

Application: A.18-02-_____

Exhibit SDGE-_____

Witness: Norma G. Jasso

DIRECT TESTIMONY OF
NORMA G. JASSO
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

FEBRUARY 28, 2018

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**DIRECT TESTIMONY OF
NORMA G. JASSO**

I. INTRODUCTION

My testimony on behalf of San Diego Gas & Electric Company (“SDG&E”) presents the regulatory account mechanism related to the Assembly Bill (“AB”) 2868¹ investments and pilot program in SDG&E’s 2018 Energy Storage Procurement and Investment Plan application. As noted in the testimony of Stephen T Johnston,² investments will focus on utility-owned circuit-level and service-level energy storage microgrid projects that may provide multiple services, including resiliency, using microgrid designs to public sector customers. In this application, SDG&E proposes seven circuit-level energy storage microgrid projects totaling 100 MW for Commission approval.³ SDG&E will propose future circuit-level and service-level energy storage microgrid projects to meet the remaining AB 2868 capacity.⁴

SDG&E also proposes an Energy Storage Incentive for Expanded CARE Pilot Program (“pilot program”) that will focus on behind-the-meter opportunities to incentivize Expanded CARE facilities that serve low income customers, as described in the testimony of Mayda Bandy.

SDG&E proposes to record revenue and costs associated with the AB 2868 investments and pilot program in two separate balancing accounts. Details of the revenue requirement associated with the proposed seven circuit-level energy storage microgrid projects are presented

¹ Stats. 2016, ch. 681, *codified at* P.U. Code §§ 2838.2 and 2838.3.

² References to “testimony” herein are to the prepared direct testimony served in support of this application.

³ *See* Steven Prsha’s testimony.

⁴ *See* Stephen Johnston’s testimony.

1 in the testimony Michael R. Woodruff and James G. Vanderhye Jr. Details of the revenue
2 requirement associated with the pilot program are presented in the testimony of Mayda Bandy.

3 **II. REGULATORY ACCOUNT MECHANISM**

4 SDG&E requests authority to establish a two-way balancing account for the seven
5 circuit-level energy storage microgrid projects proposed in this application as well as future, yet
6 to be proposed circuit-level and service-level energy storage microgrid projects; and a one-way
7 balancing account for the pilot program.

8 **A. Circuit-Level and Service-Level Energy Storage Microgrid Projects**

9 SDG&E requests authorization to recover utility-owned circuit-level and service-level
10 energy storage microgrid project investments, corresponding operating and maintenance
11 (“O&M”) and capital-related costs in a two-way balancing account. The Distribution Energy
12 Storage Balancing Account (“DESBA”) will track the difference between the authorized revenue
13 requirement associated with the energy storage units and actual costs: O&M and capital-related
14 costs (*i.e.*, depreciation, taxes and return), as well as revenues received from the operation of the
15 resources in the wholesale energy markets.

16 SDG&E proposes to return to ratepayers on an annual basis, the revenues received from
17 wholesale markets. This will be accomplished through the annual regulatory account update
18 filing, which is scheduled to be submitted as a Tier 2 advice letter in October of each year. In
19 this Tier 2 advice letter, SDG&E presents the forecasted year-end balances of certain regulatory
20 accounts for amortization in rates effective January 1 of the following year. In this case,
21 SDG&E would only present the amount to be returned to ratepayers.

22 Further, SDG&E proposes to stop recording the authorized revenue and costs of the
23 energy storage units in the DESBA once the assets are rolled into rate base in a future General
24 Rate Case, currently estimated to be Test Year 2025.

1 **B. Pilot Program**

2 SDG&E proposes to establish the Energy Storage Incentive Balancing Account
3 (“ESIBA”) as a one-way balancing account to record the authorized revenue and costs associated
4 with the pilot program described in the testimony of Mayda Bandy.

5 During the pilot program period (estimated to be 2019-2021, subject to timing of this
6 instant application’s approval) the balance in the ESIBA will be carried forward to the following
7 year. Upon completion of the pilot program, SDG&E will address the balance of the account in
8 its Electric Public Purpose Programs (“PPP”) Rates filing, only if the balance in the account is an
9 overcollection. However, if the balance is undercollected, SDG&E will not request recovery.
10 The annual PPP filing is scheduled to be submitted as a Tier 2 advice letter on October 1 of each
11 year to revise its electric PPP rates effective January 1 of the following year.

12 This concludes my direct testimony.

13

1 **III. WITNESS QUALIFICATIONS**

2 My name is Norma G. Jasso. I am employed by SDG&E, as the Regulatory Accounts
3 Analysis Manager in the Financial Analysis Department. My business address is 8330 Century
4 Park Court, San Diego, California 92123. My current responsibilities include managing the
5 process for the development, implementation, and analysis of regulatory balancing and
6 memorandum accounts. I assumed my current position in July 2013. I received a Bachelor of
7 Business Administration degree with an emphasis in Accounting from the University of San
8 Diego in 1981. I earned a Masters of Business Administration from the University of Phoenix in
9 1996. I have been employed with SDG&E and Sempra Energy since December 1997. Other
10 positions I have held include Sundry Services Policy and Compliance Project Manager II,
11 Affiliate Compliance Manager, Senior Business Analyst, and Accounting Systems Analyst.

12 I have previously testified before this Commission.