

Proceeding No.: A.26-05-XXX
Exhibit No.: SDGE-1
Witness: Mindy Guardado

**PREPARED DIRECT TESTIMONY OF
MINDY GUARDADO
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY**

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



May 15, 2026

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1 Felan, and the 2027 forecasted sales as presented in the testimony of SDG&E witness Mr.
2 Simmerman.²

3 This testimony is organized as follows:

- 4 1. Section II – Cost Recovery Allocation;
- 5 2. Section III – 2027 Rate and Bill Impacts to Reflect Recovery of Updated Revenue
6 Requirements;
- 7 3. Section IV – 2027 Climate Credit for the Return of GHG Allowance Revenues;
- 8 4. Section V – 2027 PCIA Rates;
- 9 5. Section VI – 2027 MCAM Rates;
- 10 6. Section VII – Summary and Relief Requested; and
- 11 7. Section VIII – Qualifications.

12 **II. COST RECOVERY ALLOCATION**

13 SDG&E is proposing an update to the MCAM revenue allocation due to the approval of D.
14 25-09-006 and implementation of the Medium Commercial class, but is not proposing any
15 additional cost recovery allocation changes in this proceeding as cost recovery allocations were
16 addressed in SDG&E’s Test Year (“TY”) 2024 General Rate Case (“GRC”) Phase 2 Application
17 (“A.”) 23-01-008.³ Consistent with current allocation methodologies, SDG&E will implement its:

² Includes System Net, Delivered, and Bundled sales.

³ Decision (“D.”) 25-09-006, OP 1, approved the recovery allocation methodology proposed in the Partial Settlement Agreement filed by SDG&E, the Public Advocates Office at the California Public Utilities Commission, Utility Consumers’ Action Network, Federal Executive Agencies, California Farm Bureau Federation, Small Business Utility Advocates, Solar Energy Industries Association, California City County Street Light Association, The Utility Reform Network, and City of San Diego. Pursuant to OP 4, SDG&E implemented the updated SAPC methodology on January 1, 2026, and reflects those updates in the year-end Consolidated advice letter filings. Pursuant to OP 5, the updated distribution and commodity revenue allocations were implemented on April 1, 2026.

1 (1) bundled commodity rates that collect the 2027 commodity-related revenue requirements;⁴ (2)
2 Local Generation Charge (“LGC”) rates that collect LG revenue requirement and balancing
3 account; and (3) CTC rates that collect CTC revenue requirement and balancing account using the
4 System Average Percent Change (“SAPC”) methodology adopted in SDG&E’s TY 2024 GRC
5 Phase 2, per D. 25-09-006.⁵ Pursuant to D.18-10-019, the PCIA allocations will be consistent
6 with the factors used to allocate generation costs to bundled customers.⁶ The TMNBC and
7 BNBCBA allocations are based on 12-month coincident peak (“12-CP”) demand, which is
8 recovered through the Public Purpose Programs (“PPP”) rate.^{7, 8} Lastly, SDCP’s DAC-GT
9 program costs are recovered as an equal cents/kWh rate also through PPP.⁹

10 SDG&E proposes to update the allocation percentages used to collect the MCAM revenues
11 through the MCAM rates. These allocations are based on 12-CP energy of the specific Opt-Out
12 Load Serving Entities (“LSEs”), pursuant to Resolution E-5241 and AL 4151-E/E-A.¹⁰ With the
13 implementation of the Medium Commercial class, SDG&E believes it is reasonable to update the
14 allocation percentages to reflect the movement of Schedule TOU-M out of the Small Commercial
15 class into the Medium Commercial class. Additional details will be discussed in Section VII
16 below.

⁴ Commodity-related revenue requirements include but are not limited to the (a) ERRRA revenue requirement, (b) bundled customers’ portion of the PABA revenue requirement, (c) bundled customers’ portion of the ERRRA and PABA year-end balances.

⁵ See D.21-07-010, Ordering Paragraph (“OP”) 1, and p. 18. This allocation was updated with the implementation of changes approved pursuant to OPs 1 and 4 of D.25-09-006 effective January 1, 2026, and reflected in AL 4757-E/E-A.

⁶ See D.18-10-019, OP 4.

⁷ See D.21-07-010 at pp. 21-22.

⁸ See D.20-08-043, Findings of Fact 11.

⁹ AL 4129-E, p. 2, approved January 30, 2023, and effective January 1, 2023.

¹⁰ AL 4151-E/E-A, approved April 17, 2023, and effective January 26, 2023.

1 SDG&E presents the illustrative bundled and unbundled (*i.e.*, departed load) class average
2 total rate and bill impacts in Section III below. Bundled refers to customers who receive their
3 electric generation from SDG&E. Unbundled refers to customers who receive their electric
4 generation from an Energy Service Provider (“ESP”) other than SDG&E.

5 **III. 2027 RATE AND BILL IMPACTS TO REFLECT RECOVERY OF UPDATED**
6 **REVENUE REQUIREMENTS**

7 SDG&E requests the recovery in rates of the following 2027 revenue requirements¹¹
8 presented in the direct testimony of SDG&E witness Ms. Felan¹²:

- 9 1. 2027 ERRA Revenue Requirement of \$379.3 million for recovery of the “up-to-
10 market” energy procurement costs, which include GHG costs, associated with
11 serving SDG&E’s bundled service customers. SDG&E also seeks recovery of the
12 projected 2026 year-end balance recorded to ERRA of (\$45.0) million;¹³
- 13 2. 2027 PABA Revenue Requirement of \$301.4 million for recovery of the “above-
14 market” costs and revenues associated with all generation resources that are eligible

¹¹ The revenue requirement figures in this testimony exclude franchise fees & uncollectibles (“FF&U”) unless otherwise noted. When FF&U is included, SDG&E uses the current FF&U rates, as implemented in AL 4757-E.

¹² The direct testimony of SDG&E witness Ms. Felan does not address the requested funding for the 2027 SDCP DAC-GT program.

¹³ D.22-01-023, OP 4, directed each of the Investor-Owned Utilities (“IOUs”) to modify their respective Electric Preliminary Statements governing the ERRA and PABA accounts to allow them to place year-end ERRA balances in the most-recent vintage subaccount of PABA each year.

1 for cost recovery through PCIA rates,¹⁴ and recovery of the projected 2026 year-
2 end balance recorded to PABA of \$144.8;¹⁵

- 3 3. 2027 CTC Revenue Requirement of \$0.1 million for recovery of above-market
4 costs associated with CTC-eligible resources from all customers;
- 5 4. 2027 LG Revenue Requirement of \$285.4 million for the recovery of net costs
6 associated with resources approved by the California Public Utilities Commission
7 (“Commission”) for Cost Allocation Mechanism (“CAM”) treatment for recovery
8 from all benefiting customers, including all bundled service, Direct Access (“DA”)
9 and Community Choice Aggregation (“CCA”) customers,¹⁶ and the projected 2026
10 year-end balance recorded to the LGBA of (\$34.0) million. As discussed further in
11 the direct testimony of SDG&E witness Ms. Felan, the LGBA includes SDG&E’s
12 estimated ITC for the Fallbrook 2.0 resource, projected to come online in 2026, as
13 well as a reconciliation of the forecasted ITCs for Westside Canal 2.0 versus what
14 was actually recorded in 2025 and the Santee BESS ITCs recorded in 2025;

¹⁴ The PABA revenue requirement figure in this testimony differs from that presented in the direct testimony of SDG&E witness Ms. Felan because the PABA revenue requirement in this testimony reflects the amount that will be collected through rates, which includes the above-market costs of utility owned generation (“UOG”) that will be transferred to PABA. UOG costs are approved in SDG&E’s GRC proceedings and therefore SDG&E is not requesting any changes to the total UOG costs in this ERRA Forecast Application. These above-market costs of UOG are not included in SDG&E witness Ms. Felan’s testimony figures.

¹⁵ D.19-10-001 authorized the recovery of the PABA prior year-end balance to be recovered through the ERRA Forecast filing.

¹⁶ In D.13-03-029, the Commission authorized SDG&E to implement the LGC rate component, which is designed to recover new generation costs for local reliability that are deemed to be subject to the CAM policy adopted in D.06-07-029 and D.11-05-005, as a per kilowatt hour (“kWh”) non-bypassable charge from all benefiting customers including all bundled service, DA and CCA customers.

- 1 5. 2027 MCAM revenue requirement of \$0.4 million for the recovery of procurement
2 conducted on behalf of customers of LSEs that opted out of procurement required
3 by D.19-11-016 and D.21-06-035, to be recovered by customers of those LSEs;
- 4 6. 2027 SDCP DAC-GT program revenue requirements of \$1.1 million, as requested
5 in SDCP’s AL 41-E;¹⁷
- 6 7. 2027 TMNBC Revenue Requirement as set forth in the testimony of SDG&E
7 witness Ms. Felan and confidentiality declaration attached thereto for recovery of
8 costs associated with the tree mortality related procurement costs;
- 9 8. 2026 projected year-end balance for BNBCBA of \$0.1 million as set for in the
10 testimony of SDG&E witness Ms. Felan for full recovery of the net costs of the
11 Bioenergy Market Adjusting Tariff (“BioMAT”) procurement costs for the
12 BioMAT program; and
- 13 9. The amounts above projected for the ERRA, PABA, LGBA, and BNBCBA year-
14 end balances will be updated in SDG&E’s annual year-end process pursuant to
15 Resolution E-5217 (August 4, 2022), which directs the IOUs to update projected
16 year-end balances for each of its regulatory accounts in its annual year-end
17 consolidated electric revenue and rate change advice letters.

18 Table 1 below compares the currently effective revenue requirements to the 2027 proposed
19 revenue requirements discussed above and the GHG Allowance revenues eligible for return to
20 customers through electric rates, which are discussed in more detail below in Section IV.¹⁸

¹⁷ Per AL 4822-E/E-A filed April 1, 2026, and May 6, 2026, SDG&E is not requesting any additional funding for its DAC-GT program.

¹⁸ Table 1 excludes the TMNBC revenue requirement as it is confidential. However, the revenue requirement is included in total rate impacts.

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Table 1
Current and Proposed Revenue Requirements (\$000)¹⁹

Line	Description	Currently Authorized Revenue Requirement		Proposed Revenue Requirement		Change from Current	Change (%)
		w/o FF&U	w/FF&U	w/o FF&U	w/FF&U	w/FF&U	w/FF&U
1	ERRA	392,369	398,612	379,307	385,342	(13,270)	-3.3%
2	ERRA Balance	(2,196)	(2,231)	(45,010)	(45,726)	(43,495)	1950.0%
3	PABA	176,399	177,904	301,412	303,905	126,001	70.8%
4	PABA Balance	296,671	299,277	144,783	146,226	(153,052)	-51.1%
5	CTC	548	557	137	139	(418)	-75.0%
6	LG	247,139	251,071	285,430	289,971	38,901	15.5%
7	LGBA Balance	(78,418)	(79,666)	(34,020)	(34,561)	45,104	-56.6%
8	Modified CAM	308	313	364	370	57	18.2%
9	SDCP DAC-GT	-	-	1,126	1,126	1,126	0.0%
10	BNBCBA	-	-	85	85	85	0.0%
11	Subtotal	1,032,821	1,045,837	1,033,616	1,046,877	1,040	0.1%
GHG Allowance Revenue Available for Return²⁰							
	Residential & Small Business						
12	CCC	(149,109)	(149,109)	(137,797)	(137,797)	11,311	-7.6%
13	EITE Returns	(3,618)	(3,618)	(2,763)	(2,763)	855	-23.6%
14	Total	880,094	893,111	893,056	906,317	13,207	1.5%

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Tables 2 and 3 present the illustrative bundled and unbundled class average total rate impacts, respectively, associated with SDG&E’s proposed 2027 electric sales forecast as discussed in the testimony of SDG&E witness Mr. Simmerman and the revenue requirements presented in Table 1. SDG&E is requesting rate recovery of those revenue requirements beginning January 1, 2027.

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The net \$13.2 million (including FF&U) increase from the currently effective revenue requirements, when implemented with SDG&E’s 2027 sales forecast as discussed in the testimony

¹⁹ Totals may not equal due to rounding.

²⁰ GHG Allowance Revenue available for return include FF&U in both columns.

1 of SDG&E witness Mr. Simmerman, would decrease the total bundled system average²¹ rate
 2 ~(0.5) cents per kWh, or -1.2%.²² Without the Residential and Small Business Semi-Annual CCC,
 3 the total bundled system average rate would decrease by ~(0.6) cents per kWh, or -1.4%. For
 4 unbundled customers, SDG&E's system average delivery plus PCIA rates will increase ~0.3 cents
 5 per kWh, or 1.4%. Without the Residential and Small Business Semi-Annual CCC, SDG&E's
 6 system average delivery plus PCIA rates would increase ~0.3 cents per kWh, or 1.1%.
 7 Attachments A and B illustrate the changes resulting from the proposals in this Application by
 8 individual rate component to the class average revenues and rates, respectively.

9 Tables 4 and 5 below present illustrative class bill impacts, including the CCC, for both
 10 bundled and unbundled customers, respectively. Beginning October 1, 2025, SDG&E
 11 implemented the Residential Base Services Charge.²³ This fixed charge will reduce residential
 12 volumetric rates but has no impact on class average rates.

13 **Table 2**
 14 **Illustrative Bundled Class Average Total Rate Impacts²⁴**

Customer Classes	Current Effective Rates (¢/kWh)	Proposed Rates (¢/kWh)	Change (¢/kWh)	Change (%)
Residential	43.873	43.618	-0.255	-0.6%
Small Commercial	40.349	40.423	0.074	0.2%
Medium Commercial	38.632	37.347	-1.285	-3.3%
Large Commercial and Industrial	38.121	37.446	-0.675	-1.8%

²¹ System average rates discussed in this testimony are calculated by dividing the total revenue requirement by the total forecasted kWh sales. The system average rates are presented as volumetric charges for simplicity; however, most of SDG&E's rate schedules are made up of multiple types of charges (i.e., volumetric, demand, and/or fixed).

²² Revenue requirement increase aligns with Table 1, which excludes TMNBC costs due to confidentiality. Rate and bill impacts include the impact of the TMNBC costs.

²³ AL 4701-E was approved by the Commission on September 30, 2025.

²⁴ Class average rates discussed in this testimony are calculated by dividing the total allocated revenue requirement by the total forecasted kWh sales per customer class. The class average rates are presented as volumetric charges for simplicity; however, most of SDG&E's rate schedules are made up of multiple types of charges (i.e., volumetric, demand, and/or fixed).

Agriculture	26.312	26.805	0.493	1.9%
Streetlighting	26.541	26.155	-0.386	-1.5%
System	39.626	39.141	-0.485	-1.2%

Table 3
Illustrative Unbundled Class Average Rate Impacts²⁵

Customer Classes	Current Effective Rates (¢/kWh)	Proposed Rates (¢/kWh)	Change (¢/kWh)	Change (%)
Residential	29.607	30.233	0.626	2.1%
Small Commercial	27.035	27.791	0.756	2.8%
Medium Commercial	22.444	23.099	0.655	2.9%
Large Commercial and Industrial	20.990	20.724	-0.266	-1.3%
Agriculture	16.910	17.645	0.734	4.3%
Streetlighting	17.113	16.524	-0.589	-3.4%
System	24.434	24.776	0.342	1.4%

²⁵ Includes average PCIA rates. Excludes the cost of electricity procured on the customers behalf by their ESP.

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Table 4
Illustrative Bundled Class Bill Impacts^{26,27}

Customer Classes	Current Bill (\$/month)	Proposed Bill (\$/month)	Bill Change (\$/month)	Bill Change (%)
Residential - Non-CARE	186	186	0	0.1%
Residential - CARE	103	103	(0)	-0.2%
Small Commercial	414	415	1	0.2%
Medium Commercial	7,143	6,905	(238)	-3.3%
Large Commercial and Industrial	136,336	133,922	(2,414)	-1.8%
Agriculture	1,879	1,914	35	1.9%
Streetlighting	266	262	(4)	-1.5%

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Table 5
Illustrative Unbundled Class Bill Impacts^{28,29}

Customer Classes	Current Bill (\$/month)	Proposed Bill (\$/month)	Bill Change (\$/month)	Bill Change (%)
Residential - Non-CARE	129	131	2	1.9%
Residential - CARE	68	69	1	2.0%
Small Commercial	278	285	8	2.8%
Medium Commercial	3,881	3,832	(49)	-1.3%
Large Commercial and Industrial	75,069	74,116	(953)	-1.3%
Agriculture	1,208	1,260	52	4.3%
Streetlighting	171	165	(6)	-3.4%

²⁶ Bill impacts presented for illustrative purposes only. Customers’ actual bill impacts will vary with usage per month, season and applicable rate schedule specific rate components such as climate zone, basic service fees (“BSF”), demand and per lamp charges. Includes the California Climate Credit.

²⁷ Residential bill impacts based on 400 kWh of usage per month on Schedule TOU-DR1 and assumes a Tier 3 Base Services Charge (“BSC”) for non-CARE customers and a Tier 1 BSC for CARE Customers. Non-residential bill impacts estimated based on class average rates multiplied by annual average billed 2025 usage (1,027 kWh for Small Commercial, 18,489 kWh for Medium Commercial 357,640 kWh for Large Commercial and Industrial, 7,141 kWh for Agriculture, and 1,001 kWh for Streetlighting).

²⁸ Bill impacts presented for illustrative purposes only. Customers’ actual bill impacts will vary with usage per month, season and applicable rate schedule specific rate components such as climate zone, BSF, demand, per lamp charges and customer specific PCIA vintage rates. Includes the California Climate Credit.

²⁹ Residential bill impacts based on 400 kWh of usage per month on Schedule TOU-DR1, PCIA vintage 2021, and assumes a Tier 3 BSC for non-CARE customers and a Tier 1 BSC for CARE customers. Non-residential bill impacts estimated based on class average delivery plus PCIA rates multiplied by annual average billed 2025 usage (1,027 kWh for Small Commercial, 18,489 kWh for Medium Commercial 357,640 kWh for Large Commercial and Industrial, 7,141 kWh for Agriculture, and 1,001 kWh for Streetlighting).

1 **IV. 2027 CLIMATE CREDIT FOR THE RETURN OF GHG ALLOWANCE**
2 **REVENUES**

3 In compliance with D.12-12-033 and D.20-10-002, the GHG allowance revenues eligible
4 for return to customers is based on the GHG Allowance Revenues forecast of \$(181.4)³⁰ million
5 presented in the testimony of SDG&E witness Mr. Elias, adjusted for the following:

- 6 1. Preliminary reconciliation of 2026 year-end actuals recorded in the GHG Revenue
7 Balancing Account (“GHGRBA”) of \$33.8 million as presented in Attachment G -
8 Template D-1 to the instant Application, which includes the reconciliation of 2025
9 forecasted with 2025 year-end actuals recorded in GHGRBA as presented in the
10 testimony of SDG&E witness Ms. Felan;
- 11 2. GHG expenses related to customer outreach and education and administrative costs
12 presented in the testimony of SDG&E witness Mr. Elliott of \$0.1 million that will be
13 recorded in the GHG Customer Outreach and Education Memorandum Account
14 (“GHGCOEMA”) and the GHG Administrative Costs Memorandum Account
15 (“GHGACMA”); and
- 16 3. Solar on Multifamily Affordable Housing (“SOMAH”) Program funding³¹ of
17 \$0 for 2027 and Disadvantaged Community Single-Family Solar Homes (“DAC-
18 SASH”) Program funding of \$0, as presented in the testimony of SDG&E witness Ms.
19 Felan, adjusted for the prior year’s SOMAH true-up; and

³⁰ The GHG Allowance Revenues reflect the currently approved Allocated Allowances from the California Air Resources Board (“CARB”) regulation and may change materially depending on CARB’s adoption of revised regulations in 2026.

³¹ D.17-12-022 at OP 4 requires the IOUs to “each shall reserve 10% of the proceeds from the sale of greenhouse gas allowances defined in Public Utilities Code Section 748.5 through its annual Energy Resource Recover Account (ERRA) proceedings for use in the Solar on Multifamily Affordable Housing program, starting with its ongoing 2018 ERRA forecast proceeding.” Furthermore, D.20-04-012 at OP 6 extended SOMAH funding through June 30, 2026. As such, SDG&E is not requesting any additional funding for SOMAH for 2027.

4. On September 19, 2025, Governor Newsom signed Assembly Bill 1207 (Irwin) Statutes 2025, Chapter 117 (“AB 1207”) which updated Pub. Utility Code Section 748.5(d)(1) and states, “the Commission shall require an electrical corporation to annually remit to the State Treasury 5 percent of the revenues, including any accrued interest, [...] for deposit in the California Transmission Accelerator Revolving Fund”.³² This code section becomes operative July 1, 2026, and applies for five years. As approved with D.26-04-036 OP 7, the new State Transmission Accelerator funding is \$9.1 million for 2027.^{33, 34}

Table 6 below provides the current authorized and proposed GHG Allowance revenues to determine the GHG Allowance revenues eligible for return to customers.

Table 6
GHG Allowance Revenues³⁵ Eligible for Return to Customers

	Current Authorized³⁶ (\$000)	Proposed (\$000)	Change³⁷ (\$000)	Change (%)
GHG Allowance Revenues	(207,853)	(181,399)	26,455	-12.7%
Interest	1,642	(109)	(1,751)	-106.7%
GHG Expenses ³⁸	18	65	47	268.2%

³² Established in 2025 by SB 254 to support critical energy infrastructure projects.

³³ D.26-04-036 OP 7b requires that the State Transmission Accelerator fund equals 5% of GHG Allowance Revenues.

³⁴ Due to implementing the Transmission Accelerator Revolving Fund for six months in 2026, SDG&E’s Attachment G (Template D-1) 2026 Recorded column reflects \$5.2 million which is half of 5% of the forecasted 2026 Allowance Revenues of (\$207.9) million approved with SDG&E’s 2026 ERRAs Forecast (D. 25-12-008).

³⁵ All values exclude FF&U unless otherwise noted.

³⁶ Authorized by D.25-12-008 and effective January 1, 2026, per AL 4757-E.

³⁷ Differences may not equal due to rounding.

³⁸ GHG Expenses include utility outreach and administrative costs, including information technology (“IT”) billing and program management costs, as well as statewide outreach costs.

	Current Authorized³⁶ (\$000)	Proposed (\$000)	Change³⁷ (\$000)	Change (%)
Total Allowance Revenue Approved for Programmatic Use ³⁹	8,712	9,296	584	6.7%
FF&U	(1,944)	(2,200)	(256)	13.2%
Prior Year GHGRBA Revenue Return True-Up	46,699	33,787	(12,913)	-27.7%
GHG Allowance Revenues Eligible for Return to Customers	(152,727)	(140,560)	12,167	-8.0%

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2 OP 1 of D.12-12-033, OP 18 of D.15-07-001, OP 1 of D.20-10-002 and OP 6 of D.21-08-
3 026 direct the IOUs to distribute GHG allowances revenues eligible for return to customers in the
4 following manner:^{40,41}

- 5 1. **Emissions-Intensive and Trade-Exposed (“EITE”)** entities will receive an annual,
6 fixed-amount on-bill credit based on Commission calculations, discussed below;
- 7 2. **Small Business and Residential CCC** for the distribution of all remaining GHG
8 Allowance revenues to small business and residential customers on an equal dollar
9 per small business and residential account basis delivered as a semi-annual, on-bill
10 credit and is described in more detail below.

11 **A. EITE**

12 OP 1 of D.20-10-002 directs the IOUs to distribute GHG allowance proceeds in the same
13 manner as previously directed in D.12-12-033, D.13-12-002, and D.14-12-037 (as modified by
14 D.15-08-006 and D.16-07-007). D.15-01-024 states “[o]nce EITE customers have begun
15 receiving an EITE return, the forecast return is based on the recorded prior-year revenue returned
16 to EITE customers.”⁴² With respect to the California Industry Assistance Credit for EITE, D.20-

³⁹ Includes SOMAH true-up amount of \$0.2 million.

⁴⁰ Consistent with D.15-07-001, OP 18, the Residential Volumetric Return is no longer applicable.

⁴¹ Consistent with D.21-08-026, OP 6, the Small Business Volumetric Return is no longer applicable.

⁴² D.15-01-024, Attachment D at 5.

1 10-002 extended the existing formulas until the CARB begins the process of providing assistance
 2 or the Commission directs further changes.⁴³ In March 2026, EITE customers began receiving
 3 EITE returns in the amount of \$2.8 million. As such, the adjustment to GHG Allowance Revenues
 4 available for distribution in 2027 reflects an assumed return to EITE customers of \$2.8 million.
 5 If the 2026 EITE return differs from the amount put forth in this testimony by the time SDG&E
 6 files its October Update, SDG&E will update this forecast.

7 **B. Small Business and Residential CCC**

8 The remaining GHG Allowance revenues eligible for return to customers will be allocated
 9 to all qualifying small business and residential customers on an equal dollar-per-account basis,
 10 which will be credited to customers semi-annually as a bill credit, also known as the Small
 11 Business and Residential Semi-Annual CCC. Table 7 below presents the remaining GHG
 12 Allowance revenues available for return through the Small Business and Residential CCC of
 13 \$137.8 million, which results in a semi-annual Small Business and Residential CCC of \$45.43.⁴⁴

14 **Table 7**
 15 **GHG Allowance Revenues⁴⁵ Eligible for Return through Residential CCC**

	Current Authorized⁴⁶ (\$000)	Proposed (\$000)	Change⁴⁷ (\$000)	Change (%)
GHG Allowance Revenues Eligible for Return	(152,727)	(140,560)	12,167	-8.0%
EITE Customer Return Revenues	3,618	2,763	(855)	-23.6%

⁴³ D.20-10-002, pp. 2-3 and 13-14.

⁴⁴ On August 22, 2024, the Commission approved Resolution E-5339 that modified the eligibility criteria used by the California Investor-Owned Utilities when distributing the Small Business CCC by imposing a 100-account cap on the eligible accounts. SDG&E used this updated criterion when forecasting the number of customers eligible for the CCC for the purpose of calculating the CCC amount.

⁴⁵ Includes FF&U.

⁴⁶ Authorized by D.25-12-008 and effective January 1, 2026, per AL 4757-E.

⁴⁷ Difference may not equal due to rounding.

Residential & Small Business CCC Revenues	(149,109)	(137,797)	11,311	-7.6%
Residential & Small Business Semi-Annual CCC (\$/ semi- annual)	49.36	45.43	(3.93)	-8.0%

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2 **V. 2027 PCIA RATES**

3 The methodologies adopted to develop the PCIA rate calculations have evolved over time.
4 The following is a timeline of Commission decisions that have impacted the calculation of the
5 PCIA rates, which SDG&E has complied with in the development of its 2027 PCIA rates:

- 6 • D.06-07-030, modified by D.07-01-030, established authority for the PCIA
7 component of the Cost Responsibility Surcharge (“CRS”) to preserve
8 bundled customer indifference by ensuring departing load customers pay
9 their share of the cost responsibility associated with the above-market costs
10 based on an administrative benchmark, also known as the “indifference
11 amount,” of the utilities’ total procurement resource portfolio.⁴⁸
- 12 • D.08-09-012 refined the indifference amount methodology to better protect
13 bundled customer indifference by introducing the requirement to “vintage”
14 departing load customers, based on their departure date, when determining
15 the customers’ cost responsibility for the “total portfolio” of resources.⁴⁹
16 Assigning customers to a vintage ensured that departing load customers pay
17 their share of above-market costs associated with the specific vintage
18 portfolio of resources that were acquired to serve them prior to their
19 departure from bundled load service in order to better protect bundled

⁴⁸ In D.07-01-025, the Commission adopted the PCIA methodology for CCA customers.

⁴⁹ D.08-09-012, OP 10.

1 customer indifference. After departure from bundled service, the departing
2 load customers are not required to pay for above-market costs associated
3 with utility procurement commitments after that load departs.

- 4 • D.11-12-018 refined the indifference amount methodology by recognizing
5 that regulatory and industry changes had impacted energy procurement
6 practices. Changes to the Market Price Benchmark (“MPB”) methodology,
7 used to determine the “above-market” value of electricity, now included the
8 addition of a renewables portfolio standards adder (“RPS adder”) to better
9 reflect the market value of renewable resources and a revised resource
10 adequacy capacity adder (“CAP adder”), which resulted in vintage MPBs.⁵⁰

11 The vintage portfolio of resources calculation was revised to better reflect
12 time-of-use load variations and also removed load-related costs incurred by
13 the California Independent System Operator (“CAISO”) that are then
14 charged to the utilities.⁵¹

- 15 • D.16-09-044 directed the Joint Utilities and CCAs⁵² to develop a uniform
16 workpaper template through the PCIA Working Group to “facilitate
17 comparison and analysis of the PCIA across utilities.”⁵³ Pursuant to D.17-
18 08-026 OP 2, SDG&E has reflected the uniform workpaper template as

⁵⁰ D.11-12-018, OPs 2 and 8.

⁵¹ D.11-12-018, OPs 6 and 7.

⁵² SCE, Pacific Gas & Electric Company (“PG&E”), SDG&E (collectively, the Joint Utilities), CCAs, certain Electric Service Providers and other representatives of DA interests, and consumer, labor and environmental groups participated in the PCIA working group.

⁵³ D.17-08-026, p. 2.

1 attached in Appendix 7 of D.06-07-030 as part of this filing.⁵⁴ The
2 Commission further ordered in D.18-10-019 that PG&E, SCE and SDG&E
3 develop a uniform common template for the calculation of each of their
4 PCIA rates reflecting the changes ordered in the decision.⁵⁵ SDG&E
5 submitted its common template to the Commission’s Energy Division and
6 concurrently served the updated common template to the service list for its
7 ERRA proceeding.

- 8 • D.18-10-019 modified the PCIA methodology by revising inputs to the
9 MPB that is used to calculate the PCIA, effective January 1, 2019. In
10 addition to the revised MPB inputs, the decision also adopted an annual
11 true-up mechanism, as recommended by a number of parties, as well as a
12 cap that limited the change of the PCIA rate from one year to the next.
13 Starting in forecast year 2020, the cap level of the PCIA rate was set at 0.5
14 cents/kWh more than the prior year’s PCIA, differentiated by system
15 average vintage rate. AL 3436-E established the PCIA under-collection
16 balancing account (“CAPBA”) which was used to track obligations that
17 accrued for departing load customers by vintage subaccounts when the
18 PCIA cap was hit.⁵⁶ In AL 3318-E/E-A, the PABA was established to
19 record the “above-market” costs and revenues associated with all PCIA
20 eligible resources by vintage subaccounts, effective January 1, 2019.⁵⁷

⁵⁴ D.17-08-026, OP 2 states that the workpaper template attached as Appendix A of D.17-08-026 is attached to D.06-07-030 as Appendix 7.

⁵⁵ D.18-10-019, OP 3.

⁵⁶ SDG&E AL 3436-E was filed on September 30, 2019, effective and approved on October 30, 2019.

⁵⁷ AL 3318-E/E-A, approved May 30, 2019, and effective January 1, 2019.

- 1 • D.19-10-001 further modified the PCIA methodology by revising the inputs
2 to the billing determinants (sales) that is used to calculate the PCIA rates,
3 effective January 1, 2020. This revision ordered SDG&E to use vintage
4 billing determinants of those responsible for the vintage portfolio to
5 determine PCIA rates, instead of the currently used system net billing
6 determinants. In addition, the decision authorized any over/under-
7 collection in the PABA vintage subaccounts in a given year to be rolled into
8 the next year’s ERRA Forecast filing. The decision adopted the
9 methodology for SDG&E to true-up the values in PABA for the imputed
10 RPS and resource adequacy (“RA”) costs using the updated benchmarks
11 provided by the Energy Division on October 1.⁵⁸ The true-up amounts for
12 both RPS and RA will be booked as adjustments to PABA annually through
13 the ERRA Forecast filing.
- 14 • D.20-05-006 directed the IOUs to open a new “non-vintaged” PABA
15 subaccount to allocate certain costs to all PCIA-eligible customers without
16 respect to when the customer departed.
- 17 • D.21-03-051 granted the Joint Utilities’ uncontested Petition for
18 Modification (“PFM”) to D.17-08-026 which updates the PCIA workpaper
19 to remove the application of line losses to capacity volumes and utilizes
20 energy volumes as measured at the generator meter instead of customer
21 meter.⁵⁹

⁵⁸ D.22-01-023, OP 1 modified the PCIA market price benchmark release date from November 1 to October 1 each year, beginning with the 2022 benchmark.

⁵⁹ D.21-03-051, OP 1.

- 1 • D.21-05-030 removed the PCIA cap and trigger mechanisms and required
2 SDG&E to implement the removal of the PCIA cap in rates effective
3 January 1, 2022.⁶⁰
- 4 • D.22-01-023 directed each of the IOUs to modify their respective Electric
5 Preliminary Statements governing the ERRA and PABA accounts to allow
6 them to place year-end ERRA balances in the most-recent vintage
7 subaccount of PABA each year.⁶¹ The modifications clarify that disposition
8 of the year-end balance in the ERRA account shall be to the PABA upon
9 submission (where a Tier 1 advice letter is currently required) or approval
10 (where a Tier 2 advice letter is currently required) by the Commission of the
11 applicable compliance advice letter addressing such balance.
- 12 • D.23-06-006 refined the calculation of the Energy Index MPB to improve
13 accuracy and transparency by calculating a factor to be multiplied by the
14 Commission-provided energy benchmarks. The factor is a measure of the
15 ratio between a three-year historical average of electric prices based on
16 actual energy revenues received for PCIA resources and the actual average
17 CAISO SP15 day ahead market prices. In addition, it modified the ratio of
18 on-peak to off-peak prices with a method based on time weightings rather
19 than bundled load weightings.⁶²

⁶⁰ D.21-05-030, OP 1.

⁶¹ D.22-01-023, OP 4. SDG&E AL 3976-E was approved by Energy Division on May 4, 2022.

⁶² D.23-06-006, OP 6; Additionally, D.23-06-006 established a new MPB and allocation mechanism to address the “greenhouse gas-free” incremental value of large hydroelectric energy resources above fossil fuel resources, however, SDG&E does not have any GHG-free resources.

- 1 • D.25-06-049 directed Energy Division to adopt a single RA MPB, utilizing
2 3 years of transaction data to develop the RA MPB forecasts and 4 years of
3 data for the final RA MPB calculations. The decision also adopts
4 definitions for affiliate, swap and sleeve transactions and directs Energy
5 Division to remove affiliate and swap transactions from RA MPB
6 calculations and to utilize only the initial transaction data in sleeve
7 transactions. Lastly, the decision requires LSEs to identify all affiliate,
8 swap, and sleeve transactions in their data submissions.
- 9 • D.25-08-039 granted SDG&E’s PFM to D.09-04-021 that was filed on
10 April 9, 2021. The modification allows SDG&E to address its year-end
11 ERRA balance through its annual ERRA forecast application.
- 12 • D.25-09-006 directed SDG&E to recover PCIA revenues allocated to
13 bundled customers through a separate PCIA rate for bundled customers
14 (“Bundled PCIA Rate”), rather than through bundled commodity rates as it
15 is currently done today. The Bundled PCIA Rate will not be included in
16 this filing, however, SDG&E plans to implement this Bundled PCIA change
17 between January 1, 2027, to no later than January 1, 2028.⁶³

18 **A. Indifference Methodology**

19 Under applicable laws and rules,⁶⁴ departing load customers are responsible for their fair
20 share of above-market costs, or an indifference amount, incurred by the utility on behalf of those
21 customers when electric generation costs exceed the current market price, or market price

⁶³ Please refer to SDG&E’s AL 4817-E and reply to protest on AL 4817-E which discusses its planned methodology for developing the Bundled PCIA rate and associated timing.

⁶⁴ California Public Utilities Code Section 365.2.

1 benchmark. To maintain bundled customers' indifference to the departure of SDG&E's customers
2 to non-utility service, SDG&E calculates the indifference amount to determine the cost
3 responsibility for DA, CCA, and other departing load, specifically:

$$4 \quad \textbf{Indifference Amount} = \textbf{CTC} + \textbf{PCIA}$$

5 The above-market costs for both the CTC and PCIA are determined using the MPB, a
6 calculated proxy for the market value of electricity. This methodology is consistent with
7 Commission directives, specifically D.11-12-018 and Resolution E-4475. CTC revenue
8 requirements are addressed in the testimony of SDG&E witness Ms. Felan with rate impacts
9 discussed above.

10 In this Application, SDG&E is proposing to update the currently effective vintage PCIA
11 rates and to include the new vintage 2027 PCIA rates to account for customers' departing load in
12 the second half of 2027. With respect to this 2027 ERRA proceeding, SDG&E's portfolio of
13 resources, used to calculate the vintage 2027 indifference amounts and the resulting 2027 PCIA
14 rates, will include applicable costs from SDG&E's:

- 15 • Forecasted 2027 PABA, and CTC revenue requirements;
- 16 • Projected 2026 PABA year-end balance;
- 17 • Projected 2026 ERRA year-end balance;
- 18 • SDG&E's authorized 2027 Non-Fuel Generation Balancing Account
19 ("NGBA") revenue requirement;⁶⁵ and
- 20 • SDG&E's authorized General Rate Case Memorandum Account
21 ("GRCMA") balance.⁶⁶

⁶⁵ Pursuant to SDG&E's Test Year 2024 General Rate Case (TY 2024 GRC) D.24-12-074.

⁶⁶ Effective February 1, 2025, per AL 4588-E. Pursuant to OP 5 of D.24-12-074, the GRCMA is being collected over 18-months and is scheduled to roll off in August 2026 which will be reflected in the October update.

1 Updated MPBs are not available at the time of this filing and therefore, the current MPBs⁶⁷
2 were used in the preliminary calculation of the PCIA rates in this testimony and will be updated in
3 SDG&E's October Update filing in this proceeding.

4 **B. Treatment of SONGS-related Costs**

5 On July 26, 2018, the Commission approved D.18-07-037, adopting the majority of the
6 2018 Revised Settlement Agreement ("Agreement"), which stated, in part, that SDG&E would
7 cease collecting in rates the revenue requirement authorized to be recovered related to the SONGS
8 regulatory asset.

9 SDG&E's PCIA rates therefore no longer include SONGS-related Regulatory Asset
10 costs.⁶⁸ The only remaining SONGS-related costs included in PCIA rates are non-fuel related
11 costs authorized in Southern California Edison's ("SCE") General Rate Case ("GRC")
12 applications. The Commission recently adopted D.25-09-030 in SCE's Test Year 2025 GRC and
13 adopts, among other things, updated SONGS-related costs. Pursuant to OP 25, the 2027 SONGS
14 costs will be updated in SDG&E's year-end Consolidated advice letter filings. These costs are
15 included in the PCIA rates in Attachment C.

16 **C. Illustrative 2027 PCIA Rates**

17 Tables 8 and 9 below provide a comparison of the current effective PCIA rates as
18 implemented on April 1, 2026, via AL 4791-E / E-A and the illustrative 2027 PCIA rates by
19 vintage based on the 2027 ERRRA Forecast inputs discussed above. The 2027 PCIA rates can also
20 be found in Attachment C. Pursuant to Resolution E-5217, SDG&E will update the PCIA rates as

⁶⁷ Per SDG&E's 2026 ERRRA Forecast Application, October update (A.25-05-012) and D.25-12-008.

⁶⁸ In the Order Instituting Investigation on the Commission's Own Motion in the Rates, Operations, Practices, Services and Facilities of SCE and SDG&E Associated with the San Onofre Nuclear Generating Station Units 2 and 3 (Investigation 12-10-013), a Joint Motion for Adoption of Settlement Agreement was approved by the Commission in D.18-07-037.

1 part of its year-end consolidated electric rate change process with updated projected year-end
 2 PABA and ERRa balances.

3 **Table 8 – 2026 Current Effective Vintage PCIA Rates (\$/kWh)**

4

Rate Group	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage
Residential	(0.00006)	(0.00015)	(0.00015)	0.00796	0.00992	0.01148	0.01561	0.01577	0.01538	0.02010	0.03031	0.03637	0.03572
Small Commercial	(0.00005)	(0.00010)	(0.00010)	0.00572	0.00713	0.00825	0.01121	0.01133	0.01105	0.01444	0.02180	0.02618	0.02571
Medium & Large C&I	(0.00004)	(0.00012)	(0.00012)	0.00723	0.00901	0.01042	0.01417	0.01431	0.01396	0.01834	0.02809	0.03400	0.03336
Agriculture	(0.00005)	(0.00012)	(0.00012)	0.00669	0.00833	0.00964	0.01311	0.01324	0.01292	0.01688	0.02581	0.03114	0.03056
Streetlighting	(0.00005)	(0.00011)	(0.00011)	0.00599	0.00747	0.00864	0.01175	0.01187	0.01158	0.01513	0.02283	0.02741	0.02691
System Total	(0.00005)	(0.00013)	(0.00013)	0.00730	0.00910	0.01053	0.01431	0.01446	0.01410	0.01848	0.02808	0.03383	0.03321

5

Rate Group	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage	PCIA 2023 Vintage	PCIA 2024 Vintage	PCIA 2025 Vintage	PCIA 2026 Vintage
Residential	0.03572	0.03687	0.03595	0.03576	0.03670	0.03450	0.03605	0.03564	0.03005	0.02828	0.05055	0.04987	0.04987
Small Commercial	0.02571	0.02654	0.02588	0.02574	0.02642	0.02482	0.02595	0.02532	0.02049	0.01900	0.03854	0.03794	0.03794
Medium & Large C&I	0.03336	0.03448	0.03357	0.03338	0.03432	0.03205	0.03367	0.03275	0.02461	0.02265	0.04628	0.04555	0.04555
Agriculture	0.03056	0.03158	0.03077	0.03060	0.03142	0.02949	0.03085	0.03032	0.02612	0.02475	0.03983	0.03936	0.03936
Streetlighting	0.02691	0.02778	0.02709	0.02695	0.02765	0.02599	0.02716	0.02646	0.02112	0.01985	0.03507	0.03460	0.03460
System Total	0.03321	0.03431	0.03342	0.03325	0.03414	0.03200	0.03352	0.03293	0.02655	0.02475	0.04703	0.04634	0.04634

Table 9 – 2027 Illustrative Proposed Vintage PCIA Rates (\$/kWh)

Rate Group	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage
Residential	0.00015	0.00009	0.00009	0.00295	0.00391	0.00561	0.01305	0.01235	0.01226	0.01598	0.02622	0.03092	0.03044	0.03042
Small Commercial	0.00011	0.00006	0.00006	0.00217	0.00288	0.00413	0.00962	0.00910	0.00904	0.01178	0.01936	0.02285	0.02250	0.02248
Medium Commercial	0.00011	0.00006	0.00006	0.00233	0.00309	0.00444	0.01034	0.00978	0.00971	0.01268	0.02097	0.02480	0.02441	0.02439
Large Commercial & Industrial	0.00008	0.00003	0.00003	0.00228	0.00304	0.00439	0.01027	0.00971	0.00964	0.01270	0.02144	0.02555	0.02513	0.02511
Agriculture	0.00011	0.00006	0.00006	0.00214	0.00285	0.00409	0.00951	0.00900	0.00894	0.01165	0.01943	0.02301	0.02264	0.02263
Streetlighting	0.00008	0.00005	0.00005	0.00158	0.00210	0.00301	0.00700	0.00663	0.00658	0.00857	0.01428	0.01698	0.01670	0.01669
System Total	0.00011	0.00006	0.00006	0.00252	0.00335	0.00482	0.01123	0.01063	0.01055	0.01379	0.02287	0.02707	0.02664	0.02662

Rate Group	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage	PCIA 2023 Vintage	PCIA 2024 Vintage	PCIA 2025 Vintage	PCIA 2026 Vintage	PCIA 2027 Vintage
Residential	0.03165	0.03082	0.03204	0.03368	0.03363	0.03511	0.03327	0.03052	0.03059	0.05238	0.05355	0.03870	0.03870
Small Commercial	0.02339	0.02277	0.02368	0.02491	0.02487	0.02598	0.02311	0.02076	0.02082	0.04012	0.04116	0.02795	0.02795
Medium Commercial	0.02540	0.02471	0.02572	0.02708	0.02704	0.02830	0.02499	0.02209	0.02216	0.04386	0.04503	0.03023	0.03023
Large Commercial & Industrial	0.02619	0.02544	0.02654	0.02802	0.02797	0.02938	0.02518	0.02099	0.02107	0.04480	0.04608	0.02990	0.02990
Agriculture	0.02356	0.02293	0.02386	0.02511	0.02507	0.02620	0.02404	0.02224	0.02230	0.03706	0.03785	0.02779	0.02779
Streetlighting	0.01739	0.01692	0.01762	0.01856	0.01853	0.01938	0.01676	0.01467	0.01471	0.02968	0.03049	0.02029	0.02029
System Total	0.02771	0.02697	0.02807	0.02955	0.02950	0.03087	0.02837	0.02542	0.02549	0.04720	0.04837	0.03356	0.03356

VI. 2027 MCAM RATES

In D.19-11-016, the Commission directed the IOUs to procure additional resource generation capacity on behalf of non-IOU LSEs in their respective service territories that (a) elected to opt out of self-procuring to meet procurement obligations established in the decision (opt-out procurement); or (b) failed to acquire their share of required capacity after initially electing to do so (backstop procurement). Pursuant to this requirement, SDG&E was obligated to procure an additional 8.4 MWs to account for LSEs that opted out of their portion of procurement ordered in D.19-11-016. SDG&E is currently unaware of any LSEs in its service territory that are deficient in their procurement obligations related to D.19-11-016 and/or D.21-06-035.

D.22-05-015 authorizes the use of non-bypassable customer charges, MCAM rates, to ensure that the net costs of electric resource procurement obligations mandated in D.19-11-016 and D.21-06-035 are allocated and recovered in a fair, economical, and legally compliant manner.

SDG&E filed AL 4043-E with its implementation plan, which was approved with modifications by Resolution E-5241. SDG&E subsequently filed AL 4151-E and 4151-E-A to address the modifications required by Resolution E-5241. In accordance with the ALs listed

1 above and Resolution E-5241, SDG&E will recover the costs of procurement associated with
2 D.19-11-016 and D.21-06-035 in the following manner:

3 **A. Bundled Service Customers**

4 The MCAM charge is applicable only to opt-out and backstop procurement LSE
5 customers. Accordingly, costs of SDG&E procurement associated with D.19-11-016 and D.21-
6 06-035 on behalf of bundled service customers will be recovered through the Portfolio Allocation
7 Balancing Account (PABA) and included in bundled service customer commodity rates. For
8 bundled service customers who depart bundled service after the effective date of D.22-05-015,
9 above-market costs for procurement associated with D.19-11-016 and D.21-06-035 requirements
10 will be assigned a 2019 vintage and be collected through the PCIA charge.⁶⁹

11 **B. Opt-Out LSEs**

12 For customers of LSEs that opted out of self-providing capacity required by D.19-11-016,
13 the opt-out costs and offsetting benefits shall be aggregated into a single bucket for procurement
14 and a single bucket for administrative costs.⁷⁰ All of the procurement-related costs, including
15 incremental administrative costs, shall be recorded in the MCAMBA, offset by any net energy or
16 other revenues received from the contracts. The remaining net capacity costs will be recovered
17 from all customers of all opt-out LSEs via the MCAM.⁷¹

18 **C. Deficient LSEs (Backstop Procurement)**

19 For customers of LSEs that fail to provide the capacity required by D.19-11-016 and/or
20 D.21-06-035 and the Commission has required backstop procurement, the associated costs and
21 offsetting benefits shall be aggregated into a single bucket for procurement and a single bucket for

⁶⁹ D.22-05-015, OP 4.

⁷⁰ D.22-05-015, OP 5.

⁷¹ Resolution E-5241, OP 1.

1 administrative costs. All of the procurement-related costs, including incremental administrative
2 costs, shall be recorded in the MCAMBA or sub-account specific to the MCAM. These costs are
3 offset by any net energy or other revenues received from the contracts. The net capacity costs will
4 be recovered from the customers of the deficient LSEs via the MCAM.

5 SDG&E does not currently have any backstop procurement for LSEs pursuant to D.19-11-
6 016 or D.21-06-035, as described by D.20-12-044, in its service territory. However, in the event
7 SDG&E is required to procure resources as a backstop where MCAM is applicable, SDG&E will
8 calculate the MCAM charges specific to the deficient LSE using the methodology described above
9 and will not be pooled with other opt-out costs/revenue requirements.

10 **D. Opt-Out LSEs no Longer Serving Customers**

11 For a non-IOU LSE that declares bankruptcy or ceases providing retail service in
12 California and yet has a capacity obligation under D.19-11-016 or D.21-06-035, and their retail
13 customers are paying for capacity under the MCAM adopted in D.22-05-015, the capacity shall
14 revert to SDG&E, with the costs of the associated procurement allocated thereafter using the CAM
15 established under Public Utilities Code Section 365.1(c)(2).⁷²

16 The costs of procurement related to one energy service provider (ESP) in SDG&E's
17 service territory that has left the market since D.19-11-016 will be recovered through the CAM, in
18 accordance with Conclusions of Law 16 of D.22-05-015.

19 Because Solana Energy Alliance ("SEA") opted out of procurement ordered by D.19-11-
20 016, SDG&E procured resources associated with D.19-11-016 on its behalf; however, since that
21 time, Solana Energy Alliance merged with Clean Energy Alliance, and former SEA customers are
22 now served by Clean Energy Alliance ("CEA"). Pursuant to OP 14 of D.22-05-015, the opt-out

⁷² D.22-05-015, OP 10.

1 procurement costs incurred by SDG&E on behalf of Solana Energy Alliance shall recovered via
2 the non-bypassable MCAM charge structure.

3 **E. Proposed 2027 MCAM Rates**

4 Table 10 below presents the proposed 2027 MCAM rates. As approved in D.25-09-006,
5 SDG&E implemented the Medium Commercial Class on April 1, 2026, with AL 4791-E / E-A.⁷³
6 Since the Medium Commercial class was combined with the Large Commercial & Industrial class
7 at the time D.22-05-015 was approved, SDG&E believes it is reasonable that the Medium
8 Commercial class rate should continue to use the combined Medium/Large Commercial &
9 Industrial revenue allocation factor based on the 12-CP that was calculated based on the opt-out
10 load serving entities (“LSEs”) that were in place at the time that D.22-05-015 was approved.
11 However, in compliance with D.25-09-006 and the reclassification of Schedule TOU-M from
12 Small Commercial to Medium Commercial, SDG&E moved the Schedule TOU-M specific 12-CP
13 factors from the Small Commercial class to the Medium/Large Commercial & Industrial class.
14 Also to maintain compliance with D.25-09-006, SDG&E included the Schedule TOU-M Opt-Out
15 LSE Load with the Medium/Large Commercial and Industrial class opt-out load to calculate the
16 updated MCAM rates.

17 **Table 10 – Proposed 2027 MCAM Rates (\$/kWh)**

Customer Class MCAM-CRS	Opt-Out ESPs	Backstop ESPs
Residential	0.00008	-
Small Commercial	0.00011	-
Medium Commercial / Large Commercial & Industrial	0.00014	-
Agricultural	0.00008	-
Streetlighting	0.00005	-

18 These rates will be charged to all customers of the opt-out LSEs, listed below.
19

⁷³ D.25-09-006 at Attachment B (Partial Settlement Agreement), Section 3.4.

- 1 • 3 Phase Renewables LLC
- 2 • Solana Energy Alliance (now Clean Energy Alliance)⁷⁴
- 3 • Commercial Energy of California
- 4 • Constellation NewEnergy Inc.
- 5 • BP Energy Retail Company California LLC⁷⁵
- 6 • Pilot Power Group Inc.

7 Upon implementation of these rates, SDG&E will update Special Condition 6 in its tariff
8 Schedule CCA-CRS and Special Condition 3 in its tariff Schedule DA-CRS with the 2027 MCAM
9 rates and the list of opt out LSEs.

10 **VII. SUMMARY AND RELIEF REQUESTED**

11 Consistent with the rate recovery proposed in this testimony, SDG&E requests that the
12 Commission authorize the following relief in its forthcoming decision in this proceeding:

- 13 1. Approve for recovery in rates: (1) the 2027 ERRR revenue requirement of
14 \$379.3 million; (2) the projected 2026 ERRR year-end balance of (\$45.0)
15 million; (3) the 2027 PABA revenue requirement of \$301.4 million; (4) the
16 projected 2026 PABA year-end balance of \$144.8 million; (5) the 2027
17 CTC revenue requirement of \$0.1 million; (6) the 2027 LG revenue
18 requirement of \$285.4 million; (7) the projected 2026 LGBA year-end
19 balance of (\$34.0) million; (8) the 2027 MCAM revenue requirement of
20 \$0.4 million; (9) 2027 SDCP DAC-GT program revenue requirement of
21 \$1.1 million; (10) the TMNBC revenue requirement; and (11) the projected

⁷⁴ SEA merged with CEA after D.19-11-016 was adopted. Pursuant to D.22-05-015, the opt-out procurement costs incurred by SDG&E on behalf of SEA shall be recovered via the non-bypassable MCAM charge structure from the customers of CEA.

⁷⁵ Previously “EDF Industrial Power Services (CA) LLC.”

1 2026 BNBCBA year-end balance of \$0.1 million as set forth in the
2 testimony of SDG&E witness Ms. Felan and confidentiality declaration
3 attached thereto;⁷⁶

4 2. The amounts above projected for the ERRA, PABA, LGBA, and BNBCBA
5 year-end balances will be updated in SDG&E's annual year-end process
6 pursuant to Resolution E-5217;

7 3. The amounts above exclude FF&U and the then-approved FF&U factors
8 will be applied at the time of implementation; and

9 4. Approve SDG&E's 2027 proposed rates, subject to updates as discussed in
10 my testimony, for:

11 a. GHG Allowance return to customers for the Residential and Small
12 Business Semi-Annual CCC of \$45.43;

13 b. 2027 PCIA rates presented in Attachment C;

14 c. 2027 MCAM rates presented in Attachment D.

15 This concludes my prepared direct testimony.

⁷⁶ All values exclude FF&U.

1 **VIII. QUALIFICATIONS**

2 My name is Mindy Guardado and I am the Rates Lead in the Rate Strategy & Design
3 group in the Customer Pricing Department of San Diego Gas & Electric Company. My business
4 address is 8330 Century Park Court, San Diego, California 92123.

5 I have been a part of the Customer Pricing Department since March 2022. In my current
6 role, one of my responsibilities is to analyze and develop rate design for SDG&E in proceedings
7 before the Commission. I began work at SDG&E in 2019 and have held various positions with
8 increasing levels of responsibility within the Sempra Energy family of companies.

9 I received a Bachelor of Science degree in Business Administration with an emphasis in
10 Accounting from California State University, San Marcos in 2019.

11 I have previously submitted testimony before the California Public Utilities Commission
12 and the Federal Energy Regulatory Commission.

ATTACHMENT A.1

**ILLUSTRATIVE CLASS AVERAGE REVENUE CHANGES BY
RATE COMPONENT**

BUNDLED CUSTOMERS

SAN DIEGO GAS & ELECTRIC COMPANY – ELECTRIC DEPARTMENT
2027 ERRR FORECAST APPLICATION
ATTACHMENT A.1
ILLUSTRATIVE CLASS AVERAGE REVENUE CHANGES BY RATE COMPONENT
BUNDLED CUSTOMERS⁷⁷

⁷⁷ The illustrative class average revenues presented are calculated by taking the rates multiplied by sales forecast. The authorized rates for Transmission, RS and WF-NBC are not changing with this proceeding. However, the calculated class revenues are changing as a result of the requested change to sales forecast.

Line No.		Distribution Revenues (\$)	Transmission Revenues (\$)	Public Goods Revenues (\$)	Nuc Decom Revenues (\$)	On-Going CTC Revenues (\$)	LGC Revenues (\$)	RS Revenues (\$)	TRAC Revenues (\$)	GHG Revenues (\$)	Total UDC Revenues (\$)	WF-NBC Revenues (\$)	DWR-BC Revenues (\$)	Commodity Revenues (\$)	Total Revenues (\$)	Line No.
<u>PRESENT 4/1/2026</u>																
1	Residential	886,805,046	521,086,376	122,517,772	(24,028)	(531,383)	68,307,194	276,462	0	(139,184,546)	1,459,252,893	32,731,592	0	230,777,563	1,722,762,048	1
2	Small Comm.	300,880,634	87,389,586	36,259,084	(5,959)	(128,459)	15,430,013	89,264	0	(9,380,299)	430,533,864	10,525,694	0	54,036,044	495,095,602	2
3	Med Comm.	317,616,849	181,035,031	54,527,061	(9,789)	(195,656)	25,465,458	144,919	0	(263,707)	578,320,166	13,594,170	0	119,789,359	711,703,695	3
4	Lg C&I	721,213,913	342,001,844	126,663,739	(22,629)	(442,026)	59,545,018	337,249	0	(2,468)	1,249,294,640	28,921,681	0	148,473,726	1,426,690,047	4
5	Agriculture	36,143,564	9,292,564	6,774,873	(1,328)	(16,471)	1,974,029	19,564	0	(277,529)	53,909,266	2,284,020	0	13,347,305	69,540,591	5
6	Lighting	7,743,948	2,890,362	157,773	(270)	(413)	683,334	4,113	0	0	11,478,847	484,401	0	2,594,286	14,557,534	6
7	System Total	2,270,403,954	1,143,695,763	346,900,302	(64,003)	(1,314,408)	171,405,046	871,571	0	(149,108,549)	3,782,789,676	88,541,558	0	569,018,283	4,440,349,517	7
<u>PROPOSED 2027 ERRA APPLICATION</u>																
8	Residential	909,187,115	530,270,173	132,639,371	(24,651)	(718,931)	103,801,401	285,092	0	(128,639,700)	1,546,799,870	34,623,696	0	224,885,469	1,806,309,035	8
9	Small Comm.	292,865,602	83,999,617	36,483,600	(5,677)	(161,412)	21,856,030	85,801	0	(8,653,170)	426,470,391	10,168,446	0	50,355,286	486,994,123	9
10	Med Comm.	320,511,046	188,021,896	57,125,669	(10,040)	(264,310)	38,131,326	149,694	0	(248,599)	603,416,682	17,207,025	0	89,827,585	710,451,292	10
11	Lg C&I	705,321,417	336,748,672	127,888,800	(22,119)	(566,311)	86,164,795	332,749	0	(2,272)	1,255,865,731	25,374,490	0	131,479,515	1,412,719,736	11
12	Agriculture	35,688,932	8,876,165	6,650,540	(1,262)	(20,647)	4,879,180	18,753	0	(253,687)	55,837,974	2,205,375	0	10,570,243	68,613,592	12
13	Lighting	7,508,471	2,729,812	191,851	(253)	(510)	577,550	3,884	0	0	11,010,805	457,643	0	1,644,067	13,112,515	13
14	System Total	2,271,082,583	1,150,646,335	360,979,831	(64,002)	(1,732,121)	255,410,282	875,973	0	(137,797,428)	3,899,401,453	90,036,675	0	508,762,165	4,498,200,293	14
<u>REVENUE CHANGE SUMMARY</u>																
15	Residential	22,382,069	9,183,797	10,121,599	(623)	(187,548)	35,494,207	8,630	0	10,544,846	87,546,977	1,892,104	0	(5,892,094)	83,546,987	15
16	Small Comm.	(8,015,032)	(3,389,969)	224,516	282	(32,953)	6,426,017	(3,463)	0	727,129	(4,063,473)	(357,248)	0	(3,680,758)	(8,101,479)	16
17	Med Comm.	2,894,197	6,986,865	2,598,608	(251)	(68,654)	12,665,868	4,775	0	15,108	25,096,516	3,612,855	0	(29,961,774)	(1,252,403)	17
18	Lg C&I	(15,892,496)	(5,253,172)	1,225,061	510	(124,285)	26,619,777	(4,500)	0	196	6,571,091	(3,547,191)	0	(16,994,211)	(13,970,311)	18
19	Agriculture	(454,632)	(416,399)	(124,333)	66	(4,176)	2,905,151	(811)	0	23,842	1,928,708	(78,645)	0	(2,777,062)	(926,999)	19
20	Lighting	(235,477)	(160,550)	34,078	17	(97)	(105,784)	(229)	0	0	(468,042)	(26,758)	0	(950,219)	(1,445,019)	20
21	System Total	678,629	6,950,572	14,079,529	1	(417,713)	84,005,236	4,402	0	11,311,121	116,611,777	1,495,117	0	(60,256,118)	57,850,776	21
<u>AVERAGE % CHANGE SUMMARY</u>																
22	Residential	2.52%	1.76%	8.26%	-2.59%	-35.29%	51.96%	3.12%	0.00%	7.58%	6.00%	5.78%	0.00%	-2.55%	4.85%	22
23	Small Comm.	-2.66%	-3.88%	0.62%	4.73%	-25.65%	41.65%	-3.88%	0.00%	7.75%	-0.94%	-3.39%	0.00%	-6.81%	-1.64%	23
24	Med Comm.	0.91%	3.86%	4.77%	-2.56%	-35.09%	49.74%	3.29%	0.00%	5.73%	4.34%	26.58%	0.00%	-25.01%	-0.18%	24
25	Lg C&I	-2.20%	-1.54%	0.97%	2.25%	-28.12%	44.71%	-1.33%	0.00%	7.94%	0.53%	-12.26%	0.00%	-11.45%	-0.98%	25
26	Agriculture	-1.26%	-4.48%	-1.84%	4.97%	-25.35%	147.17%	-4.15%	0.00%	8.59%	3.58%	-3.44%	0.00%	-20.81%	-1.33%	26
27	Lighting	-3.04%	-5.55%	21.60%	6.30%	-23.49%	-15.48%	-5.57%	0.00%	0.00%	-4.08%	-5.52%	0.00%	-36.63%	-9.93%	27
28	System Total	0.03%	0.61%	4.06%	0.00%	-31.78%	49.01%	0.51%	0.00%	7.59%	3.08%	1.69%	0.00%	-10.59%	1.30%	28

ATTACHMENT A.2

**ILLUSTRATIVE CLASS AVERAGE REVENUE CHANGES BY
RATE COMPONENT**

UNBUNDLED CUSTOMERS

**SAN DIEGO GAS & ELECTRIC COMPANY – ELECTRIC DEPARTMENT -
2027 ERRR FORECAST APPLICATION
ATTACHMENT A.2
ILLUSTRATIVE CLASS AVERAGE REVENUE CHANGES BY RATE COMPONENT
UNBUNDLED CUSTOMERS⁷⁸**

⁷⁸ The illustrative class average revenues presented are calculated by taking the rates multiplied by sales forecast. The authorized rates for Transmission, RS and WF-NBC are not changing with this proceeding. However, the calculated class revenues are changing as a result of the requested change to sales forecast.

Line No.		Distribution Revenues (\$)	Transmission Revenues (\$)	Public Goods Revenues (\$)	Nuc Decom Revenues (\$)	On-Going CTC Revenues (\$)	LGC Revenues (\$)	RS Revenues (\$)	TRAC Revenues (\$)	GHG Revenues (\$)	Total UDC Revenues (\$)	WF-NBC Revenues (\$)	DWR-BC Revenues (\$)	PCIA Revenues (\$)	Total Revenues (\$)	Line No.
PRESENT 4/1/2026																
1	Residential	886,805,046	521,086,376	122,517,772	(24,028)	(531,383)	68,307,194	276,462	0	(139,184,546)	1,459,252,893	32,731,592	0	139,344,119	1,631,328,604	1
2	Small Comm.	300,880,634	87,389,586	36,259,084	(5,959)	(128,459)	15,430,013	89,264	0	(9,380,299)	430,533,864	10,525,694	0	34,150,294	475,209,852	2
3	Med Comm.	317,616,849	181,035,031	54,527,061	(9,789)	(195,656)	25,465,458	144,919	0	(263,707)	578,320,166	13,594,170	0	46,788,988	638,703,324	3
4	Lg C&I	721,213,913	342,001,844	126,663,739	(22,629)	(442,026)	59,545,018	337,249	0	(2,468)	1,249,294,640	28,921,681	0	124,591,397	1,402,807,718	4
5	Agriculture	36,143,564	9,292,564	6,774,873	(1,328)	(16,471)	1,974,029	19,564	0	(277,529)	53,909,266	2,284,020	0	7,349,900	63,543,186	5
6	Lighting	7,743,948	2,890,362	157,773	(270)	(413)	683,334	4,113	0	0	11,478,847	484,401	0	1,556,927	13,520,175	6
7	System Total	2,270,403,954	1,143,695,763	346,900,302	(64,003)	(1,314,408)	171,405,046	871,571	0	(149,108,549)	3,782,789,676	88,541,558	0	353,781,625	4,225,112,859	7
PROPOSED 2027 ERRR APPLICATION																
8	Residential	909,187,115	530,270,173	132,639,371	(24,651)	(718,931)	103,801,401	285,092	0	(128,639,700)	1,546,799,870	34,623,696	0	139,842,522	1,721,266,088	8
9	Small Comm.	292,865,602	83,999,617	36,483,600	(5,677)	(161,412)	21,856,030	85,801	0	(8,653,170)	426,470,391	10,168,446	0	32,955,108	469,593,945	9
10	Med Comm.	320,511,046	188,021,896	57,125,669	(10,040)	(264,310)	38,131,326	149,694	0	(248,599)	603,416,682	17,207,025	0	59,754,716	680,378,423	10
11	Lg C&I	705,321,417	336,748,672	127,888,800	(22,119)	(566,311)	86,164,795	332,749	0	(2,272)	1,255,865,731	25,374,490	0	89,713,261	1,370,953,482	11
12	Agriculture	35,688,932	8,876,165	6,650,540	(1,262)	(20,647)	4,879,180	18,753	0	(253,687)	55,837,974	2,205,375	0	6,335,243	64,378,592	12
13	Lighting	7,508,471	2,729,812	191,851	(253)	(510)	577,550	3,884	0	0	11,010,805	457,643	0	1,114,396	12,582,844	13
14	System Total	2,271,082,583	1,150,646,335	360,979,831	(64,002)	(1,732,121)	255,410,282	875,973	0	(137,797,428)	3,899,401,453	90,036,675	0	329,715,246	4,319,153,374	14
REVENUE CHANGE SUMMARY																
15	Residential	22,382,069	9,183,797	10,121,599	(623)	(187,548)	35,494,207	8,630	0	10,544,846	87,546,977	1,892,104	0	498,403	89,937,484	15
16	Small Comm.	(8,015,032)	(3,389,969)	224,516	282	(32,953)	6,426,017	(3,463)	0	727,129	(4,063,473)	(357,248)	0	(1,195,186)	(5,615,907)	16
17	Med Comm.	2,894,197	6,986,865	2,598,608	(251)	(68,654)	12,665,868	4,775	0	15,108	25,096,516	3,612,855	0	12,965,728	41,675,099	17
18	Lg C&I	(15,892,496)	(5,253,172)	1,225,061	510	(124,285)	26,619,777	(4,500)	0	196	6,571,091	(3,547,191)	0	(34,878,136)	(31,854,236)	18
19	Agriculture	(454,632)	(416,399)	(124,333)	66	(4,176)	2,905,151	(811)	0	23,842	1,928,708	(78,645)	0	(1,014,657)	835,406	19
20	Lighting	(235,477)	(160,550)	34,078	17	(97)	(105,784)	(229)	0	0	(468,042)	(26,758)	0	(442,531)	(937,331)	20
21	System Total	678,629	6,950,572	14,079,529	1	(417,713)	84,005,236	4,402	0	11,311,121	116,611,777	1,495,117	0	(24,066,379)	94,040,515	21
AVERAGE % CHANGE SUMMARY																
22	Residential	2.52%	1.76%	8.26%	-2.59%	-35.29%	51.96%	3.12%	0.00%	7.58%	6.00%	5.78%	0.00%	0.36%	5.51%	22
23	Small Comm.	-2.66%	-3.88%	0.62%	4.73%	-25.65%	41.65%	-3.88%	0.00%	7.75%	-0.94%	-3.39%	0.00%	-3.50%	-1.18%	23
24	Med Comm.	0.91%	3.86%	4.77%	-2.56%	-35.09%	49.74%	3.29%	0.00%	5.73%	4.34%	26.58%	0.00%	27.71%	6.52%	24
25	Lg C&I	-2.20%	-1.54%	0.97%	2.25%	-28.12%	44.71%	-1.33%	0.00%	7.94%	0.53%	-12.26%	0.00%	-27.99%	-2.27%	25
26	Agriculture	-1.26%	-4.48%	-1.84%	4.97%	-25.35%	147.17%	-4.15%	0.00%	8.59%	3.58%	-3.44%	0.00%	-13.81%	1.31%	26
27	Lighting	-3.04%	-5.55%	21.60%	6.30%	-23.49%	-15.48%	-5.57%	0.00%	0.00%	-4.08%	-5.52%	0.00%	-28.42%	-6.93%	27
28	System Total	0.03%	0.61%	4.06%	0.00%	-31.78%	49.01%	0.51%	0.00%	7.59%	3.08%	1.69%	0.00%	-6.80%	2.23%	28

ATTACHMENT B.1

**ILLUSTRATIVE CLASS AVERAGE RATE CHANGES BY RATE
COMPONENT**

BUNDLED CUSTOMERS

**SAN DIEGO GAS & ELECTRIC COMPANY – ELECTRIC DEPARTMENT
2027 ERRRA FORECAST APPLICATION
ATTACHMENT B.1
ILLUSTRATIVE CLASS AVERAGE RATE CHANGES BY RATE COMPONENT
BUNDLED CUSTOMERS**

Line No.	Determinants System Net (kWh)	Determinants System Delivered (kWh)	Bundled (kWh)	Distribution Avg Rate (£/kWh)	Transmission Avg Rate (£/kWh)	Public Goods Avg Rate (£/kWh)	Nuc Decom Avg Rate (£/kWh)	On-Going CTC Avg Rate (£/kWh)	LGC Avg Rate (£/kWh)	RS Avg Rate (£/kWh)	TRAC Avg Rate (£/kWh)	GHG Avg Rate (£/kWh)	Total UDC Avg Rate (£/kWh)	WF-NBC Avg Rate (£/kWh)	DWR-BC Avg Rate (£/kWh)	Commodity Avg Rate (£/kWh)	Total Avg Rate (£/kWh)	Line No.	
PRESENT 4/1/2026																			
1	Residential	5,529,244,757	7,311,830,317	1,313,398,551	16.038	9.424	1.676	0.000	(0.007)	1.235	0.005	0.000	(2.517)	25.854	0.448	0.000	17.571	43.873	1
2	Small Comm.	1,785,282,665	1,813,227,939	344,525,399	16.853	4.895	2.000	0.000	(0.007)	0.864	0.005	0.000	(0.525)	24.085	0.580	0.000	15.684	40.349	2
3	Med Comm.	2,898,385,752	2,978,943,989	655,529,056	10.958	6.246	1.830	0.000	(0.007)	0.879	0.005	0.000	(0.009)	19.902	0.456	0.000	18.274	38.632	3
4	Lg C&I	6,744,988,105	6,886,079,670	772,628,733	10.693	5.070	1.839	0.000	(0.006)	0.883	0.005	0.000	0.000	18.484	0.420	0.000	19.217	38.121	4
5	Agriculture	391,274,797	404,120,542	111,008,587	9.237	2.375	1.676	0.000	(0.004)	0.505	0.005	0.000	(0.071)	13.723	0.565	0.000	12.024	26.312	5
6	Lighting	82,252,760	82,252,760	21,626,766	9.415	3.514	0.192	0.000	(0.001)	0.831	0.005	0.000	0.000	13.956	0.589	0.000	11.996	26.541	6
7	System Total	17,431,428,836	19,476,455,217	3,218,717,093	13.025	6.561	1.781	0.000	(0.007)	0.983	0.005	0.000	(0.855)	21.493	0.455	0.000	17.678	39.626	7
PROPOSED 2027 ERRR APPLICATION																			
8	Residential	5,701,842,625	7,567,850,484	1,354,543,962	15.945	9.300	1.753	0.000	(0.009)	1.820	0.005	0.000	(2.256)	26.558	0.458	0.000	16.602	43.618	8
9	Small Comm.	1,716,028,949	1,742,979,441	335,262,783	17.066	4.895	2.093	0.000	(0.009)	1.274	0.005	0.000	(0.504)	24.820	0.583	0.000	15.020	40.423	9
10	Med Comm.	2,993,885,831	3,082,225,251	538,264,204	10.706	6.280	1.853	0.000	(0.009)	1.274	0.005	0.000	(0.008)	20.101	0.558	0.000	16.688	37.347	10
11	Lg C&I	6,654,986,855	6,790,434,597	720,870,645	10.598	5.060	1.883	0.000	(0.008)	1.295	0.005	0.000	0.000	18.833	0.374	0.000	18.239	37.446	11
12	Agriculture	375,055,215	387,551,347	92,688,399	9.516	2.367	1.716	0.000	(0.005)	1.301	0.005	0.000	(0.068)	14.832	0.569	0.000	11.404	26.805	12
13	Lighting	77,683,880	77,683,880	14,431,090	9.665	3.514	0.247	0.000	(0.001)	0.743	0.005	0.000	0.000	14.173	0.589	0.000	11.393	26.155	13
14	System Total	17,519,483,354	19,648,724,999	3,056,061,083	12.963	6.568	1.837	0.000	(0.009)	1.458	0.005	0.000	(0.787)	22.035	0.458	0.000	16.648	39.141	14
RATE CHANGE SUMMARY																			
15	Residential				(0.093)	(0.124)	0.077	0.000	(0.002)	0.585	0.000	0.000	0.261	0.704	0.010	0.000	(0.969)	(0.255)	15
16	Small Comm.				0.213	0.000	0.093	0.000	(0.002)	0.410	0.000	0.000	0.021	0.735	0.003	0.000	(0.664)	0.074	16
17	Med Comm.				(0.252)	0.034	0.023	0.000	(0.002)	0.395	0.000	0.000	0.001	0.199	0.102	0.000	(1.586)	(1.285)	17
18	Lg C&I				(0.095)	(0.010)	0.044	0.000	(0.002)	0.412	0.000	0.000	0.000	0.349	(0.046)	0.000	(0.978)	(0.675)	18
19	Agriculture				0.279	(0.008)	0.040	0.000	(0.001)	0.796	0.000	0.000	0.003	1.109	0.004	0.000	(0.620)	0.493	19
20	Lighting				0.250	0.000	0.055	0.000	0.000	(0.088)	0.000	0.000	0.000	0.217	0.000	0.000	(0.603)	(0.386)	20
21	System Total				(0.062)	0.007	0.056	0.000	(0.002)	0.475	0.000	0.000	0.068	0.542	0.003	0.000	(1.030)	(0.485)	21
AVERAGE % CHANGE SUMMARY																			
22	Residential				-0.58%	-1.32%	4.59%	0.00%	-28.57%	47.37%	0.00%	0.00%	10.37%	2.72%	2.23%	0.00%	-5.51%	-0.58%	22
23	Small Comm.				1.26%	0.00%	4.65%	0.00%	-28.57%	47.45%	0.00%	0.00%	4.00%	3.05%	0.52%	0.00%	-4.23%	0.18%	23
24	Med Comm.				-2.30%	0.54%	1.26%	0.00%	-28.57%	44.94%	0.00%	0.00%	11.11%	1.00%	22.37%	0.00%	-8.68%	-3.33%	24
25	Lg C&I				-0.89%	-0.20%	2.39%	0.00%	-33.33%	46.66%	0.00%	0.00%	0.00%	1.89%	-10.95%	0.00%	-5.09%	-1.77%	25
26	Agriculture				3.02%	-0.34%	2.39%	0.00%	-25.00%	157.62%	0.00%	0.00%	4.23%	8.08%	0.71%	0.00%	-5.16%	1.87%	26
27	Lighting				2.66%	0.00%	28.65%	0.00%	0.00%	-10.59%	0.00%	0.00%	0.00%	1.55%	0.00%	0.00%	-5.03%	-1.45%	27
28	System Total				-0.48%	0.11%	3.14%	0.00%	-28.57%	48.32%	0.00%	0.00%	7.95%	2.52%	0.66%	0.00%	-5.83%	-1.22%	28

ATTACHMENT B.2

**ILLUSTRATIVE CLASS AVERAGE RATE CHANGES BY RATE
COMPONENT**

UNBUNDLED CUSTOMERS

**SAN DIEGO GAS & ELECTRIC COMPANY – ELECTRIC DEPARTMENT
2027 ERRR FORECAST APPLICATION
ATTACHMENT B.2
ILLUSTRATIVE CLASS AVERAGE RATE CHANGES BY RATE COMPONENT
UNBUNDLED CUSTOMERS**

Line No.		Determinants System Net (kWh)	Determinants System Delivered (kWh)	Determinants Departed Load (kWh)	Distribution Avg Rate (£/kWh)	Transmission Avg Rate (£/kWh)	Public Goods Avg Rate (£/kWh)	Nuc Decom Avg Rate (£/kWh)	On-Going CTC Avg Rate (£/kWh)	LGC Avg Rate (£/kWh)	RS Avg Rate (£/kWh)	TRAC Avg Rate (£/kWh)	GHG Avg Rate (£/kWh)	Total UDC Avg Rate (£/kWh)	WF-NBC Avg Rate (£/kWh)	DWR-BC Avg Rate (£/kWh)	PCIA Avg Rate (£/kWh)	Total Avg Rate (£/kWh)	Line No.
PRESENT 4/1/2026																			
1	Residential	5,529,244,757	7,311,830,317	4,215,846,206	16.038	9.424	1.676	0.000	(0.007)	1.235	0.005	0.000	(2.517)	25.854	0.448	0.000	3.305	29.607	1
2	Small Comm.	1,785,282,665	1,813,227,939	1,440,757,266	16.853	4.895	2.000	0.000	(0.007)	0.864	0.005	0.000	(0.525)	24.085	0.580	0.000	2.370	27.035	2
3	Med Comm.	2,898,385,752	2,978,943,989	2,242,856,696	10.958	6.246	1.830	0.000	(0.007)	0.879	0.005	0.000	(0.009)	19.902	0.456	0.000	2.086	22.444	3
4	Lg C&I	6,744,988,105	6,886,079,670	5,972,359,372	10.693	5.070	1.839	0.000	(0.006)	0.883	0.005	0.000	0.000	18.484	0.420	0.000	2.086	20.990	4
5	Agriculture	391,274,797	404,120,542	280,266,210	9.237	2.375	1.676	0.000	(0.004)	0.505	0.005	0.000	(0.071)	13.723	0.565	0.000	2.622	16.910	5
6	Lighting	82,252,760	82,252,760	60,625,993	9.415	3.514	0.192	0.000	(0.001)	0.831	0.005	0.000	0.000	13.956	0.589	0.000	2.568	17.113	6
7	System Total	17,431,428,836	19,476,455,217	14,212,711,743	13.025	6.561	1.781	0.000	(0.007)	0.983	0.005	0.000	(0.855)	21.493	0.455	0.000	2.489	24.437	7
PROPOSED 2027 ERRR APPLICATION																			
8	Residential	5,701,842,625	7,567,850,484	4,347,298,664	15.945	9.300	1.753	0.000	(0.009)	1.820	0.005	0.000	(2.256)	26.558	0.458	0.000	3.217	30.233	8
9	Small Comm.	1,716,028,949	1,742,979,441	1,380,766,166	17.066	4.895	2.093	0.000	(0.009)	1.274	0.005	0.000	(0.504)	24.820	0.583	0.000	2.387	27.790	9
10	Med Comm.	2,993,885,831	3,082,225,251	2,455,621,627	10.706	6.280	1.853	0.000	(0.009)	1.274	0.005	0.000	(0.008)	20.101	0.558	0.000	2.433	23.092	10
11	Lg C&I	6,654,986,855	6,790,434,597	5,934,116,210	10.598	5.060	1.883	0.000	(0.008)	1.295	0.005	0.000	0.000	18.833	0.374	0.000	1.512	20.719	11
12	Agriculture	375,055,215	387,551,347	282,366,815	9.516	2.367	1.716	0.000	(0.005)	1.301	0.005	0.000	(0.068)	14.832	0.569	0.000	2.244	17.645	12
13	Lighting	77,683,880	77,683,880	63,252,790	9.665	3.514	0.247	0.000	(0.001)	0.743	0.005	0.000	0.000	14.173	0.589	0.000	1.762	16.524	13
14	System Total	17,519,483,354	19,648,724,999	14,463,422,272	12.963	6.568	1.837	0.000	(0.009)	1.458	0.005	0.000	(0.787)	22.035	0.458	0.000	2.280	24.773	14
RATE CHANGE SUMMARY																			
15	Residential				(0.093)	(0.124)	0.077	0.000	(0.002)	0.585	0.000	0.000	0.261	0.704	0.010	0.000	(0.088)	0.626	15
16	Small Comm.				0.213	0.000	0.093	0.000	(0.002)	0.410	0.000	0.000	0.021	0.735	0.003	0.000	0.017	0.755	16
17	Med Comm.				(0.252)	0.034	0.023	0.000	(0.002)	0.395	0.000	0.000	0.001	0.199	0.102	0.000	0.347	0.648	17
18	Lg C&I				(0.095)	(0.010)	0.044	0.000	(0.002)	0.412	0.000	0.000	0.000	0.349	(0.046)	0.000	(0.574)	(0.271)	18
19	Agriculture				0.279	(0.008)	0.040	0.000	(0.001)	0.796	0.000	0.000	0.003	1.109	0.004	0.000	(0.378)	0.735	19
20	Lighting				0.250	0.000	0.055	0.000	0.000	(0.088)	0.000	0.000	0.000	0.217	0.000	0.000	(0.806)	(0.589)	20
21	System Total				(0.062)	0.007	0.056	0.000	(0.002)	0.475	0.000	0.000	0.068	0.542	0.003	0.000	(0.209)	0.336	21
AVERAGE % CHANGE SUMMARY																			
22	Residential				-0.58%	-1.32%	4.59%	0.00%	-28.57%	47.37%	0.00%	0.00%	10.37%	2.72%	2.23%	0.00%	-2.66%	2.11%	22
23	Small Comm.				1.26%	0.00%	4.65%	0.00%	-28.57%	47.45%	0.00%	0.00%	4.00%	3.05%	0.52%	0.00%	0.72%	2.79%	23
24	Med Comm.				-2.30%	0.54%	1.26%	0.00%	-28.57%	44.94%	0.00%	0.00%	11.11%	1.00%	22.37%	0.00%	16.63%	2.89%	24
25	Lg C&I				-0.89%	-0.20%	2.39%	0.00%	-33.33%	46.66%	0.00%	0.00%	0.00%	1.89%	-10.95%	0.00%	-27.52%	-1.29%	25
26	Agriculture				3.02%	-0.34%	2.39%	0.00%	-25.00%	157.62%	0.00%	0.00%	4.23%	8.08%	0.71%	0.00%	-14.42%	4.35%	26
27	Lighting				2.66%	0.00%	28.65%	0.00%	0.00%	-10.59%	0.00%	0.00%	0.00%	1.55%	0.00%	0.00%	-31.39%	-3.44%	27
28	System Total				-0.48%	0.11%	3.14%	0.00%	-28.57%	48.32%	0.00%	0.00%	7.95%	2.52%	0.66%	0.00%	-8.40%	1.37%	28

ATTACHMENT C

2027 ILLUSTRATIVE PCIA RATES

**SAN DIEGO GAS & ELECTRIC COMPANY – ELECTRIC DEPARTMENT
2027 ERRA FORECAST APPLICATION
ATTACHMENT C**

**ILLUSTRATIVE POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA) RATES FOR DIRECT ACCESS AND COMMUNITY
CHOICE AGGREGATION CUSTOMERS^{79,80}**

(\$/kWh)

Rate Group	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage
Residential	0.00015	0.00009	0.00009	0.00295	0.00391	0.00561	0.01305	0.01235	0.01226	0.01598	0.02622	0.03092	0.03044	0.03042
Small Commercial	0.00011	0.00006	0.00006	0.00217	0.00288	0.00413	0.00962	0.00910	0.00904	0.01178	0.01936	0.02285	0.02250	0.02248
Medium Commercial	0.00011	0.00006	0.00006	0.00233	0.00309	0.00444	0.01034	0.00978	0.00971	0.01268	0.02097	0.02480	0.02441	0.02439
Large Commercial & Industrial	0.00008	0.00003	0.00003	0.00228	0.00304	0.00439	0.01027	0.00971	0.00964	0.01270	0.02144	0.02555	0.02513	0.02511
Agriculture	0.00011	0.00006	0.00006	0.00214	0.00285	0.00409	0.00951	0.00900	0.00894	0.01165	0.01943	0.02301	0.02264	0.02263
Streetlighting	0.00008	0.00005	0.00005	0.00158	0.00210	0.00301	0.00700	0.00663	0.00658	0.00857	0.01428	0.01698	0.01670	0.01669
System Total	0.00011	0.00006	0.00006	0.00252	0.00335	0.00482	0.01123	0.01063	0.01055	0.01379	0.02287	0.02707	0.02664	0.02662

⁷⁹ As noted in Section V, SDG&E has implemented the common workpapers for PCIA rates, which do not distinguish between Continuous and Non-Continuous customers. SDG&E’s PCIA rates are applicable to both DA and CCA customers.

⁸⁰ The PCIA rates will be updated with updated ERRA and PABA forecasted year-end balances in SDG&E’s year-end consolidated electric rates advice letter pursuant to Resolution E-5217.

Rate Group	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage	PCIA 2023 Vintage	PCIA 2024 Vintage	PCIA 2025 Vintage	PCIA 2026 Vintage	PCIA 2027 Vintage
Residential	0.03165	0.03082	0.03204	0.03368	0.03363	0.03511	0.03327	0.03052	0.03059	0.05238	0.05355	0.03870	0.03870
Small Commercial	0.02339	0.02277	0.02368	0.02491	0.02487	0.02598	0.02311	0.02076	0.02082	0.04012	0.04116	0.02795	0.02795
Medium Commercial	0.02540	0.02471	0.02572	0.02708	0.02704	0.02830	0.02499	0.02209	0.02216	0.04386	0.04503	0.03023	0.03023
Large Commercial & Industrial	0.02619	0.02544	0.02654	0.02802	0.02797	0.02938	0.02518	0.02099	0.02107	0.04480	0.04608	0.02990	0.02990
Agriculture	0.02356	0.02293	0.02386	0.02511	0.02507	0.02620	0.02404	0.02224	0.02230	0.03706	0.03785	0.02779	0.02779
Streetlighting	0.01739	0.01692	0.01762	0.01856	0.01853	0.01938	0.01676	0.01467	0.01471	0.02968	0.03049	0.02029	0.02029
System Total	0.02771	0.02697	0.02807	0.02955	0.02950	0.03087	0.02837	0.02542	0.02549	0.04720	0.04837	0.03356	0.03356

ATTACHMENT D
2027 MCAM RATES

**SAN DIEGO GAS & ELECTRIC COMPANY – ELECTRIC DEPARTMENT
2027 ERRR FORECAST APPLICATION
ATTACHMENT D
2027 MCAM RATES**

Modified Cost Allocation Mechanism
(MCAM) (\$/kWh)

Customer Class MCAM-CRS	Opt-Out ESPs	Backstop ESPs
Residential	0.00008	
Small Commercial	0.00011	
Med/Large C&I	0.00014	
Agricultural	0.00008	
Lighting	0.00005	