony does not include 2021 emissions, costs and revenues since only January and February estimates are available at this time. In the November 2021 update of this testimony, it will include estimated costs and revenues for January through September of 2021 and forecasts for October – December 2021, all of which are subject to change when actualized and/or verified.

² The 2020 emissions and costs are subject to change due to emission verification which will become final in August-September 2021. 2020 revenues, however, are now final.

³ SDG&E witness Mr. Covic provides a forecast of the 2022 GHG costs.

1 **II. BACKGROUND**

2 **A. AB 32 Background**

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

8 In October 2011, ARB released its Final Regulation Order, which was approved by its
9 Board and by the Office of Administrative Law (“OAL”) in December 2011.⁶ The ARB
10 regulations create a GHG emissions allowance cap-and-trade system, with compliance
11 obligations in the electricity sector applicable to “first deliverers of electricity”⁷ that emit more
12 than 25,000 Metric Tons (“MT”) of GHG. The regulation requires that first deliverers of
13 electricity, including investor-owned utilities (“IOUs”) such as SDG&E, obtain all the
14 compliance instruments required to meet their compliance obligations by November 1 of the year
15 following the end of a compliance period. Compliance instruments consist of allowances and
16 offsets. An allowance is a limited, tradable authorization to emit up to one MT of carbon dioxide
17 equivalent (“CO2e”) and an offset is a project that reduces GHG in sectors outside of those

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

5 **B. GHG Actual Revenue**

6 The revenues discussed in my testimony result from the sale of allowances allocated to
7 SDG&E by ARB for the benefit of its ratepayers. ARB requires that the allowances that are
8 allocated annually to the IOUs be made available for sale at the ARB auctions. Allowances
9 given to the IOUs must all be consigned by the last auction of that year. Except for the
10 November 2012 auction, where ARB specified the amount that each IOU needed to auction, all
11 other amounts consigned at auctions are up to the discretion of each IOU, provided the entire
12 annual volume is consigned by the end of each year. Revenues are calculated by multiplying the
13 volume sold by the auction settlement price. The revenues presented in this testimony consist of
14 allowances sold in the 2020 February, May, August, and November auctions.

15 **C. GHG Estimated Emission Volumes**

16 The 2020 direct emissions will be the estimated/calculated GHG emissions for: (1)
17 SDG&E’s California utility-owned generation (“UOG”), (2) California generators with whom
18 SDG&E has contracts where SDG&E is responsible for GHG costs, (3) estimated emissions
19 associated with SDG&E imports of both specified electricity and unspecified electricity, and (4)
20 Renewable Portfolio Standard adjustment (“RPS Adjustment”). The RPS Adjustment, which is
21 an optional provision of the Cap-and-Trade regulation that reduces a compliance entity’s direct
22 compliance obligation, is calculated by multiplying the out-of-state renewable megawatt-hours

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

1 (“MWh”) eligible for RPS adjustment by the ARB assigned unspecified emission factor. The
2 2020 direct volumes may change because they are subject to: (1) emission estimates and
3 emission reporting verification, (2) changing emission factors, and (3) contractual requirements
4 for reviewing tolling agreement emissions for potential reductions. If there are such changes,
5 they will be reflected in future testimony.

6 The 2020 indirect emissions are estimated emissions based on net purchases from the
7 California electricity market controlled by the California Independent System Operator
8 (“CAISO”) measured in MWh and multiplied by the ARB assigned unspecified emission factor.
9 Indirect emissions are not overseen by ARB. Indirect emissions are comprised of estimated
10 GHG emissions for which SDG&E was exposed because of purchasing power from third parties.
11 The 2020 indirect emissions within this testimony are those calculated in SDG&E’s 2020 ERR
12 Forecast Application and will be updated in the updated 2022 ERR Forecast testimony in
13 November 2021.

14 **D. GHG Cost Categories**

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

20 Section III below addresses the carbon price for 2020. Section IV.A addresses direct
21 GHG emissions associated with SDG&E’s UOG plants, procurement of electricity from tolling
22 agreements, electricity imports attributed to SDG&E, and credits from SDG&E’s eligible RPS
23 Adjustment. Section IV.B addresses the approximate 2020 indirect GHG emissions for which
24 SDG&E paid as GHG costs embedded in electricity prices charged by third parties to SDG&E

1 under contract for various supplies.⁹ Section IV.C summarizes the GHG costs based on the
2 carbon prices in Section III and emissions in Sections IV.A and IV.B.

3 **III. CARBON PRICE METHODOLOGY**

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

5 The 2020 Direct GHG Emissions price is based on the sum of 2020 monthly balancing
6 account entries and the 2020 emission volumes as described in section IV.A.

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

8

2020 Direct GHG Emissions (\$/MT)	

9
10 Historically, SDG&E included testimony in its ERRA forecast application that presented
11 SDG&E’s accounting procedure used to record the GHG compliance instrument costs using the
12 Weighted Average Costs (“WAC”). SDG&E previously included Attachment C in its annual
13 ERRA forecast application and provided supporting testimony regarding its methodologies and
14 assumptions.¹¹ However, in D.19-04-016, the Commission found that the language in OP 9 of
15 D.14-10-033 was ambiguous as it failed to distinguish between the differing compliance
16 obligations in the utilities’ ERRA forecast and ERRA compliance proceedings.¹² The
17 Commission clarified the requirements of D.14-10-033 to state that compliance with Attachment
18 C shall be demonstrated in the ERRA compliance proceeding and not the ERRA forecast
19 proceeding.¹³ Accordingly, SDG&E is not including Attachment C (or supporting testimony

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.

¹¹ Per D.14-10-033 at OP 9.

¹² D.19-04-016 at FOF 17.

¹³ *Id.* at OP 3.

1 regarding methodologies) in this ERRA forecast application. Rather, SDG&E will comply with
2 D.19-04-016, OP 3, which directs the IOUs to demonstrate compliance with the revised D.15-01-
3 024 Attachment C in its ERRA compliance filings and not in its ERRA forecasts. SDG&E will
4 submit the GHG WAC compliance testimony for record year 2020 in its 2020 ERRA
5 Compliance testimony, which will be filed on June 1st, 2021.

6 **B. Price for Indirect Emissions**

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

2020 CAISO GHG Prices	
Jan-Dec 2020	\$17.17

11
12
13 **IV. GHG COMPLIANCE COSTS**

14 **A. Direct Greenhouse Gas Emissions**

15 Under ARB's cap-and-trade program, the "first deliverer of electricity" within California
16 must surrender one allowance or offset credit for each MT of GHG emissions. Accordingly,
17 SDG&E had direct compliance obligations for GHGs emitted from burning natural gas at its
18 UOG plants, namely, the Palomar Energy Center ("Palomar") and Miramar Energy Facility I and
19 II (collectively, "Miramar").¹⁵ SDG&E's UOG GHG emission volumes are derived from

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

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

1 information extracted from each covered plant’s Continuous Emissions Monitoring Systems
 2 (“CEMS”) and that plant’s annual fuel usage. The data is reported to ARB (under the mandatory
 3 GHG reporting rule) and undergoes a rigorous quality assurance/quality control (“QA/QC”)
 4 process with supporting documentation from the CEMS systems. The data is then subject to
 5 third party verification by an ARB-certified verifier. The 2020 UOG emissions will become
 6 final in August 2021. The 2020 estimated UOG emissions are as follows:

Jan-Dec 2020 California UOG Plants	Emissions Estimate (in MT)
Palomar Energy Center	
Miramar Energy Facilities	
Total	

7
 8 In addition, SDG&E has agreements with some California generators which stipulate that
 9 if SDG&E is dispatching the plant, then SDG&E will provide compliance instruments to the
 10 generator for its GHG compliance obligations. The generators covered by these agreements
 11 include, the Orange Grove Energy Center (“Orange Grove”), the Escondido Energy Center
 12 (“EEC”), the Pio Pico Energy Center (“Pio Pico”) and the Carlsbad Energy Center (“Carlsbad”),
 13 which became operational in 2018. The estimated emissions for these plants can be calculated
 14 by multiplying the MMBtu burned with the emission factor of 0.05307 MT/MMBtu associated
 15 with natural gas as the input fuel. These estimates are subject to change, not only because the
 16 emissions estimates are based on fuel calculations instead of emission meter read calculations,
 17 but also because the tolling agreement contracts state that SDG&E will only cover the emissions
 18 generated resulting from SDG&E dispatches of efficiently run plants. The 2020 estimated

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.

1 SDG&E obligations to tolling agreement partners are shown below. SDG&E will be analyzing
2 the 2020 tolling data and could potentially adjust the 2020 estimated emissions for non-SDG&E
3 dispatches, inefficiencies or based on verification. If there are such changes, they will be
4 reflected in future testimony.

Jan-Dec 2020 California Tolling Generators	Emissions Estimate (in MD)
Orange Grove Energy Center	
Escondido Energy Center	
Pio Pico	
Carlsbad Energy Center	
Total	

5
6 An entity that delivers out-of-state electricity to a delivery point inside California is also
7 responsible for the GHG emissions associated with generation of that electricity. For known
8 imports, called “specified sources,” the estimated GHG emissions related to the portion of
9 outputs of plants that are delivered to California are covered in the cap-and-trade program and as
10 such the importer of that electricity has a compliance obligation. SDG&E has a contract with
11 Yuma Cogeneration Associates (“YCA”) in Arizona and owns the Desert Star Energy Center
12 (“Desert Star”) combined cycle plant in Nevada. These out-of-state generators are specified
13 sources. The compliance obligation for the power imported from each of these sources is
14 calculated by the product of the imported power times the transmission loss correction factor as
15 listed in section 95111 of ARB’s mandatory reporting regulation, and the specified emissions
16 factor assigned to those facilities by ARB.¹⁶ As with SDG&E’s other estimated obligations,
17 specified imports are also subject to change, and those changes will be reflected in future
18 testimony. The 2020 estimated emissions for SDG&E’s specified imports are as follows:

¹⁶ 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>.

Jan-Dec 2020 Specified Imports	Specified Import Estimates (in MWh)	Emission Factor Estimates	Transmission Loss Factor	Emissions Estimate (in MT)
Desert Star		0.411	1.00	
YCA		0.511	1.02	
Total				

1
2 In addition to specified sources, importing of “unspecified sources” also generates a
3 compliance obligation. SDG&E procured both contracted imports and market imports from
4 unspecified sources in 2020. The cap-and-trade compliance obligation for these unspecified
5 imports is calculated by multiplying the number of MWh imported, adjusted upward by two
6 percent to account for transmission losses between the point of generation and the California
7 border, by the ARB default rate, as stated in its regulation (currently 0.428 MT/MWh).¹⁷ Finally,
8 ARB recognizes that the building of new renewable generation outside California reduces GHG.
9 As such, the cap-and-trade regulations allow for an RPS Adjustment. The RPS Adjustment
10 reduces an entity’s GHG compliance burden and is calculated by assigning the default emission
11 rate (currently 0.428 MT/MWh) to the GHG-free renewable energy, as measured at the point of
12 generation. The adjustment does not account for the transmission losses from the point of
13 generation to California,¹⁸ and the cap-and-trade regulations also allow that they be taken in
14 following years. SDG&E successfully claimed the undelivered portion of its potential 2014 RPS
15 Adjustment in 2015. SDG&E has been unable to claim undelivered portions of the 2015-2020
16 contractually purchased renewable energy applicable to the RPS Adjustment provision in recent

¹⁷ 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.

¹⁸ 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.

1 GHG reports to ARB and SDG&E will not be claiming the RPS Adjustment for 2020. ¹⁹ If the
 2 RPS Adjustment data for any prior year(s) becomes available in the future, SDG&E will
 3 incorporate that benefit in an upcoming annual ARB Electric Power Entity (“EPE”) report.
 4 Both the estimated 2020 unspecified imports and the RPS Adjustments claimed for 2020 are
 5 subject to change and those changes will be reflected in future testimony. The 2020 estimated
 6 emissions for SDG&E’s unspecified imports and RPS adjustment claims are as follows:

Jan-Dec 2020 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				

7

8 Based on the above, SDG&E’s 2020 estimated direct compliance obligations are:

Jan-Dec 2020 Direct Compliance Obligations	Emissions Estimate (in MT)
California UOG Plants	
California Tolling Generators	
Specified Imports	
Unspecified Imports	
RPS Adjustment	
Total	

9

10 **B. Indirect Greenhouse Gas Emissions**

11 SDG&E, along with all other purchasers of wholesale electricity, is subject to indirect
 12 GHG compliance costs that generators incur and pass on to their buyers. This additional cost of
 13 GHG compliance is embedded in the market price of electricity procured in the wholesale market

¹⁹ SDG&E’s ability to utilize the non-imported portion of its Glacier and RimRock contracts for the RPS Adjustment is dependent on receipt of Glacier and Rim Rock import volumes from Morgan Stanley. SDG&E has, thus far, not received this information for the 2015-2020 generation years. SDG&E continues to have discussions with Morgan Stanley and Open Access Technology International, Inc. (“OATI”) about obtaining this data and expects to 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 from third parties, thereby increasing SDG&E’s cost to purchase wholesale electricity, as well as
 2 from suppliers under contracts that include market-based prices. The cost of GHG affects both
 3 market purchases and contracts based on the price of energy (such as combined heat and power
 4 [“CHP”] facilities); because the price of energy changes in tandem with the change in the GHG
 5 allowance prices, sellers of electricity demand higher revenues to offset the costs related to their
 6 cap-and-trade obligations. The 2020 indirect GHG volumes are estimated, for both net market
 7 purchases and CHP contracts, as the MWh of electricity production multiplied by the ARB
 8 default rate for unspecified electricity of 0.428 MT/MWh. The forecasted 2020 MWh and
 9 emissions of SDG&E’s indirect purchases are as follows:

2020 Forecasted Indirect Volumes in MWh and MT	
Total INDIRECTS (MWh)	
Unspecified Emissions Factor (MT/MWh)	0.428
Total INDIRECTS (MT)	

11 **C. GHG Costs**

12 Using the prices from Section III above, the 2020 direct GHG costs are as follows:

2020 GHG Direct Cost Estimates	Emissions Estimate (in MT)	Direct GHG Emissions Price (\$/MT)	Estimated Direct Cost
Jan-Dec 2020 (estimated actuals)			

14 Combining indirect volumes and the CAISO GHG allowance price indices,²⁰ the 2020
 15 estimated GHG indirect costs are as follows:

2020 Forecasted Indirect Volumes & Cost	
Total INDIRECTS (MT)	
CAISO GHG Price (Jan-Dec 2020) (\$/MT)	\$17.17
Total Indirect Cost	

²⁰ 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 Thus, the 2020 Direct and Indirect estimate blended cost is \$38.41 million (rounded).

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

3 SDG&E received 6,143,947 MT of vintage 2020 allowances to sell at 2020 auctions.

4 SDG&E's annual allocated allowances are required to be consigned at that year's quarterly
5 auctions; however, SDG&E has full discretion on how to distribute its allowances across the four
6 quarterly auctions. The tables below show the volumes sold at each 2020 auction along with
7 associated revenues.

2020 GHG Revenues			
Auction	Settlement Price (\$/MT)	Sold Volume (MT)	Revenue
Feb-20	\$17.87		
May-20	\$16.68		
Aug-20	\$16.68		
Nov-20	\$16.93		
Total	\$17.04		

8
9 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.

APPENDIX A

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

I, Ryan Miller, do declare as follows:


1. I am the Manager of 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’s Prepared Direct Testimony (“Testimony”) and Attachment G, the GHG Revenue and Reconciliation Application Form, in support of SDG&E’s “Application for approval of its 2022 Electric Procurement Revenue Requirement Forecasts and GHG Related-Forecasts (“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’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 26th day of March, 2021, at San Diego.

DocuSigned by:

DA2D43B4046045F...
Ryan Miller
Manager of 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 prices and Direct GHG calculations</p> <p><i>(The 2020 Direct GHG price appears in Scott Lewis’s Testimony. The 2013 - 2020 Direct GHG 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.17-09-023, 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><i>(The 2020 Historical UOG Emissions appear in Scott Lewis’s Testimony. The 2013- 2020 Recorded UOG Emissions appear in Attachment G of this Application.)</i></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 2020 Tolling Agreement Emissions appear in Scott Lewis’s Testimony. The 2013- 2020 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), 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>4. Historical/Recorded Specified Imported MWh and calculated Emissions</p> <p><i>(The 2020 Specified Imported MWh and calculated Emissions appear in Scott Lewis’s Testimony. The 2013- 2020 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><i>(The 2020 Unspecified</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-</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</p>

<p><i>Imported MWh and calculated Emissions appear in Scott Lewis’s Testimony. The 2013- 2020 Unspecified Imported Emissions appear in Attachment G of this Application.)</i></p>	<p>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>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 2020 appear in Scott Lewis’s Testimony. The 2013- 2020 RPS Adjustment 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 (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&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>7. Total Direct Compliance Obligation</p> <p><i>(The 2020 Total Direct Compliance Obligation appears in Scott Lewis’s Testimony. The 2013- 2020 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 2020 forecasted Indirect Purchase MWhs and calculated Emissions appear in Scott Lewis’s Testimony. The 2013-2019 final and 2020 forecasted Indirect Emission calculations appear in</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</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>Attachment G of this Application.)</i></p>	<p>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>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 2020 Direct GHG Costs appear in Scott Lewis's Testimony. The 2013 – 2019 final and 2020 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>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-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</p>

<p><i>(The 2020 estimated Indirect GHG Costs appear in Scott Lewis’s Testimony. The 2013 - 2020 estimated Indirect GHG Costs appear in Attachment G of this Application.)</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 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>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 2020 GHG Quarterly Auction Revenues appear in Scott Lewis’s Testimony. The 2013 - 2020 actual GHG Quarterly Auction Revenues 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>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.” Although Annual Auction Revenues are public, Quarterly Auction Revenues must be confidential since public auction settlement prices and Quarterly Auction Revenues would reveal SDG&E’s quarterly auction participation as a consigner</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>

	<p>6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	
<p>12. Emissions Intensities</p> <p><i>(The 2020-2022 forecasted Emissions Intensities appears 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>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: “Forecast of GHG Emissions Intensity”</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>