

SDG&E Customer Generation

Guidelines for WDAT - Deposits in lieu of Site Control due to Regulatory Limitations, dated January 20, 2026

Introduction:

San Diego Gas & Electric Company (SDG&E) offers the following guidelines to help interconnection customers (ICs) better understand the interconnection procedures. This document pertains to Site Control for projects facing “regulatory limitations” that may be delaying achievement of Site Control and whether an IC may be eligible to make a deposit in lieu of Site Control due to regulatory limitations. In the case where there is conflict between this document or tariffs/rules, the tariffs/rules will govern.

Site Control and Regulatory Limitations:

All WDAT interconnection requests must provide documentation of Site Control with the application/interconnection request. Demonstration of Site Control must, at a minimum, show control of the site through the proposed Commercial Operation Date of the new generating/storage facility or increase in the capacity of an existing generating/storage facility that is the subject of the interconnection request.

Interconnection requests in the WDAT Cluster Study Process may be eligible to make a deposit in lieu of Site Control if there are regulatory limitations delaying or preventing an IC from demonstrating Site Control. Interconnection requests in the Fast Track process are not eligible to make a deposit in lieu of Site Control, as those generally smaller projects are required to be “ready to go” through the relatively quick Fast Track process.

The procedures surrounding Site Control and regulatory limitations are found in Section 4.2.1 of the WDAT GIP with the text in ***bold italics*** in sub-part (iii) was submitted in SDG&E’s 2026 Second Compliance filing on Order 2023, filed on January 20, 2026 and as of the date of this document, is currently pending approval at FERC. The entire Section 4.2.1 is reproduced here for completeness :

GIP Section 4.2.1 Initiating an Interconnection Request.

To initiate an Interconnection Request under the Cluster Study Process, an Interconnection Customer either seeking (1) to interconnect a proposed Generating Facility with Distribution Provider's Distribution System, or (2) to increase the capacity of a Generating Facility that has achieved Commercial Operation, must submit during an open Cluster Application Window all of the following:

- (i) Applicable Interconnection Study Deposit as set forth in Section 4.2.1.1 of the GIP,
- (ii) A completed Interconnection Request in the form of Appendix 1 to this GIP, including requested Deliverability statuses, preferred Point of Interconnection and voltage level, and all other required technical

data, including all data requested in Attachment A to Appendix 1 which includes a single-line diagram, plot plan, and requested Point of Interconnection (among other data).

- (iii) Demonstration of no less than ninety percent (90%) Site Control or (1) a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to regulatory limitations ***as such term is defined by Distribution Provider and Distribution Provider will post a definition of regulatory limitations applicable to Site Control on its public website***; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements; and (3) a deposit in lieu of Site Control of \$10,000 per MW of generating capacity, subject to a minimum of \$500,000 and a maximum of \$2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use. The demonstration of Site Control, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility,
- (iv) Generating Facility Capacity (MW) (and requested Interconnection Service level if the requested Interconnection Service is less than the Generating Facility Capacity),
- (v) A Commercial Readiness Deposit equal to two times the study deposit described in Section 4.2.1.1 of the GIP in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to Distribution Provider. This Commercial Readiness Deposit is refunded to Interconnection Customer upon withdrawal of the Interconnection Request according to Section 1.10 of the GIP,
- (vi) If applicable, (a) the requested operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) to be used by Distribution Provider in the Interconnection Studies that reflect the proposed charging behavior of the Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to the operating assumptions submitted by Interconnection Customer.

Distribution Provider requires the foregoing information to be complete and

specific to the Interconnection Request. Distribution Provider will first determine whether a submitted Interconnection Request is complete. Distribution Provider will not initiate any review of an Interconnection Request for completeness until the Interconnection Study Deposit is received.

Distribution Provider will review each Interconnection Request and notify Interconnection Customer whether it is complete or contains omissions within five (5) Business Days of submission. Interconnection Customer will promptly respond to cure any omissions identified by Distribution Provider. If Interconnection Customer has not submitted a complete Interconnection Request within the cure period outlined by Distribution Provider in its notification of deficiencies or omissions, such Interconnection Request will be deemed withdrawn pursuant to Section 1.10 of the GIP with no opportunity to cure or otherwise be included in that year's Queue Cluster.

Distribution Provider will forward a copy of any complete Interconnection Request under the Cluster Study Process that requests Full Capacity Deliverability Status or Partial Capacity Deliverability Status to the CAISO, as applicable, within five (5) Business Days of being deemed complete.

Following this review for completeness, during the Customer Engagement Window, Distribution Provider will, among other tasks, evaluate the Interconnection Request for validity and other deficiencies as set forth in Section 4.2.3. Distribution Provider requires Interconnection Study Deposits to review and validate the Interconnection Request. Notwithstanding Section 4.2.3 of the GIP or any other provision regarding validation or the ability to cure deficiencies, Distribution Provider will not review, process, or validate an Interconnection Request absent the Interconnection Study Deposit. Any Interconnection Customer that has not submitted the Interconnection Study Deposit by the close of the Cluster Application Window (or the next Business Day if the closing date of the Cluster Application Window is not a Business Day) will be deemed withdrawn pursuant to Section 1.10 of the GIP with no opportunity to cure or otherwise be included in that year's Queue Cluster.

Definition of Regulatory Limitations:

In its Order No. 2023 and Order No. 2023-A, and November 20, 2025 Order on Compliance, FERC required SDG&E to post a definition of Regulatory Limitations separately from the GIP, on its OASIS or public website, where interested parties could receive guidance as to what constitutes a regulatory limitation. This document serves as that definition and guidance document.

Regulatory Limitations

A "regulatory limitation" exists in cases where a project developer is awaiting regulatory approval and/or required permits for securing the land/site upon which the proposed

generating facility will occupy. This regulatory limitation applies to public land/sites or trust land/sites, including land that is controlled or managed by any federal, state, or local agency or tribal government. Regulatory limitations only apply to circumstances in which the regulatory process for obtaining site control does not conclude prior to the interconnection studies or is somehow dependent on the project developer being further along in the WDAT interconnection study process. SDG&E will not consider a regulatory limitation in circumstances where the project developer did not apply to the appropriate agency with sufficient time in a process that would otherwise allow the project developer to receive site control before the required showing to SDG&E. The regulatory limitation should apply to the land/site itself and is not related to any permit to construct or operate the generating facility (although important permits, those are usually sought after the interconnection studies are complete and the “plan of service” fully identified). Site control on private land can be documented by sale/lease/option agreements and is typically not eligible for the deposit-in-lieu due to regulatory limitations.

[See also “Site Control Documentation” guidance document on SDG&E’s public website at <https://www.sdge.com/more-information/customer-generation/wholesale-generator-transmission-interconnections>].

Relevant Procedures:

1. Submittal of affidavit:

IC must submit an affidavit signed by an officer of the developer/company at the time of submittal of the Interconnection Request that describes the regulatory limitation, documents the project siting process for the specific agency, and demonstrates where the project is in the siting/permitting process with supporting documentation. IC must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities. (see Maintenance of Site Control below).

2. Site Control deposit amount:

Section 4.2.1 (iii) reproduced above includes the calculation of the Site Control deposit amount. The deposit is fully refundable, with interest, once the IC demonstrates one hundred percent (100%) Site Control.

3. Maintenance of Site Control:

IC shall promptly inform SDG&E of any material change to IC’s demonstration of Site Control under Section 4.2.1(iii) of the GIP. If SDG&E determines, based on IC’s information, that IC no longer satisfies the Site Control requirement, SDG&E shall give IC ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to SDG&E’s approval. Absent such approval, SDG&E shall deem the Interconnection Request withdrawn pursuant to Section 1.10 of the GIP.

An IC that submits a deposit in lieu of Site Control due to regulatory limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory

approvals from the applicable federal, state, and/or tribal entities before execution of the Cluster Study Agreement. Such deposit will be held by SDG&E until IC provides the required Site Control demonstration during the Cluster Study Process. An IC facing qualifying regulatory limitations must demonstrate one hundred percent (100%) Site Control within one hundred eighty (180) Calendar Days of the effective date of the GIA or be deemed withdrawn and the GIA subject to termination.

Questions on Site Control documentation and deposits in lieu can be directed to the WDAT Application inbox: WDATGIPApplications@semprautilities.com.