**SIERRA CLUB DATA REQUEST – SDG&E RESPONSE**
**Data Request #03**
**SDG&E RESIDENTIAL UNTIERED ELECTRIFICATION RATE - A.21-09-001**
**DATE RECEIVED: March 9, 2022**
**DATE RESPONDED: March 23, 2022**

## General Objections:

SDG&E objects to the definitions and instructions included in this data request on the grounds that they are overbroad, unduly burdensome, and seek information that is irrelevant to the subject matter involved in the pending proceeding and/or not reasonably calculated to lead to the discovery of admissible evidence, and therefore, beyond the requirements of CPUC Rule of Practice and Procedure 10.1. SDG&E also notes that special interrogatory instructions of this nature are expressly prohibited by California Code of Civil Procedure Section 2030.060(d).

1. Please provide all analysis of marginal greenhouse gas emissions that SDG&E used in designing its proposed TOU-ELEC rate. If no analysis was performed for this specific rate proposal, please explain why.

## SDG&E Response:

SDG&E did not analyze marginal GHG emissions in preparation for designing TOU-ELEC. While marginal GHG emissions may be a factor to consider in this application, SDG&E was required to propose a rate that would encourage electrification more broadly, rather than reduce marginal GHG emissions during certain hours. SDG&E believes its proposed TOU-ELEC rate achieves this goal.

2. Please refer to the Rebuttal Testimony of Gwendolyn R. Morien at GM-14:2–4, where Ms. Morien states that SDG&E believes it would be "more appropriate and efficient to review and, if needed, makes changes to the base TOU periods for TOU-ELEC along with all other rate schedules in the next GRC Phase 2." With regard to this statement:
    a. Does SDG&E currently have plans to propose changes to its base TOU periods in its next GRC Phase 2 filing?
    b. When does SDG&E expect a Commission Decision on its next GRC Phase 2 will likely be issued?
    c. How long after adoption of a Commission Decision on its next GRC Phase 2 would SDG&E estimate it would take for any new base TOU periods to go into effect for customers?

## SDG&E Response:

a. SDG&E has not yet completed its marginal commodity cost studies for its 2024 GRC Phase 2, and therefore, cannot definitively state whether it plans to propose a change to base TOU periods. There are several factors that go into determining a change in base TOU periods, including customer understanding and acceptance. SDG&E will determine whether to propose a change to its base TOU periods in the 2024 GRC Phase 2 in the coming months as it completes its marginal commodity cost study.

   SDG&E expects that its marginal commodity cost study will show the lowest prices during the day due to continued distributed solar adoption and additional renewables, in line with past trends. Therefore, it is probable that SDG&E will propose a change to base TOU periods in its 2024 GRC Phase 2.

b. Based on the Commission's approved Rate Case Plan from D.07-07-004, Appendix A, a final decision is expected 502 days after initial GRC Phase 2 application submittal.

c. SDG&E would implement new base TOU periods in compliance with a Commission final decision on its 2024 GRC Phase 2. For reference, SDG&E's final decision in its 2016 GRC Phase 2, when base TOU periods were last changed, was adopted in August 2017 and new base TOU periods were implemented on December 1, 2017 per AL 3130-A/B/C/D.

3. For this question, please refer to the Revised Direct Testimony of Gwendolyn R. Morien and the Revised Direct Testimony of Hannah Campi.

   At GM-8:2–7, Ms. Morien states that "SDG&E's rate design in this application will continue to encourage customers to charge in the super off-peak TOU period but will also encourage customers to charge EVs during the daytime when there are significant solar generation resources producing clean energy."
   At HC-7:11–12, Ms. Campi provides SDG&E's proposed TOU periods, which are its current effective standard TOU periods:

**Table HC-1: Current Effective Standard TOU Periods[6]**

| TOU Periods – Weekdays | Summer | Winter |
|---|---|---|
| On-Peak | 4:00 p.m. – 9:00 p.m. | 4:00 p.m. – 9:00 p.m. |
| Off-Peak | 6:00 a.m. – 4:00 p.m.;<br>9:00 p.m. - midnight | 6:00 a.m. – 4:00 p.m.<br>Excluding 10:00 a.m. – 2:00 p.m. in March and April;<br>9:00 p.m. - midnight |
| Super Off-Peak | Midnight – 6:00 a.m. | Midnight – 6:00 a.m.<br>10:00 a.m. – 2:00 p.m. in March and April |
| TOU Period – Weekends and Holidays | Summer | Winter |
| On-Peak | 4:00 p.m. – 9:00 p.m. | 4:00 p.m. – 9:00 p.m. |
| Off-Peak | 2:00 p.m. – 4:00 p.m.;<br>9:00 p.m. - midnight | 2:00 p.m. – 4:00 p.m.;<br>9:00 p.m. - midnight |
| Super Off-Peak | Midnight – 2:00 p.m. | Midnight – 2:00 p.m. |

Seasons: Summer June 1 – October 31
Winter November 1 – May 31

   a. Please specify what hours of the day Ms. Morien refers to when she refers to "the daytime when there are significant solar generation resources producing clean energy."
   b. Please refer to the summer weekday TOU periods in Table HC-1. Please explain how the summer weekday TOU periods encourage customers to load shift to peak solar generating hours. Specifically, please explain how customers will be incentivized to load shift to midday hours when their rate is lowest from midnight to 6 am.
   c. Please refer to the winter weekday TOU periods in Table HC-1. Please explain how a Super Off-Peak period that places the midnight – 6 am period at the same price point as 10 am – 2 pm specifically encourages customers to load shift to peak solar generating hours.
   d. Please refer to the Weekends and Holidays TOU periods for both summer and winter. Please explain how a Super Off-Peak period that spans from midnight – 2 pm specifically encourages customers to load shift to peak solar generating hours.

**SDG&E Response:**

a. SDG&E is not referring to specific hours in testimony. SDG&E's system load has a "duck curve" that occurs during solar generating hours. These hours vary by day and month, and therefore, so does the system load shape. Generally, solar generation has a higher capacity factor during the mid-day period.
b. The flattened differentials between the off and super off peak incentivizes customers to use electricity outside of the on-peak hours, including during daytime solar generating hours, relative to current TOU differentials. The flattened differential provides customers with additional low-cost hours in which they can use energy. As stated in testimony, "SDG&E's rate design in this application will continue to encourage customers to charge in the super off-peak TOU period but will also encourage customers to charge EVs during the daytime when there are significant solar generation resources producing clean energy." SDG&E expects that customers will continue to use energy in the super off-peak TOU period at night, but this flattened differential will provide customers with more options while maintaining an incentive to shift out of the on-peak.
c. See response to part b
d. See response to part b

4. In the Rebuttal Testimony of Hannah Campi at HC-6:8–10, Ms. Campi states that "most distribution costs are not coincident-peak, or capacity driven. Distribution load is measured at the circuit level, with circuit peaks not always corresponding to system peaks." Ms. Campi cites the Direct Testimony of John Baranowski on Behalf of SDG&E from A.15-04-012 to support the statement that circuit peaks do not always correspond with system peaks. Ms. Campi cites the Rebuttal Testimony of William Saxe on Behalf of SDG&E from A.19-03-002 for the statement that most of SDG&E's distribution costs are not coincident-peak or capacity driven.
    a. Please refer to pages JB-2 to JB-3 and Figure 1 of the Direct Testimony of John Baranowski on Behalf of SDG&E from A. 15-04-012, as cited by Ms. Campi (https://www.sdge.com/sites/default/files/Baranowski%2520Clean.pdf). Please provide an updated chart like Mr. Baranowski's Figure 1 reflecting the percentage of circuit peaks throughout the day from the dates with the highest system load in January 2019, August 2019, January 2021, and August 2021.
    b. In 2019, 2020, and 2021, please explain what percentage of SDG&E's circuits experienced peaks during the hours of 10 am – 2 pm on the days of SDG&E's system peaks for each year respectively.
    c. Please refer to page WGS-29 of the Rebuttal Testimony of William Saxe on Behalf of SDG&E from A.19-03-002, as cited by Ms. Campi (https://www.sdge.com/sites/default/files/regulatory/2019%20GRC%20Phase%202%20-%20WS%20Chapter%205%20Rebuttal%20Testimony.pdf). Mr. Saxe states without citation that most of SDG&E's distribution costs are not time-variant because they are either marginal distribution customer costs or non-coincident distribution demand costs, and states that only a small portion of SDG&E's marginal distribution demand costs reflect costs based on demand during the peak hours of 4 pm – 9 pm. Please provide the cost-causation data and analysis underlying these statements.

**SDG&E Response:**

a) SDG&E objects to the request on the grounds that it would impose an undue burden on SDG&E by requiring it to perform studies, analyses or calculations or to create documents that do not currently exist. Notwithstanding the foregoing objections, SDG&E responds as follows:

See attached file titled "Sierra Club DR-03_Q4a-b.xlsx"

b) SDG&E objects to the request on the grounds that it would impose an undue burden on SDG&E by requiring it to perform studies, analyses or calculations or to create documents that do not currently exist. Notwithstanding the foregoing objections, SDG&E responds as follows:

See attached file titled "Sierra Club DR-03_Q4a-b.xlsx"

c) See Attachment A-3 in the Supplemental Testimony of Jose L. Lopez, William G. Saxe, Benjamin A. Montoya and Talal H. Hannah in Application (A.) 19-03-002. (https://www.sdge.com/sites/default/files/regulatory/A.19-03-002%20GRC%20Phase%202%20Supplemental%20Testimony%205%203%2019.pdf)

5. Did SDG&E provide any hourly marginal distribution cost data to the Commission or E3 for the purposes of the 2021 Avoided Cost Calculator? If so, please provide that data.

**SDG&E Response:**

SDG&E did not provide hourly marginal distribution cost data to the Commission or E3 for the 2021 Avoided Cost Calculator.