

Proceeding No.: A.22-05-025
Exhibit No.: _____
Witness: Gwendolyn R. Morien

**UPDATED PREPARED DIRECT TESTIMONY OF
GWENDOLYN R. MORIEN
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY**

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



~~May 31~~October 12, 2022

TABLE OF CONTENTS

I. OVERVIEW AND PURPOSE.....1

II. SDG&E’S BUNDLED COMMODITY COST RECOVERY PROPOSAL2

III. 2023 RATE AND BILL IMPACTS TO REFLECT RECOVERY OF UPDATED REVENUE REQUIREMENTS FOR ERRa, PABA, CTC, LG AND SONGS3

IV. 2023 RATES FOR RETURN OF THE GHG ALLOWANCE REVENUES8

A. EITE11

B. Small Business and Residential CCC12

V. 2023 PCIA RATES12

A. Indifference Methodology16

B. Treatment of SONGS-related Costs.....18

C. Disposition of 2020 CAPBA Trigger and 2020 ERRa Trigger Balances18

1. Remaining 2020 CAPBA Trigger Balance Amortization Period 18

2. Adjustment to 2020 CAPBA Trigger PCIA Adder Rates 20

3. Adjustment to 2020 ERRa Trigger PCIA Adder Rates 25

D. Proposed 2023 PCIA Rates28

VI. 2023 RATES FOR SDG&E’S GREEN TARIFF SHARED RENEWABLES PROGRAM29

VII. SUMMARY AND RELIEF REQUESTED37

VIII. QUALIFICATIONS39

ATTACHMENT A – 2023 ILLUSTRATIVE PCIA RATES PURSUANT TO THIS INSTANT APPLICATION

~~ATTACHMENT B – 2023 PROPOSED GREEN TARIFF RATE COMPONENTS~~

ATTACHMENT ~~C~~B – 2023 PROPOSED ENHANCED COMMUNITY RENEWABLES RATE COMPONENTS

ATTACHMENT ~~D~~C – 2023 PCIA RATE ADDERS PURSUANT TO D.20-12-028 AND D.21-02-014

ATTACHMENT ~~E~~D – TOTAL ILLUSTRATIVE 2023 PCIA RATES

**UPDATED PREPARED DIRECT TESTIMONY OF
GWENDOLYN R. MORIEN
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

I. OVERVIEW AND PURPOSE

The purpose of this updated testimony is to present San Diego Gas & Electric Company’s (“SDG&E”) rate recovery proposals for its application for approval of its 2023 forecasts of (1) the Energy Resource Recovery Account (“ERRA”) revenue requirement, which includes greenhouse gas (“GHG”) costs and projected year-end balance in ERRA; (2) the Portfolio Allocation Balancing Account (“PABA”) revenue requirement and projected year-end balance in PABA; (3) the Competition Transition Charge (“CTC”) revenue requirement; (4) the Local Generation (“LG”) revenue requirement; (5) the San Onofre Nuclear Generation Station (“SONGS”) Unit 1 Offsite Spent Fuel Storage Cost revenue requirement; and (6) the Tree Mortality Non-Bypassable Charge (“TMNBC”) revenue requirement as presented in the testimony of SDG&E witness Kristina Ghianni.

This testimony also presents SDG&E’s 2023 proposed rates for: (1) the 2023 electric sales forecast; (2) GHG Allowance return to customers, specifically the Small Business and Residential California Climate Credit (“CCC”); and (3) the vintage Power Charge Indifference Adjustment (“PCIA”) rates. SDG&E also presents illustrative 2023 rate components for the Green Tariff Shared Renewables (“GTSR”) Program, which includes rates for ~~the Green Tariff (“GT”) program and the Enhanced Community Renewables (“ECR”) program.~~⁺ The illustrative rates, rate impacts and bill impacts presented in this testimony are calculated using current effective rates,² the forecasted 2023 ERRA Forecast revenue requirements as presented in the testimony of SDG&E witness Kristina

⁺ ~~As discussed in Section VI, SDG&E presents 2023 GTSR rates for illustrative purposes only, and proposes to maintain current effective 2022 GTSR rates through 2023.~~

² Effective ~~January~~ June 1, 2022 per AL ~~3928~~ E4004-E. PCIA rates were updated on February 1, 2022 per AL 3943-E.

1 Ghianni, and the 2023 forecasted sales as presented in the testimony of SDG&E witness Kenneth
2 Schiermeyer.³

3 This testimony is organized as follows:

- 4 1. Section II – SDG&E’s Bundled Commodity Cost Recovery Proposal;
- 5 2. Section III – 2023 Rate and Bill Impacts to Reflect Recovery of Updated Revenue
6 Requirements for ERRA, PABA, CTC, LG and SONGS;
- 7 3. Section IV – 2023 Rates for the Return of GHG Allowance Revenues;
- 8 4. Section V – 2023 PCIA Rates, including SDG&E’s proposal to distribute the final
9 year of 2020 CAPBA Trigger revenues;
- 10 5. Section VI – 2023 Illustrative Rates for SDG&E’s Green Tariff Shared Renewables
11 ECR Program;
- 12 6. Section VII – Summary and Relief Requested; and
- 13 7. Section VIII – Qualifications.

14 **II. SDG&E’S BUNDLED COMMODITY COST RECOVERY PROPOSAL**

15 Due to the continued load departure within its service territory, and in compliance with prior
16 Commission direction, SDG&E will implement its bundled commodity rates that collect the 2023
17 commodity-related revenue requirements⁴ using the system average percent change (“SAPC”)
18 methodology adopted in SDG&E’s 2019 GRC Phase 2.⁵ SDG&E presents the illustrative bundled
19 class average rate and bill impacts for the SAPC methodology for implementing SDG&E’s 2023
20 electric sales forecast in Section III below.

³ Includes System Net, Delivered, and Bundled sales.

⁴ Commodity-related revenue requirements include but are not limited to (1) the ERRA revenue requirement, (b) bundled customers’ portion of the PABA revenue requirement, and (c) bundled customers’ portion of the PABA year-end balance.

⁵ See D.21-07-010, OP 1, and p. 18.

1 **III. 2023 RATE AND BILL IMPACTS TO REFLECT RECOVERY OF UPDATED**
2 **REVENUE REQUIREMENTS FOR ERRA, PABA, CTC, LG AND SONGS**

3 SDG&E requests the recovery in rates of the following 2023 revenue requirements⁶ presented
4 in the direct testimony of SDG&E witness Kristina Ghianni:

- 5 1. 2023 ERRA Revenue Requirement of \$~~428.607~~538.540 million (\$~~433.755~~545.009 million including
6 Franchise Fees and Uncollectible Expenses (“FF&U”)) for recovery of the “up-to-
7 market” energy procurement costs, which include GHG costs, associated with serving
8 SDG&E’s bundled service customers.⁷ SDG&E also seeks recovery of the projected
9 2022 year-end balance recorded to ERRA of \$(~~1.993~~)30.485 million (~~\$(2.003)~~30.773
10 million including FF&U);⁸
- 11 2. 2023 PABA Revenue Requirement of \$~~15.355~~97.801 million (\$~~15.445~~98.951 million
12 including FF&U) for recovery of the “above-market” costs and revenues associated
13 with all generation resources that are eligible for cost recovery through PCIA rates,^{9,10}
14 and recovery of the projected 2022 year-end balance recorded to PABA of
15 \$~~72.781~~89.199 million (\$~~73.209~~89.728 million including FF&U);¹¹

⁶ The revenue requirement figures in this testimony exclude FF&U unless otherwise noted.

⁷ SDG&E is proposing a change to the allocation of commodity costs to customer classes as part of this proceeding. As discussed in Section II, SDG&E request authority to allocate commodity costs to customer classes using the SAPC methodology instead of the authorized generation revenue allocation factors approved in D.21-07-010.

⁸ D.22-01-023 directed each of the 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.

⁹ In D.07-01-025, the Commission adopted the PCIA methodology for CCA customers.

¹⁰ AL 3318-E, approved May 30, 2019 and effective January 1, 2019, established the PABA.

¹¹ D.19-10-001 authorized the recovery of the PABA prior year-end balance to be recovered through the ERRA Forecast filing. PABA balances attributed to bundled customers are shown with FF&U. PABA balances attributed to departing load customers are shown with uncollectibles.

- 1 3. 2023 CTC Revenue Requirement of \$~~11.098~~10.637 million (\$~~11.232~~10.765 million
2 including FF&U) for recovery of above-market costs associated with CTC-eligible
3 resources from all customers;
- 4 4. 2023 LG Revenue Requirement of \$~~173.279~~187.573 million (\$~~175.361~~189.826
5 million including FF&U) for the recovery of net costs associated with resources
6 approved by the California Public Utilities Commission (“Commission”) for Cost
7 Allocation Mechanism (“CAM”) treatment for recovery from all benefiting customers,
8 including all bundled service, Direct Access (“DA”) and Community Choice
9 Aggregation (“CCA”) customers,¹² and the undercollected balance recorded to the
10 2020 LGBA of \$0.396 million (\$0.400 million including FF&U);¹³
- 11 5. 2023 SONGS Unit 1 Offsite Fuel Storage Revenue Requirement of \$~~1.174~~1.327
12 million (\$~~1.188~~1.342 million including FF&U) for the recovery of costs associated
13 with the spent fuel storage costs;¹⁴ and
- 14 6. 2023 TMNBC Revenue Requirement as set forth in the testimony of SDG&E witness
15 Kristina Ghianni and confidentiality declaration attached thereto for recovery of costs
16 associated with the tree mortality related procurement costs.¹⁵

¹² 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.

¹³ Pursuant to D.22-05-006, approved on May 5, 2022.

¹⁴ D.15-12-032 authorized SDG&E to recover the costs of SONGS Unit 1 Offsite Spent Fuel Storage through its ERRA proceeding.

¹⁵ D.18-12-003, OP9, the TMNBC cost will be recovered through the public purpose programs (“PPP”) charge. Accordingly, the revenue requirement associated with the TMNBC is not included in the rate impacts.

1 Table 1 below compares the currently effective revenue requirements to the 2023 proposed
 2 revenue requirements discussed above and the GHG Allowance revenues eligible for return to
 3 customers through electric rates discussed in more detail below in Section IV.

4 **Table 1**
 5 **ERRA, PABA, CTC, LG, SONGS, and GHG Revenue Requirements (\$000)**

Line	Description	Current Authorized Revenue Requirement ¹⁶		Proposed Revenue Requirement		Change from Current ¹⁷	Change (%)
		w/o FF&U	w/ FF&U	w/o FF&U	w/ FF&U	w/ FF&U	w/ FF&U
1	ERRA ¹⁸	\$777,521	\$786,860	\$428,607 <u>538,540</u>	\$433,755 <u>545,009</u>	\$(353,105) <u>41,851</u>	-44.9 <u>30.7%</u>
2	PABA ¹⁹	\$179,759	\$181,940	\$15,535 <u>97,801</u>	\$15,445 <u>98,951</u>	\$(166,495) <u>2,989</u>	-91.5 <u>45.6%</u>
3	CTC	\$9,462	\$9,575	\$11,098 <u>10,637</u>	\$11,232 <u>10,765</u>	\$1,656 <u>1,189</u>	17.3 <u>12.4%</u>
4	LG	\$145,081	\$146,824	\$173,279 <u>187,573</u>	\$175,361 <u>189,826</u>	\$28,537 <u>43,002</u>	19.4 <u>29.3%</u>
5	SONGS	\$1,174	\$1,188	\$1,174 <u>1,327</u>	\$1,188 <u>1,342</u>	\$0 <u>154</u>	0.0 <u>13.0%</u>
6	ERRA 2022 Balance	\$0	\$0	\$(1,993) <u>30,485</u>	\$(2,003) <u>30,773</u>	\$(2,003) <u>30,773</u>	0.0 <u>0.0%</u>
7	PABA <u>Year-End</u> Balance ^{20,21}	\$(110,359)	\$(111,684)	\$72,781 <u>89,199</u>	\$73,209 <u>89,728</u>	\$184,893 <u>201,412</u>	-165.6 <u>180.3%</u>
8	LGBA 2018 Balance	\$(89,992)	\$(91,084)	\$0	\$0	\$91,084	-100.0%
9	LGBA 2019 Balance	\$(877)	\$(888)	\$0	\$0	\$888	-100.0%
10	LGBA 2020 Balance	\$0	\$0	\$396	\$400	\$400	0.0%
11	2021 CAPBA Disposition	\$(17,772)	\$(17,986)	\$0	\$0	\$17,986	-100%

¹⁶ Authorized by D.21-12-040 and effective January 1, 2022 per AL 3928-E/A/B.

¹⁷ Differences may not equal due to rounding.

¹⁸ Includes GHG costs.

¹⁹ The bundled portion of the PABA balance shown includes FF&U. The departing load portion of the PABA balance shown includes uncollectibles.

²⁰ The proposed 2022 PABA year-end balance is projected based on three months of actuals (January to March of 2022) and nine months of forecasted expenses and revenues. The projected 2022 PABA year-end balance will be updated in SDG&E's October Update based on five more months of actuals from April to August.

²¹ The bundled portion of the PABA balance shown includes FF&U. The departing load portion of the PABA balance shown includes uncollectibles.

Line	Description	Current Authorized Revenue Requirement ¹⁶		Proposed Revenue Requirement		Change from Current ¹⁷	Change (%)
12	ERRA Trigger 2021	\$147,356	\$149,126	\$0	\$0	\$(149,126)	-100%
13	Subtotal	\$1,041,354	\$1,053,872	\$700,698 <u>955,957</u>	\$708,587 <u>966,794</u>	\$(345,284) <u>87,078</u>	-32.8 <u>8.3%</u>
GHG Allowance Revenues Eligible for Return to Customers							
14	Small Business & Residential CCC		\$(191,298)		\$(171,067) <u>182,459</u>	\$20,231 <u>8,839</u>	-10.6 <u>4.6%</u>
15	EITE Returns		\$(389)		\$(389,514)	\$0(125)	0.0 <u>32.3%</u>
16	Total²²		\$862,185		\$537,131 <u>783,821</u>	\$(325,054) <u>78,364</u>	-37.7 <u>9.0%</u>

1
2 Table 2 presents the illustrative class average rate impacts associated with SDG&E's
3 proposed 2023 electric sales forecast as discussed in the testimony of SDG&E witness Schiermeyer
4 and the revenue requirements presented in Table 1. Table 3 presents the illustrative bundled
5 commodity rate impacts associated with the ERRA and PABA revenue requirements presented in
6 Table 1. SDG&E is requesting rate recovery of those revenue requirements beginning January 1,
7 2023. The net ~~\$323,054~~78,364 million (including FF&U)²³ decrease from the currently effective
8 revenue requirements, when implemented with SDG&E's 2023 sales forecast as discussed in the
9 testimony of SDG&E witness Schiermeyer, would increase the system average rate ~~1.4945.969~~ cents
10 per kWh, or ~~4.8~~19.56%. Without the Residential and Small Business Semi-Annual CCC, the system
11 average rate would increase by ~~1.4125.917~~ cents per kWh, or ~~4.4~~18.71%. Table 4 below presents the
12 illustrative class bill impacts associated with the revenue requirements presented in Table 1.

²² Sums may not equal due to rounding. Sums do not include the TMNBC revenue requirement. SDG&E is requesting approval of its 2023 TMNBC revenue requirement, which is set forth in the testimony of SDG&E witness Kristina Ghianni and confidentiality declaration attached thereto. SDG&E omitted the 2023 TMNBC revenue requirement figures from this table due to confidentiality concerns and because the revenue requirement associated with the TMNBC will be collected via the PPP charge.

²³ This value excludes the franchise fees portion of revenues that Departing Load customers are forecasted to be responsible for in 2023 for: 1) the 2023 PABA revenue requirement; 2) the 2022 PABA year-end balance; and 3) the ERRA year-end balance as discussed in Section V.C.

Table 2
Illustrative Class Average Rate Impacts from 2022 ERRa, PABA, CTC, LG, SONGS, and GHG Revenue Requirements²⁴

Customer Classes	Current Effective Rates ²⁵ (¢/kWh)	Proposed Rates (¢/kWh)	Change (¢/kWh)	Change (%)
Residential	34.523 <u>34.034</u>	36.500 <u>40.459</u>	1.977 <u>6.425</u>	5.73 <u>18.88%</u>
Small Commercial	32.243 <u>31.877</u>	33.637 <u>36.771</u>	1.394 <u>4.894</u>	4.32 <u>15.35%</u>
Medium and Large Commercial and Industrial				
Agriculture	29.113 <u>28.472</u>	29.773 <u>33.939</u>	0.660 <u>5.467</u>	2.27 <u>19.20%</u>
Streetlighting	23.165 <u>22.709</u>	24.728 <u>27.499</u>	1.563 <u>4.790</u>	6.75 <u>21.09%</u>
System	29.009 <u>28.835</u>	30.155 <u>32.656</u>	1.146 <u>3.821</u>	3.95 <u>13.25%</u>
	31.059 <u>30.510</u>	32.553 <u>36.479</u>	1.494 <u>5.969</u>	4.81 <u>19.56%</u>

Table 3
Illustrative Bundled Commodity Rate Impacts from 2022 ERRa and PABA Revenue Requirements^{26,27}

Customer Classes	Current Effective Rates ²⁸ (¢/kWh)	Proposed Rates (¢/kWh)	Change (¢/kWh)	Change (%)
Residential	14.784 <u>14.195</u>	15.113 <u>19.404</u>	0.329 <u>5.209</u>	2.23 <u>36.70%</u>
Small Commercial	12.490 <u>11.993</u>	12.768 <u>16.394</u>	0.278 <u>4.401</u>	2.23 <u>36.70%</u>
Medium and Large Commercial and Industrial				2.23 <u>36.70%</u>
Agriculture	14.868 <u>14.276</u>	15.199 <u>19.515</u>	0.331 <u>5.239</u>	
Streetlighting	10.527 <u>10.108</u>	10.762 <u>13.818</u>	0.234 <u>3.709</u>	2.23 <u>36.70%</u>
System	9.702 <u>9.316</u>	9.918 <u>12.735</u>	0.216 <u>3.419</u>	2.23 <u>36.70%</u>
	14.315 <u>13.754</u>	14.727 <u>18.909</u>	0.412 <u>5.155</u>	2.88 <u>37.48%</u>

²⁴ These rate impacts do not reflect the TMNBC revenue requirement.

²⁵ Current rates effective ~~January~~ June 1, 2022 per AL ~~3928-E/A/B4004-E~~.

²⁶ Class average commodity rates do not include commodity-related under/over collection rates.

²⁷ These rate impacts do not reflect the TMNBC revenue requirement.

²⁸ Current rates effective ~~January~~ June 1, 2022 per AL ~~3928-E/A/B4004-E~~.

Table 4
Illustrative Class Bill Impacts from 2022 ERR, PABA, CTC, LG,
SONGS, and GHG Revenue Requirements²⁹

Customer Classes	Current Bill³⁰ (\$/month)	Proposed Bill (\$/month)	Change (\$/month)	Change (%)
Residential Non-CARE ³¹	149.72 <u>149.32</u>	154.54 <u>171.90</u>	4.82 <u>22.58</u>	3.22 <u>15.12</u> %
Residential CARE ³²	93.69 <u>92.69</u>	97.11 <u>107.36</u>	3.42 <u>14.67</u>	3.65 <u>15.83</u> %
Small Commercial ³³	321.75 <u>318.10</u>	335.66 <u>366.94</u>	13.91 <u>48.84</u>	4.32 <u>15.35</u> %
Medium and Large Commercial and Industrial ³⁴	4,828.474 <u>,722.16</u>	4,937.935 <u>,628.87</u>	109.46 <u>906.72</u>	2.27 <u>19.20</u> %
Agriculture ³⁵	800.08 <u>784.33</u>	854.06 <u>949.76</u>	53.98 <u>165.44</u>	6.75 <u>21.09</u> %
Streetlighting ³⁶	154.11 <u>153.19</u>	160.20 <u>173.48</u>	6.09 <u>20.30</u>	3.95 <u>13.25</u> %

IV. 2023 RATES FOR RETURN OF THE GHG ALLOWANCE REVENUES

In compliance with D.12-12-033 and D.20-10-002, the GHG allowance revenues eligible for return to customers is based on the GHG Allowance Revenues forecast of \$~~190.75~~191.140 million

²⁹ These bill impacts do not reflect the TMNBC revenue requirement.

³⁰ Current bill impacts are based on rates effective ~~January~~June 1, 2022 per AL ~~3928 E/A/B4004-E~~.

³¹ Residential class average bill impacts are based on 400 kWh of usage per month for a non-California Alternative Rates for Energy (“CARE”) customer. Customers’ actual bill impacts will vary with usage per month, by season and by climate zone.

³² Residential class average bill impacts are based on 400 kWh of usage per month for a CARE customer. Customers’ actual bill impacts will vary with usage per month, by season and by climate zone.

³³ Small commercial class average bill impacts are based on 998 kWh of usage per month. Customers’ actual bill impacts will vary with usage per month, by season and applicable rate schedule specific rate components like basic service fees (“BSF”) and demand charges.

³⁴ M/L C&I class average bill impacts are based on 16,585 kWh of usage per month. Customers’ actual bill impacts will vary with usage per month, by season and applicable rate schedule specific rate components like BSF and demand charges.

³⁵ Agriculture class average bill impacts are based on 3,454 kWh of usage per month. Customers’ actual bill impacts will vary with usage per month, by season and applicable rate schedule specific rate components like BSF and demand charges.

³⁶ Streetlighting class average bill impacts are based on 531 kWh of usage per month. SDG&E only presents average usage for metered lighting rate schedules LS-3, DWL and OL-2. Customers’ actual bill impacts will vary with usage per month and applicable rate schedule specific rate components like per lamp charges.

1 (~~\$193.042~~193.435 million including FF&U) presented in the testimony of SDG&E witness Matthew
2 O’Connell, adjusted for the following:

- 3 1. Reconciliation of 2021 forecasted with 2021 year-end actuals recorded in GHG
4 Revenue Balancing Account (“GHGRBA”) presented in the testimony of SDG&E
5 witness Kristina Ghianni of \$(~~4.2405~~0.080) million (including FF&U);
- 6 2. GHG expenses related to customer outreach and education and administrative costs
7 presented in the testimony of SDG&E witness Scott Lewis of ~~\$0.081~~0.028 million³⁷
8 (including FF&U) that will be recorded in the GHG Customer Outreach and Education
9 Memorandum Account (“GHGCOEMA”) and the GHG Administrative Costs
10 Memorandum Account (“GHGACMA”), adjusted for the prior year’s forecasted
11 under/over-collection in the GHGCOEMA and GHGACMA;
- 12 3. Solar on Multifamily Affordable Housing (“SOMAH”) Program funding^{38,39} of
13 ~~\$19.075~~12.020 million (~~\$19.304~~12.164 million including FF&U) for 2023 and
14 Disadvantaged Community Single-Family Solar Homes (“DAC-SASH”) Program
15 funding of ~~\$1.030~~1.090 million (~~\$1.042~~1.103 million including FF&U), also presented
16 in the testimony of SDG&E witness Matthew O’Connell. Beginning in 2023, the
17 DAC – Green Tariff (“DAC-GT”) Program and the Community Solar Green Tariff

³⁷ Total funding request of \$0.081 million, net of under-/over-collections of \$(0.053) million.

³⁸ D.17-12-022 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 OP 6 extends SOMAH funding through June 30, 2026.

³⁹ On May 13, 2022, SCE filed a Petition for Modification of D.17-12-022 (issued in R.14-07-002) seeking to change the allocation to 10%, not to exceed \$1 million statewide. ~~Should the PFM be granted prior to the October Update, SDG&E will update its testimony accordingly. On September 15, 2022, the Commission adopted D.22-09-009, which modified D.17-1-022 and D.20-04-012, changing the funding requirements for the SOMAH program. The IOUs are now required to set aside 10% or their proportionate share of \$100 million, whichever is less, of the proceeds from the sale of GHG allowances.~~

1 ("CSGT") Program will no longer be funded through GHG allowance revenues and
 2 will instead be funded through PPP rates in order to comply with the California Air
 3 Resources Board's ("CARB") prohibition on the use of GHG proceeds to fund
 4 volumetric discounts; and⁴⁰

- 5 4. The SOMAH Program prior year true-up funding for October through December 2020
 6 request of \$2.960 million (\$2.996 million including FF&U) pursuant to D.20-04-012,
 7 and also presented in the testimony of SDG&E witness Kristina Ghianni.

8 Table 5 below provides the current authorized and proposed GHG Allowance revenues to
 9 determine the GHG Allowance revenues eligible for return to customers.

10 **Table 5**
 11 **GHG Allowance Revenues⁴¹ Eligible for Return to Customers**

	Current Authorized⁴² (\$000)	Proposed (\$000)	Change⁴³ (\$000)	Change (%)
GHG Allowance Revenues	\$(194,404)	\$(190,751) 191,140	\$3,652 3,264	-1.91.7%
Interest	\$(16)	\$(32740)	\$(16724)	95.74.442.6%
GHG Expenses ⁴⁴	\$60	\$8128	\$21(32)	35.5-53.5%
Clean Energy/Energy Efficiency Program Costs	\$20,261	\$23,065 16,070	\$2,804 (4,191)	13.8-20.7%
FF&U	\$(2,112)	\$(2,014) 2,111	\$991	-4.70.0%
Prior Year GHGRBA Revenue Return True-Up ⁴⁵	\$(15,087)	\$(1,4175) 080	\$13,670 10,007	-90.666.3%

⁴⁰ Per AL 3944-E filed by SDG&E on February 1, 2022 and approved by the Commission on March 3, 2022.

⁴¹ All values exclude FF&U unless otherwise noted.

⁴² Authorized by D.21-12-040 and effective January 1, 2022 per AL 3928-E/A/B.

⁴³ Differences may not equal due to rounding.

⁴⁴ GHG Expenses include utility outreach and administrative costs, including information technology ("IT") billing and program management costs, as well as statewide outreach costs of \$0.081 million, net of prior year's forecasted under-/over-collections of (\$0.053) million in the GHGCOEMA and GHGACMA.

⁴⁵ D.14-10-033, Findings of Fact ("FOF") 15 allows utilities to use a balancing account to maintain a record of allowance revenues.

GHG Allowance Revenues Eligible for Return to Customers	\$(191,298)	\$(171,067,182,973)	<u>\$20,231,832</u>	<u>-10.64.4%</u>
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OP 1 of D.12-12-033, OP 1 of D.20-10-002, and OP 6 of D.21-08-026 direct the Investor-Owned Utilities (“IOUs”) to distribute GHG allowances revenues eligible for return to customers in the following manner:^{46,47}

1. **Emissions-Intensive and Trade-Exposed (“EITE”)** entities will receive an annual, fixed-amount on-bill credit based on Commission calculations, discussed below;
2. **Small Business and Residential CCC** for the distribution of all remaining GHG Allowance revenues to small business and residential customers on an equal per small business and residential account basis delivered as a semi-annual, on-bill credit and is described in more detail below.⁴⁸

A. EITE

OP 1 of D.20-10-002 directs the IOUs to distribute GHG allowance proceeds in the same manner as previously directed in D.12-12-033, D.13-12-002, and D.14-12-037 (as modified by D.15-08-006 and D.16-07-007). D.15-01-024 states “[o]nce EITE customers have begun receiving an EITE return, the forecast return is based on the recorded prior-year revenue returned to EITE customers.”⁴⁹ With respect to the California Industry Assistance Credit for EITE, D.20-10-002 extended the existing formulas until the CARB begins the process of providing assistance or the Commission directs further changes.⁵⁰ In 2022, EITE customers received EITE returns in the amount

⁴⁶ Consistent with D.15-07-001, OP 18, the Residential Volumetric Return is no longer applicable.

⁴⁷ Consistent with D.21-08-026, OP 6, the Small Business Volumetric Return is no longer applicable.

⁴⁸ D.15-07-001, COL 29 stated that beginning January 1, 2016, the GHG offset for upper tier residential customers should be eliminated and that the revenue return allocated to residential customers will consist solely of the semi-annual CCC.

⁴⁹ D.15-01-024, Attachment D, page 5.

⁵⁰ D.20-10-002 at pp. 2 and 13.

of ~~\$0.3890.514~~ million. As such, the adjustment to GHG Allowance Revenues eligible for return to customers in 2023 reflects an assumed return to EITE customers of ~~\$0.3890.514~~ million.

B. Small Business and Residential CCC

The remaining GHG Allowance revenues eligible for return to customers will be allocated to all qualifying small business and residential customers on an equal cents-per-account basis, which will be credited to customers semi-annually as a bill credit, also known as the Small Business and Residential Semi-Annual CCC.⁵¹ Table 6 below presents the remaining GHG Allowance revenues available for return through the Small Business and Residential CCC of ~~\$170.678182.459~~ million, which results in a semi-annual Small Business and Residential CCC of ~~\$58.6160.69~~.

Table 6
GHG Allowance Revenues⁵² Eligible for Return through Residential CCC

	Current Authorized (\$000) ⁵³	Proposed (\$000)	Change ⁵⁴ (\$000)	Change (%)
GHG Allowance Revenues Eligible for Return	\$(191,298)	\$(171,067182,973)	\$20,2318,324	-10.64.4%
EITE Customer Return Revenues	\$389	\$389514	\$0125	0.032.2%
Small Business and Residential CCC Revenues	\$190,908	\$170,678182,459	\$(20,2318,450)	-10.64.4%
Small Business and Residential Semi-Annual CCC (\$/semi-annual)	\$64.17	\$58.6160.69	\$(5.563.48)	-8.75.4%

V. 2023 PCIA RATES

In D.06-07-030, modified by D.07-01-030, the Commission established authority for the PCIA component of the Cost Responsibility Surcharge (“CRS”) to preserve bundled customer indifference by ensuring departing load customers pay their share of the cost responsibility associated

⁵¹ D.15-07-001, COL 29 stated that beginning January 1, 2016, the GHG offset for upper tier residential customers should be eliminated and that the revenue return allocated to residential customers will consist solely of the semi-annual CCC.

⁵² Includes FF&U.

⁵³ Authorized by D.12-12-040 and effective January 1, 2022 per AL 3928-E/A/B.

⁵⁴ Difference may not equal due to rounding.

1 with the above-market costs based on an administrative benchmark, also known as the “indifference
2 amount,” of the utilities’ total procurement resource portfolio.⁵⁵

3 In D.08-09-012, the Commission continued to refine the indifference amount methodology to
4 better protect bundled customer indifference by introducing the requirement to “vintage” departing
5 load customers, based on their departure date, when determining the customers’ cost responsibility
6 for the “total portfolio” of resources.⁵⁶ Assigning customers to a vintage ensured that departing load
7 customers pay their share of above-market costs associated with the specific vintage portfolio of
8 resources that were acquired to serve them prior to their departure from bundled load service in order
9 to better protect bundled customer indifference. After departure from bundled service, the departing
10 load customers are not required to pay for above-market costs associated with utility procurement
11 commitments after that load departs.

12 In D.11-12-018, the Commission adopted further refinement to the indifference amount
13 methodology recognizing that regulatory and industry changes had impacted energy procurement
14 practices. Changes to the Market Price Benchmark (“MPB”) methodology, used to determine the
15 “above-market” value of electricity, now included the addition of a renewables portfolio standards
16 adder (“RPS adder”) to better reflect the market value of renewable resources and a revised resource
17 adequacy capacity adder (“CAP adder”), which resulted in vintage MPBs.⁵⁷ The vintage portfolio of
18 resources calculation was revised to better reflect time-of-use load variations and also removed load-
19 related costs incurred by the California Independent System Operator (“CAISO”) that are then
20 charged to the utilities.

⁵⁵ In D.07-01-025, the Commission adopted the PCIA methodology for CCA customers.

⁵⁶ D.08-09-012, OP 10.

⁵⁷ D.11-12-018, OP 2.

1 In accordance with D.16-09-044, the Joint Utilities and CCAs⁵⁸ developed a uniform
2 workpaper template through the PCIA Working Group to “facilitate comparison and analysis of the
3 PCIA across utilities.”⁵⁹ Pursuant to D.17-08-026 OP 1 and consistent with SDG&E’s 2020 ERRAs
4 Forecast, SDG&E has reflected the uniform workpaper template as attached in Appendix 7 of D.06-
5 07-030 as part of this filing. The Commission further ordered in D.18-10-019 that PG&E, SCE and
6 SDG&E develop a uniform common template for the calculation of each of their PCIA rates
7 reflecting the changes ordered in the Decision.⁶⁰ SDG&E submitted its common template to the
8 Commission’s Energy Division and concurrently served the updated common template to the service
9 list for its ERRAs proceeding.

10 In D.18-10-019, the Commission issued a decision modifying the PCIA methodology revising
11 inputs to the MPB that is used to calculate the PCIA. The revised methodology affects PCIA rates
12 that were effective as of January 1, 2019. In addition to the revised MPB inputs, the decision also
13 adopted an annual true-up mechanism, as recommended by a number of parties, as well as a cap that
14 limited the change of the PCIA rate from one year to the next. Starting in forecast year 2020, the cap
15 level of the PCIA rate was set at 0.5 cents/kWh more than the prior year’s PCIA, differentiated by
16 system average vintage rate. In AL 3318-E, PABA was established to record the “above-market”
17 costs and revenues associated with all PCIA eligible resources by vintage subaccounts. This
18 balancing account became effective as of January 1, 2019.

19 In D.19-10-001, the Commission issued a decision further modifying the PCIA methodology
20 revising the inputs to the billing determinants (sales) that is used to calculate the PCIA rates. The

⁵⁸ Southern California Edison (“SCE”), Pacific Gas & Electric Company (“PG&E”), SDG&E companies (collectively, the Joint Utilities), CCAs, certain Electric Service Providers and other representatives of DA interests, and consumer, labor and environmental groups participated to the PCIA working group.

⁵⁹ D.17-08-026, p. 2.

⁶⁰ D.18-10-019, OP 3.

1 revised methodology affects PCIA rates that became effective January 1, 2020.⁶¹ This revision
2 ordered SDG&E to use vintage billing determinants of those responsible for the vintage portfolio to
3 determine PCIA rates, instead of the currently used system net billing determinants. In addition, the
4 decision authorized any over/under-collection in the PABA vintage subaccounts in a given year to be
5 rolled into the next year's ERRA Forecast filing. The decision adopted the methodology for SDG&E
6 to true-up the values in PABA for the imputed RPS and resource adequacy ("RA") costs using the
7 updated benchmarks provided by the Energy Division on October 1.⁶² The true-up amounts for both
8 RPS and RA will be booked as adjustments to PABA annually through the ERRA Forecast filing.

9 In D.22-01-023, the Commission directed each of the IOUs to modify their respective Electric
10 Preliminary Statements governing the ERRA and PABA accounts to allow them to place year-end
11 ERRA balances in the most-recent vintage subaccount of PABA each year.⁶³ The modifications
12 clarify that disposition of the year-end balance in the ERRA account shall be to the PABA upon
13 submission (where a Tier 1 advice letter is currently required) or approval (where a Tier 2 advice
14 letter is currently required) by the Commission of the applicable compliance advice letter addressing
15 such balance.

16 AL 3436-E established the PCIA under-collection balancing account ("CAPBA").⁶⁴ CAPBA
17 establishes an interest-bearing balance account that will be used in the event that the PCIA cap is
18 reached, in order to track any obligation that accrues for departing load customers by vintage

⁶¹ SDG&E's 2020 ERRA Forecast Application, D.20-01-005, was approved January 16, 2020 and implemented into rates February 1, 2020 pursuant to AL 3500-E.

⁶² D.22-01-023 modified the PCIA market price benchmark release date from November 1 to October 1 each year, beginning with the 2022 benchmark. (D.22-01-023, OP 1).

⁶³ D.22-01-023, at OP 4. SDG&E AL 3976-E was filed on March 25, 2022 and is waiting Commission disposition.

⁶⁴ SDG&E AL 3436-E was filed on September 30, 2019 approved on October 31, 2019.

1 subaccounts.⁶⁵ D.21-05-030 removed the PCIA cap and trigger mechanisms effective as of May 24,
2 2021. SDG&E was required to implement the removal of the PCIA cap in rates effective January 1,
3 2022.⁶⁶ For PCIA vintages that were capped during 2021, the balance of the CAPBA undercollection
4 that was previously paid by bundled customers will be collected from departing load customers
5 through PCIA rate adders and returned to bundled customers. Additionally, the removal of the PCIA
6 cap effective January 1, 2022, pursuant to D.21-05-030 OP 1, also means that SDG&E's adopted
7 2020 ERRA Trigger vintage 2020 PCIA rate adders, pursuant to D.21-0-014, that were previously
8 capped when SDG&E's 2020 ERRA Trigger was approved now must return to their uncapped level
9 on January 1, 2022 in order for SDG&E to comply with D.21-05-030. As discussed in more detail
10 below, SDG&E's remaining 2020 CAPBA Trigger adder rates will be recalculated for calendar year
11 2023.

12 In D.21-03-051, the Commission granted the joint IOUs' uncontested Petition for
13 Modification ("PFM") to D.17-08-026 which updates the PCIA workpaper to remove the application
14 of line losses to capacity volumes and utilizes energy volumes as measured at the generator meter
15 instead of customer meter. These updates are incorporated in this record year 2023 ERRA Forecast
16 application.

17 **A. Indifference Methodology**

18 Under Commission rules,⁶⁷ departing load customers are responsible for their fair share of
19 above-market costs, or an indifference amount, incurred by the utility on behalf of those customers
20 when electric generation costs exceed the current market price, or market price benchmark. To
21 maintain bundled customer indifference to the departure of SDG&E's customers to non-utility

⁶⁵ Pursuant to D.18-10-019 OP 9 to R.17-06-026. The CAPBA balance was the portion of PABA revenues that was above the capped system average rate of \$0.005 kWh per vintage.

⁶⁶ D.21-05-030 per OP 1.

⁶⁷ California Public Utilities Code Section 365.2.

1 service, SDG&E calculates the indifference amount to determine the cost responsibility for DA, CCA
2 and other departing load, specifically:

3 **Indifference Amount = CTC + PCIA**

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

9 In this Application, SDG&E is proposing to update the currently effective vintage PCIA rates
10 and to include the new vintage 2023 PCIA rates to account for customers' departing load in the
11 second half of 2023. With respect to this 2023 ERRA proceeding, SDG&E's portfolio of resources,
12 used to calculate the vintage 2023 indifference amounts and the resulting 2023 PCIA rates, will
13 include applicable costs from SDG&E's:

- 14 • Forecasted 2023 PABA, and CTC revenue requirements;
- 15 • Projected 2022 PABA year-end balance;
- 16 • Projected 2022 ERRA year-end balance; and
- 17 • SDG&E's authorized 2023 Non-Fuel Generation Balancing Account
18 ("NGBA") revenue requirement.⁶⁸~~However, the 2023 NGBA revenue~~
19 ~~requirements and the vintage 2023 MPBs are not available at the time of this~~
20 ~~filing.⁶⁹ Therefore, the 2022 NGBA⁷⁰ revenue requirements and the current~~
21 ~~MPBs⁷¹ were used in the preliminary calculation of the vintage 2023 PCIA~~
22 ~~rates in this testimony and will be updated in SDG&E's October Update filing~~
23 ~~in this proceeding.~~

⁶⁸ ~~Per AL 4092-E.~~

⁶⁹ ~~SDG&E expects to update this testimony in October once that information is available.~~

⁷⁰ ~~SDG&E filed AL 3886-E on November 4, 2021.~~

⁷¹ ~~Per SDG&E's updated November 2021 ERRA Forecast Application (A.20-04-014) and D.21-01-017.~~

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

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

6 SDG&E’s PCIA rates therefore no longer include SONGS-related Regulatory Asset costs.⁷²
7 The only remaining SONGS-related costs included in PCIA rates are non-fuel related costs
8 authorized in SDG&E’s 2019 General Rate Case (D.19-09-051), which are included in the PCIA
9 rates in Attachment A.

10 **C. Disposition of 2020 CAPBA Trigger and 2020 ERRA Trigger Balances**

11 **1. Remaining 2020 CAPBA Trigger Balance Amortization Period**

12 As part of the ERRA Forecast proceeding, and pursuant to D.18-10-019, up until the
13 November update of the 2022 ERRA Forecast proceeding, SDG&E was required to evaluate whether
14 the \$0.005/kWh PCIA cap had been reached based on the system average PCIA rate by customer
15 vintage, using a comparison between the prior year’s DA/CCA PCIA rates and the PCIA rates
16 proposed in the current year’s ERRA Forecast proceeding.⁷³ If the system average PCIA rate by
17 customer vintage was forecasted to increase by more than \$0.005/kWh, then all PCIA rates for that
18 customer vintage would be capped. When the rate cap for any PCIA rate vintage was reached, the
19 PCIA rates for that vintage could only be increased by \$0.005/kWh and bundled customers were
20 responsible for the revenue shortfall, and the shortfall was tracked through the CAPBA. D.21-05-030
21 removed this requirement and required SDG&E to dispose of any remaining CAPBA balance in 2022

⁷² 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 (I. 12-10-013), a Joint Motion for Adoption of Settlement Agreement was approved by the Commission in D.18-07-037.

⁷³ SDG&E’s CAPBA Preliminary Statement pursuant to AL 3436-E and approved October 30, 2019.

1 PCIA rates.⁷⁴ SDG&E's 2022 PCIA rates include two PCIA adders related to the CAPBA: 1) adders
2 for certain vintages that recover undercollections from departing load customers adopted in
3 SDG&E's 2020 CAPBA Trigger Application (A.20-07-009); and 2) adders for certain vintages that
4 dispose of the CAPBA amounts that accrued after SDG&E's 2020 CAPBA Trigger Application
5 balance was resolved.⁷⁵

6 SDG&E filed a CAPBA Trigger Application (A.20-07-009) on July 10, 2020. To reduce rate
7 volatility that would result from incorporating the CAPBA Trigger revenues into PCIA rates, the
8 Commission adopted an amortization period of 36 months for the CAPBA trigger balance, with the
9 intention to amortize the total balance in 2021, 2022 and 2023 PCIA rates.⁷⁶ The total balance to be
10 redistributed among bundled and departed load customers was \$8.92 million, or \$2.97 million per
11 year for three years.⁷⁷ If 2021 PCIA rates had been implemented on January 1, 2021, the
12 amortization period of 36 months would have ended in December 2023. However, SDG&E
13 implemented its 2021 PCIA rates on March 1, 2021 via AL 3696-E-A/B. Item 3.a. of the Joint
14 Stipulation of SDG&E and CCA Parties⁷⁸ in A.20-07-009 states:

15 *If 2021 PCIA rates are not implemented by January 1, 2021, the*
16 *amortization period for the 2020 CAPBA undercollection shall be reduced*
17 *commensurately to ensure that the amortization is completed by December*
18 *31, 2023.*

19 Therefore, SDG&E's 2020 CAPBA Trigger rates for forecast year 2023 will amortize the
20 remaining 14 months of the 2020 CAPBA Trigger balance over 12 months (January 1, 2023 –

⁷⁴ D.21-05-030, OP 1.

⁷⁵ D.21-12-040 adopted a standard 12-month amortization period of the remaining CAPBA balance in 2022 PCIA rates.

⁷⁶ D.20-12-028, OP 1.

⁷⁷ Excludes Franchise Fees and Uncollectibles.

⁷⁸ Joint Stipulation of SDG&E and CCA Parties (California Community Choice Association, San Diego Community Power, Clean Energy Alliance, and Solana Energy Alliance). Executed November 30, 2020.

1 December 31, 2023) in order to align the remaining amortization period with calendar year 2023 and
2 ensure compliance with the Joint Stipulation. As discussed in the updated testimony of SDG&E
3 witness Ghianni, SDG&E is requesting to transfer any remaining balance in the CAPBA to PABA
4 after amortization is complete on December 31, 2023 and close the CAPBA preliminary statement.

5 **2. Adjustment to 2020 CAPBA Trigger PCIA Adder Rates**

6 While recalculating the 2023 ERRR Forecast final year of 2020 CAPBA Trigger PCIA
7 amortization adjustment during preparation of this application, SDG&E discovered it had
8 inadvertently overlooked updating 2020 CAPBA Trigger PCIA adder rates in the 2022 ERRR
9 Forecast November Update (adders that would be effective throughout 2022) for the 2022 bundled
10 sales forecast. The 2020 CAPBA Trigger PCIA adder rates were approved as \$/kWh rates (pursuant
11 to D.20-12-028) and implemented on March 1, 2021.⁷⁹ In the 2022 ERRR Forecast proceeding,
12 SDG&E carried forward these previously adopted rates.⁸⁰ At the time the 2022 ERRR Forecast
13 Application⁸¹ was filed, SDG&E did not have authority to incorporate its proposed 2022 bundled
14 sales forecast into its 2022 ERRR Forecast.⁸² SDG&E filed a separate 2022 Sales Forecast
15 Application⁸³ as ordered by D.21-07-010,⁸⁴ on August 13, 2021, which included its proposed 2022
16 bundled sales forecast. Because SDG&E's 2022 bundled sales forecast was not authorized (or even
17 filed) when SDG&E filed its April 2022 ERRR Forecast application, carrying forward the
18 previously-adopted 2020 CAPBA Trigger PCIA adder rates was appropriate, and would have been

⁷⁹ Per AL 3696-E/A/B effective March 1, 2021.

⁸⁰ Per AL 3909-E and 3943-E, SDG&E updated PCIA rates and adders to exclude Franchise Fees on February 1, 2022.

⁸¹ A.21-04-010, filed April 15, 2021.

⁸² See, Amended Direct Testimony of Stacy Fuhrer, dated May 10, 2021, SF-2: 11-18, A.21-04-010.

⁸³ A.21-08-010.

⁸⁴ OP 4.

1 appropriate in the 2022 ERRA Forecast November Update had SDG&E not been ordered to
 2 incorporate its proposed 2022 forecasted bundled sales shortly before filing the November Update.
 3 On October 21, 2021, Administrative Law Judge (“ALJ”) Douglas M. Long issued an e-mail ruling
 4 requiring SDG&E to incorporate SDG&E’s proposed bundled sales forecast from A.21-08-010 in its
 5 November update. This was the first time SDG&E had incorporated an up-to-date bundled sales
 6 forecast in its ERRA Forecast Application November update, and, in updating its 2022 proposed
 7 PCIA and bundled rates, SDG&E overlooked updating the previously-approved 2020 CAPBA
 8 Trigger PCIA adder rates for the 2022 bundled sales forecast. Because of this oversight, certain
 9 PCIA vintages currently have higher PCIA adder rates than they otherwise should, and certain PCIA
 10 vintages have lower PCIA adder rates than they otherwise should (*i.e.*, the adder rates are the same
 11 that were in adopted and implemented in D.20-12-028).

12 The 2020 CAPBA Trigger PCIA adder rates are the only component of total PCIA rates
 13 affected by this oversight; the PCIA adders related to the disposition of the 2021 CAPBA balance
 14 currently in effect pursuant to D.21-05-030 and D.21-12-040 are unaffected. Tables 7 and 9 below
 15 present the currently effective 2020 CAPBA Trigger PCIA undercollection and overcollection adder
 16 rates, and Tables 8 and 10 present 2020 CAPBA Trigger PCIA adder rates if SDG&E had adjusted
 17 the 2020 CAPBA Trigger PCIA adder rates for the 2022 ERRA bundled Sales Forecast.

18 **Table 7 – 2020 CAPBA Trigger Undercollection from Departing Load Customers –**
 19 **2022 Current Effective Vintaged PCIA Adder Rates⁸⁵**

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
Residential	-	-	-	-	-	-	-	-	0.00117	0.00219	0.00517
Small Commercial	-	-	-	-	-	-	-	-	0.00117	0.00219	0.00517
Medium & Large C&I	-	-	-	-	-	-	-	-	0.00117	0.00219	0.00517
Agriculture	-	-	-	-	-	-	-	-	0.00117	0.00219	0.00517
Streetlighting	-	-	-	-	-	-	-	-	0.00117	0.00219	0.00517
System Total	-	-	-	-	-	-	-	-	0.00117	0.00219	0.00517

20
⁸⁵ Pursuant to D.12-12-028, per AL 3928-E effective January 1, 2022, and updated February 1, 2022 per AL 3909-E and AL 3943-E.

Rate Group	PCIA 2012 Vintage	PCIA 2013 Vintage	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
Residential	0.00617	0.00617	0.00628	0.00629	0.00629	0.00629	0.00629	0.00629	-	-	-
Small Commercial	0.00617	0.00617	0.00628	0.00629	0.00629	0.00629	0.00629	0.00629	-	-	-
Medium & Large C&I	0.00617	0.00617	0.00628	0.00629	0.00629	0.00629	0.00629	0.00629	-	-	-
Agriculture	0.00617	0.00617	0.00628	0.00629	0.00629	0.00629	0.00629	0.00629	-	-	-
Streetlighting	0.00617	0.00617	0.00628	0.00629	0.00629	0.00629	0.00629	0.00629	-	-	-
System Total	0.00617	0.00617	0.00628	0.00629	0.00629	0.00629	0.00629	0.00629	-	-	-

Table 8 – 2020 CAPBA Trigger Undercollection from Departing Load Customers – 2022 Recalculated Vintaged PCIA Adder Rates⁸⁶

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
Residential	-	-	-	-	-	-	-	-	0.00080	0.00138	0.00242
Small Commercial	-	-	-	-	-	-	-	-	0.00080	0.00138	0.00242
Medium & Large C&I	-	-	-	-	-	-	-	-	0.00080	0.00138	0.00242
Agricultural	-	-	-	-	-	-	-	-	0.00080	0.00138	0.00242
Lighting	-	-	-	-	-	-	-	-	0.00080	0.00138	0.00242
System	-	-	-	-	-	-	-	-	0.00080	0.00138	0.00242

Rate Group	PCIA 2012 Vintage	PCIA 2013 Vintage	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
Residential	0.00262	0.00262	0.00264	0.00264	0.00264	0.00264	0.00264	0.00264	-	-	-
Small Commercial	0.00262	0.00262	0.00264	0.00264	0.00264	0.00264	0.00264	0.00264	-	-	-
Medium & Large C&I	0.00262	0.00262	0.00264	0.00264	0.00264	0.00264	0.00264	0.00264	-	-	-
Agricultural	0.00262	0.00262	0.00264	0.00264	0.00264	0.00264	0.00264	0.00264	-	-	-
Lighting	0.00262	0.00262	0.00264	0.00264	0.00264	0.00264	0.00264	0.00264	-	-	-
System	0.00262	0.00262	0.00264	0.00264	0.00264	0.00264	0.00264	0.00264	-	-	-

Table 9 – 2020 CAPBA Trigger Overcollection from Bundled Customers – 2022 Current Effective Vintaged PCIA Adder Rates⁸⁷

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
Residential	-	-	-	-	-	-	-	-	-	-	-
Small Commercial	-	-	-	-	-	-	-	-	-	-	-
Medium & Large C&I	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-
Streetlighting	-	-	-	-	-	-	-	-	-	-	-
System Total	-	-	-	-	-	-	-	-	-	-	-

Rate Group	PCIA 2012 Vintage	PCIA 2013 Vintage	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
Residential	-	-	-	-	-	-	-	-	(0.00021)	(0.00021)	(0.00021)
Small Commercial	-	-	-	-	-	-	-	-	(0.00018)	(0.00018)	(0.00018)
Medium & Large C&I	-	-	-	-	-	-	-	-	(0.00021)	(0.00021)	(0.00021)
Agriculture	-	-	-	-	-	-	-	-	(0.00015)	(0.00015)	(0.00015)
Streetlighting	-	-	-	-	-	-	-	-	(0.00014)	(0.00014)	(0.00014)
System Total	-	-	-	-	-	-	-	-	(0.00021)	(0.00021)	(0.00021)

Table 10 – 2020 CAPBA Trigger Overcollection from Bundled Customers – 2022 Recalculated Vintaged PCIA Adder Rates⁸⁸

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
Residential	-	-	-	-	-	-	-	-	-	-	-
Small Commercial	-	-	-	-	-	-	-	-	-	-	-
Medium & Large C&I	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-
Streetlighting	-	-	-	-	-	-	-	-	-	-	-
System Total	-	-	-	-	-	-	-	-	-	-	-

⁸⁶ Includes Uncollectibles.

⁸⁷ Pursuant to D.20-12-028, per AL 3928-E effective January 1, 2022, and updated February 1, 2022 per AL 3909-E and AL 3943-E.

⁸⁸ Includes Uncollectibles.

Rate Group	PCIA 2012 Vintage	PCIA 2013 Vintage	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
Residential	-	-	-	-	-	-	-	-	(0.00024)	(0.00024)	(0.00024)
Small Commercial	-	-	-	-	-	-	-	-	(0.00020)	(0.00020)	(0.00020)
Medium & Large C&I	-	-	-	-	-	-	-	-	(0.00024)	(0.00024)	(0.00024)
Agriculture	-	-	-	-	-	-	-	-	(0.00015)	(0.00015)	(0.00015)
Streetlighting	-	-	-	-	-	-	-	-	(0.00013)	(0.00013)	(0.00013)
System Total	-	-	-	-	-	-	-	-	(0.00023)	(0.00023)	(0.00023)

The result of not adjusting these PCIA adder rates is an overcollection from certain vintages of PCIA customers and an undercollection from other PCIA vintages. Because there is one more year of amortization left for the 2020 CAPBA Trigger balance, SDG&E proposes herein to use the remaining 12 months to adjust the 2023 CAPBA Trigger rates for any under- and over-collections resulting from the 2020 CAPBA Trigger implemented 2022 PCIA rate adders. For the average residential customer using 400 kWh per month in one of the over-collected PCIA vintages,⁸⁹ the 2022 bill impact ranges from approximately \$0.15–1.46 additional per month. For the average residential customer using 400 kWh per month in one of the vintages where more revenue should have been returned (bundled customers at the time of D.20-12-028),⁹⁰ the average monthly impact is \$0.01, or approximately \$0.17 annually.

For bundled customers that are receiving slightly more of a return in 2022 than is correct, the reduction in class average bundled commodity rates is minimal, from 0.02-0.03%. The impact to an average bundled residential customer using 400 kWh per month is approximately \$0.036 per month. SDG&E’s proposal will redistribute the recalculated balances to the appropriate customers during 2023, less any remaining 2020 CAPBA Trigger balance needing to be amortized. Tables 11 and 12 below present actual vs. recalculated amortization of the 2020 CAPBA Trigger balance over 2021-2023.

Table 11 – Bundled Customer 2020 CAPBA Trigger Revenue Redistribution – Actual vs. Recalculated

⁸⁹ PCIA vintages 2009-2019.

⁹⁰ PCIA vintages 2020-2022.

	\$ (000) ¹	
	Actual	Recalculated
Balance Year 1 (3/1/2021)	\$ 8,923	\$ 8,923
2021 Bundled ²	(2,034)	(2,034)
2021 Bundled-now-DL ²	(445)	(445)
Balance Year 2 (1/1/2022)	6,444	6,444
2022 Bundled	(2,441)	(1,772)
2022 Bundled-now-DL	(1,048)	(1,203)
Balance Year 3 (1/1/2023)	2,954	3,470
2023 Bundled	(423)	(1,092)
2023 Bundled-now-DL	(2,532)	(2,378)
Balance (12/31/2023)	\$ -	\$ -

¹Excludes FF&U.

²SDG&E implemented its 2021 ERRRA Forecast and PCIA rates on March 1, 2021. Therefore, only 10 months of the 2021 CAPBA balance was amortized (\$8,923 million / 36 months * 10 months).

Table 12 – Departing Load Customer 2020 CAPBA Trigger Revenue Redistribution – Actual vs. Recalculated

	\$ (000) ¹	
	Actual	Recalculated
Balance Year 1 (3/1/2021)	\$ 8,923	\$ 8,923
2021 Departing Load ²	(2,479)	(2,479)
Balance Year 2 (1/1/2022)	6,445	6,445
2022 Departing Load	(6,611)	(2,974)
Balance Year 3 (1/1/2023)	(167)	3,470
2023 Departing Load	167	(3,470)
Balance (12/31/2023)	\$ -	\$ -

¹Excludes FF&U.

²SDG&E implemented its 2021 ERRRA Forecast and PCIA rates on March 1, 2021. Therefore, only 10 months of the 2021 CAPBA balance was amortized (\$8,923 million / 36 months * 10 months).

In Tables 13 and 14, SDG&E presents the 2022 overpayment to bundled customers and 2022 overcollection from departing load customers. Table 15 presents the balance that will be returned to customers who were bundled but have since departed. SDG&E proposed that the net balances will be included in 2023 bundled commodity rates and vintaged PCIA rates, making each group of customers whole. The result will be 2023 bundled rates that are slightly higher than they otherwise would have been, and 2023 PCIA rates that are slightly lower than they otherwise would have been, had SDG&E adjusted the 2020 CAPBA Trigger PCIA adder rates in the 2022 ERRRA Forecast application. The

1 proposed 2023 PCIA Adder rates for the remaining redistribution of the 2020 CAPBA Trigger are
 2 presented in Attachment D.

3 **Table 13 – 2023 Bundled 2020 CAPBA Trigger Revenue Redistribution**

	\$(000) ¹
2022 Return to Bundled Customers - Recalculated	\$ (1,772)
2022 Return to Bundled Customers - Actual	(2,441)
<i>2022 Overpayment to Bundled Customers</i>	670
2023 Calculated Return to Bundled Customers	(1,092)
<i>Net 2023 Bundled Customer Return</i>	<u>\$ (423)</u>

4
5 ¹Excludes FF&U.

6 **Table 14 – 2023 Departing Load 2020 CAPBA Trigger Revenue Redistribution**

	\$(000) ¹
2022 Departing Load Customer Undercollection - Recalculated	\$ 2,974
2022 Departing Load Customer Undercollection - Actual	6,611
<i>2022 Departing Load Customer Overpayment</i>	(3,637)
2023 Calculated Return to Bundled and Bun-now-DL Customers	3,470
<i>Net 2023 Departing Load Customer Return</i>	<u>\$ (167)</u>

7
8 ¹Excludes FF&U.

9 **Table 15 – 2023 Bundled-now-Departing Load 2020 CAPBA Trigger Revenue Redistribution**

	\$(000) ¹
2022 Return to Bun-now-DL Customers - Recalculated	\$ (1,203)
2022 Return to Bun-now-DL Customers - Actual ²	(1,048)
<i>2022 Bun-now-DL Customer Underpayment</i>	(154)
2023 Calculated Return to Bun-now-DL Customers ³	(2,378)
<i>Net 2023 Bun-now-DL Customer Return</i>	<u>\$ (2,532)</u>

10
11 ¹Excludes FF&U.

12 ²In 2022, this includes PCIA vintages 2020-2022.

13 ³In 2023, this includes PCIA vintages 2020-2023.

14 **3. Adjustment to 2020 ERRR Trigger PCIA Adder Rates**

15 SDG&E's authorized 2020 ERRR Trigger balance was implemented on March 1, 2021 at the
 16 same time as the 2021 ERRR Forecast.⁹¹ SDG&E was authorized to amortize the 2020 ERRR
 17 Trigger balance over 22 months, with amortization ending on December 31, 2022.⁹² Because

⁹¹ Per AL 3696-E-A/B, pursuant to D.21-01-017 and D.21-02-014.

⁹² D.21-02-014, OP 1.

SDG&E was ordered to update its 2022 ERRR Forecast Application with the 2022 bundled sales forecast as proposed in A.21-08-010, SDG&E should have updated the 2020 ERRR Trigger PCIA adder rates for the 2022 bundled sales forecast in its 2022 ERRR Forecast November Update. The issue is the same as is described in the prior section relating to the 2020 CAPBA Trigger adjustment. Table 16 below shows the currently effective 2020 ERRR Trigger PCIA adder rates, and Table 17 shows the recalculated 2020 ERRR Trigger PCIA adder rates when updated for 2022 bundled sales.

Table 16 – 2020 ERRR Trigger – 2022 Current Effective Vintaged PCIA Adder Rates⁹³

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
Residential											
Small Commercial											
Medium & Large C&I											
Agriculture											
Streetlighting											
System Total											

Rate Group	PCIA 2012 Vintage	PCIA 2013 Vintage	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
Residential									0.00479	0.00479	0.00479
Small Commercial									0.00405	0.00405	0.00405
Medium & Large C&I									0.00519	0.00519	0.00519
Agriculture									0.00344	0.00344	0.00344
Streetlighting									0.00314	0.00314	0.00314
System Total									0.00479	0.00479	0.00479

Table 17 – 2020 ERRR Trigger – 2022 Recalculated Vintaged PCIA Adder Rates⁹⁴

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
Residential											
Small Commercial											
Medium & Large C&I											
Agriculture											
Streetlighting											
System Total											

Rate Group	PCIA 2012 Vintage	PCIA 2013 Vintage	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
Residential									0.00556	0.00556	0.00556
Small Commercial									0.00452	0.00452	0.00452
Medium & Large C&I									0.00552	0.00552	0.00552
Agriculture									0.00350	0.00350	0.00350
Streetlighting									0.00303	0.00303	0.00303
System Total									0.00532	0.00532	0.00532

The result of not updating the 2020 ERRR Trigger rates for the 2022 bundled sales forecast is an undercollection from PCIA vintages 2020-2022 and an overcollection from 2022 bundled

⁹³ Pursuant to D.20-12-028, per AL 3928-E effective January 1, 2022, and updated February 1, 2022 per AL 3909-E and AL 3943-E.

⁹⁴ Rates are updated for 2022 bundled sales as proposed in A.21-08-010 per D.21-12-040.

1 customers. An average residential departing load customer using 400 kWh per month has a 2022
 2 monthly bill decrease of approximately \$0.31 as a result of not updating 2020 ERRA Trigger rates for
 3 2022 bundled sales. Table 18 below shows the impact of not updating the 2020 ERRA Trigger PCIA
 4 adder rates for 2022 bundled sales.

5 **Table 18 – 2020 ERRA Trigger Revenue Redistribution –**
 6 **Actual vs. Recalculated Using 2022 Bundled Sales**

	\$(000) ¹		
	Actual	Recalculated	Difference
Balance Year 1 (3/1/2021)	124,000	\$ 124,000	\$ -
2021 Bundled	(45,565)	(45,565)	-
2021 Bundled-now-DL	(10,799)	(10,799)	-
Balance Year 2 (1/1/2022)	67,636	67,636	-
2022 Bundled	(45,565)	(40,291)	(5,275)
2022 Bundled-now-DL	(24,845)	(27,346)	2,501
Balance (1/1/2023)	(2,774)	(0)	(2,774)

7 ¹Excludes FF&U.

8
 9 SDG&E proposes to distribute any revenues among customer groups as an adder rate in the 2023
 10 PCIA rates. In 2023, SDG&E proposes to return \$5.275 million to bundled customers and collect
 11 \$2.501 million from departing load customers. The proposed 2020 ERRA Trigger PCIA adder rates
 12 for 2023 are shown below in Table 19.

13 **Table 19 – 2020 ERRA Trigger – 2023 Proposed Vintaged PCIA Adder Rates**

Rate Group	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage
Residential	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial	-	-	-	-	-	-	-	-	-	-	-	-
Medium & Large C&I	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-
Streetlighting	-	-	-	-	-	-	-	-	-	-	-	-
System Total	-	-	-	-	-	-	-	-	-	-	-	-

Rate Group	PCIA 2013 Vintage	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
Residential	-	-	-	-	-	-	-	0.00023	0.00023	0.00023	0.00023
Small Commercial	-	-	-	-	-	-	-	0.00014	0.00014	0.00014	0.00014
Medium & Large C&I	-	-	-	-	-	-	-	0.00017	0.00017	0.00017	0.00017
Agriculture	-	-	-	-	-	-	-	0.00012	0.00012	0.00012	0.00012
Streetlighting	-	-	-	-	-	-	-	0.00014	0.00014	0.00014	0.00014
System Total	-	-	-	-	-	-	-	0.00019	0.00019	0.00019	0.00019

14
 15
 16 Table 20 below shows illustrative 2022 PCIA rates that include 2020 CAPBA Trigger and 2020
 17 ERRA Trigger PCIA adder rates that have been adjusted for 2022 bundled sales.

Table 20 – Illustrative 2022 Vintaged PCIA Rates, Adders Adjusted for 2022 Bundled Sales

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
Residential	0.00012	0.00013	0.00013	0.00309	0.00429	0.00583	0.00220	0.00335	0.00835	0.01233	0.01781
Small Commercial	0.00009	0.00010	0.00010	0.00247	0.00343	0.00466	0.00176	0.00268	0.00695	0.01039	0.01571
Medium & Large C&I	0.00007	0.00007	0.00007	0.00244	0.00341	0.00464	0.00173	0.00266	0.00694	0.01043	0.01579
Agriculture	0.00007	0.00007	0.00007	0.00188	0.00261	0.00355	0.00134	0.00204	0.00563	0.00854	0.01373
Streetlighting	0.00006	0.00007	0.00007	0.00169	0.00234	0.00319	0.00120	0.00183	0.00520	0.00794	0.01307
System Total	0.00008	0.00009	0.00009	0.00267	0.00371	0.00505	0.00189	0.00290	0.00742	0.01107	0.01647

Rate Group	PCIA 2012 Vintage	PCIA 2013 Vintage	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
Residential	0.02068	0.01365	0.01370	0.01963	0.01315	0.01799	0.02041	0.01536	0.03898	0.02880	0.02880
Small Commercial	0.01831	0.01144	0.01148	0.01752	0.01104	0.01586	0.01777	0.01282	0.03233	0.01922	0.01922
Medium & Large C&I	0.01848	0.01155	0.01160	0.01760	0.01112	0.01595	0.01814	0.01312	0.03659	0.02110	0.02110
Agriculture	0.01609	0.00936	0.00940	0.01553	0.00906	0.01386	0.01529	0.01044	0.02592	0.01752	0.01752
Streetlighting	0.01531	0.00865	0.00868	0.01486	0.00839	0.01318	0.01440	0.00959	0.02322	0.01529	0.01529
System Total	0.01921	0.01225	0.01230	0.01828	0.01181	0.01663	0.01885	0.01383	0.03650	0.02451	0.02451

D. Proposed 2023 PCIA Rates

Tables 21 and 22 below provide a comparison of the final PCIA rates as implemented via AL 3928-E on January 1, 2022 and updated via AL 3943-E on February 1, 2022, and the PCIA rates by vintage calculated using the 2023 ERRRA Forecast inputs discussed above.

Table 21 – 2022 Current Effective Vintage PCIA Rates⁹⁵

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	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage
Residential	0.00012	0.00013	0.00013	0.00309	0.00429	0.00583	0.00220	0.00335	0.00872	0.01315	0.02057
Small Commercial	0.00009	0.00010	0.00010	0.00247	0.00343	0.00466	0.00176	0.00268	0.00732	0.01120	0.01847
Medium & Large C&I	0.00007	0.00007	0.00007	0.00244	0.00341	0.00464	0.00173	0.00266	0.00731	0.01124	0.01855
Agriculture	0.00007	0.00007	0.00007	0.00188	0.00261	0.00355	0.00134	0.00204	0.00600	0.00935	0.01649
Streetlighting	0.00006	0.00007	0.00007	0.00169	0.00234	0.00319	0.00120	0.00183	0.00557	0.00875	0.01582
System Total	0.00008	0.00009	0.00009	0.00267	0.00371	0.00505	0.00189	0.00290	0.00779	0.01189	0.01923

Rate Group	PCIA 2012 Vintage	PCIA 2013 Vintage	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
Residential	0.02423	0.01720	0.01733	0.02327	0.01680	0.02163	0.02405	0.01900	0.03825	0.02806	0.02806
Small Commercial	0.02186	0.01499	0.01512	0.02116	0.01469	0.01951	0.02141	0.01646	0.03188	0.01877	0.01877
Medium & Large C&I	0.02203	0.01510	0.01523	0.02124	0.01477	0.01959	0.02179	0.01677	0.03629	0.02081	0.02081
Agriculture	0.01964	0.01291	0.01303	0.01918	0.01270	0.01750	0.01894	0.01408	0.02586	0.01746	0.01746
Streetlighting	0.01886	0.01220	0.01232	0.01851	0.01203	0.01683	0.01804	0.01323	0.02332	0.01539	0.01539
System Total	0.02276	0.01580	0.01593	0.02193	0.01545	0.02028	0.02250	0.01748	0.03601	0.02402	0.02402

⁹⁵ Pursuant to D.12-12-028, per AL 3928-E effective January 1, 2022, and updated February 1, 2022 per AL 3909-E and AL 3943-E.

Table 22 – 2023 Proposed Vintage PCIA Rates⁹⁶

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
Residential	0.00013	0.00004	0.00004	0.00488	0.00499	0.00659	0.00803	0.00876	0.00470	0.00797	0.01087	0.00955
Small Commercial	0.00008	0.00002	0.00002	0.00298	0.00305	0.00403	0.00490	0.00535	0.00287	0.00487	0.00664	0.00573
Medium & Large C&I	0.00006	(0.00000)	(0.00000)	0.00292	0.00299	0.00396	0.00483	0.00527	0.00281	0.00484	0.00671	0.00575
Agriculture	0.00007	0.00002	0.00002	0.00252	0.00258	0.00340	0.00415	0.00452	0.00242	0.00411	0.00565	0.00482
Streetlighting	0.00008	0.00002	0.00002	0.00294	0.00301	0.00397	0.00483	0.00527	0.00283	0.00479	0.00653	0.00563
System Total	0.00009	0.00001	0.00001	0.00372	0.00381	0.00503	0.00613	0.00670	0.00358	0.00612	0.00840	0.00730

Rate Group	PCIA 2013 Vintage	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
Residential	0.01470	0.01466	0.00871	0.01431	0.00944	0.00924	0.01305	0.01159	0.02621	0.03856	0.02853
Small Commercial	0.00889	0.00886	0.00521	0.00866	0.00567	0.00554	0.00793	0.00711	0.02871	0.03855	0.03007
Medium & Large C&I	0.00916	0.00913	0.00519	0.00899	0.00569	0.00555	0.00831	0.00732	0.03191	0.04365	0.03355
Agriculture	0.00758	0.00755	0.00438	0.00737	0.00477	0.00466	0.00671	0.00605	0.02506	0.03368	0.02662
Streetlighting	0.00873	0.00871	0.00513	0.00850	0.00557	0.00545	0.00776	0.00698	0.02455	0.03253	0.02604
System Total	0.01140	0.01137	0.00663	0.01114	0.00722	0.00705	0.01021	0.00904	0.02676	0.03848	0.02870

VI. 2023 RATES FOR SDG&E’S GREEN TARIFF SHARED RENEWABLES PROGRAM

In D.15-01-051, the Commission began the implementation of Senate Bill (“SB”) 43, which set a formal requirement for the three California IOUs to implement the Green Tariff Shared Renewables (“GTSR”) Program. SB 43 was signed into law by Governor Brown on September 28, 2013. The GTSR Program is intended to (1) expand access to “all eligible renewable energy resources to all ratepayers who are currently unable to access the benefits of onsite generation,” and (2) “create a mechanism whereby institutional customers...commercial customers...and groups of individuals...can meet their needs with the electrical generation from eligible renewable energy resources.”⁹⁷

At the time this application was filed, SDG&E ~~believes~~believed its current GTSR program undercollection and forecasted program participation ~~make~~made the 2022 and 2023 GTSR program rates uneconomical for most customers. As such, in order to protect ratepayers, SDG&E filed AL 3920-E on December 17, 2021 requesting to suspend the GTSR and ECR programs. The Commission issued a Disposition on AL 3920-E on April 19, 2022, rejecting SDG&E’s request to suspend EcoChoice and EcoShare rates. The Disposition ~~requires~~required SDG&E to provide a

⁹⁶ PCIA rates reflect 2023 uncollectibles rate, per AL 4092-E.

⁹⁷ California Public Utilities Code Section 2831 (b) and (f).

1 detailed mitigation strategy and suspension plan for GTSR and ECR rates, complete with static
2 timelines, in its forthcoming Application for Review as directed in D.21-12-036. ~~SDG&E's~~

3 ~~Application for Review is due June 1, 2022.~~⁹⁸ SDG&E filed its Application for Review on May 31,
4 2022.⁹⁹

5 On August 25, 2022, Administrative 22 Law Judges Petersen and Pulsifer issued a ruling in
6 A.22-05-022 et al. immediately suspending SDG&E's EcoChoice, Green Tariff program and directed
7 SDG&E to "quickly disenroll customers from its Green Tariff option who will remain on their
8 otherwise applicable rate."¹⁰⁰ The ruling declined to suspend SDG&E's EcoShare, Green Tariff
9 program, and therefore, SDG&E presents EcoShare 2023 rates below.

10 ~~However, because SDG&E believes the program is untenable and implementing 2023 GTSR~~
11 ~~rates could cause significant harm to participating customers, SDG&E is requesting to maintain 2022~~
12 ~~GTSR rate levels during 2023. SDG&E's testimony below presents illustrative 2023 GTSR and ECR~~
13 ~~rates that are in compliance with GTSR requirements. As seen in Table 23, the calculated illustrative~~
14 ~~2023 GTSR renewable power rate is \$1.15815/kWh. The administrative and marketing cost rates add~~
15 ~~an additional \$0.37511/kWh. Combined with the other GTSR rate elements, an average residential~~
16 ~~customer who uses 400 kWh and is 100% subscribed to GTSR will be billed an additional \$569 *per*~~
17 ~~*month.*~~¹⁰¹ ~~SDG&E believes this is unacceptable. For comparison, the average residential customer~~
18 ~~using 400 kWh who is 100% subscribed to GTSR would have been billed a GT differential premium~~
19 ~~of \$86 per month in 2021.~~¹⁰² ~~While SDG&E would attempt to communicate this absurd increase to~~
20 ~~participating customers so they may unenroll from the program, it is possible that some customers~~

⁹⁸ Disposition of AL 3920-E.

⁹⁹ A.22-05-023.

¹⁰⁰ August 25, 2022, Administrative Law Judge's Ruling Granting Request for Green Tariff Suspension, OP 1.

¹⁰¹ ~~Before consideration of the PCIA, which GTSR customers are required to pay.~~

¹⁰² ~~Using GTSR rates effective 1/1/22 per AL 3928 E. Amount does not include PCIA charges.~~

1 ~~may not read their emails or receive the messages, and could receive a monthly bill that is more than~~
2 ~~triple their typical bill.¹⁰³—Therefore, SDG&E urges the Commission to adopt SDG&E’s proposal to~~
3 ~~maintain 2022 GTSR rate levels through 2023 while SDG&E follows the Commission’s directive to~~
4 ~~provide a detailed mitigation strategy and suspension plan in its aforementioned Application for~~
5 ~~Review to be filed June 1, 2022. Below, SDG&E presents 2023 GTSR rates for illustrative purposes~~
6 ~~only.~~

7 FOF 136 of D.15-01-051, states that “Each IOU’s revenue requirements and associated
8 forecasts of fuel and purchase power...are currently reviewed and approved in the annual ERRA
9 forecast proceeding...” and FOF 137 states that “[c]oordinating review of true-up of GTSR and
10 credits with the ERRA process will provide greater certainty that entries to the GTSR accounts are
11 stated correctly and are consistent with Commission decisions.” Accordingly, the commodity-related
12 costs and credits as well as the resulting rates applied to GTSR customers are presented in this 2023
13 ERRA forecast application for illustrative purposes. Pursuant to D.15-01-051, “[t]he RPR
14 [Renewable Power Rate]¹⁰⁴ and other components of GTSR rates should be updated annually”¹⁰⁵ and
15 “[c]hanges to the rates can be accomplished through Advice Letters.”¹⁰⁶ ~~However, as discussed, for~~
16 ~~2023 SDG&E proposes to maintain the 2022 GTSR Program rate components, to be effective with~~
17 ~~SDG&E’s 2023 ERRA Forecast, which as requested, would implement with SDG&E’s 2023~~
18 ~~Consolidated Filing to implement January 1, 2023 electric rates, assuming Commission approval of~~
19 ~~this filing in time for inclusion in the 2023 Consolidated Filing.~~

¹⁰³—~~The current average bill of a typical non-CARE customer using 400 kWh and is 100% subscribed to GTSR is \$234/month (\$148 average non-CARE bill + \$86 GTSR differential premium), meaning the total bill for a customer that is 100% subscribed with GTSR rates at the calculated 2023 levels would result in a monthly bill of \$717 (\$148 average non-CARE bill + \$569 GTSR differential premium).~~

¹⁰⁴ SDG&E’s RPR was previously referred to as the Cost of Local Solar.

¹⁰⁵ D.15-01-051, COL 53.

¹⁰⁶ *Id.* COL 51.

1 The GTSR program includes two rate options: (1) a Green Tariff (“GT”) rate and (2) an
2 Enhanced Community Renewables (“ECR”) rate.¹⁰⁷ ~~The GT program provides customers with the
3 ability to purchase energy that contains a higher percentage of renewable power than offered under
4 other scheduled service.~~ The ECR program provides customers with the ability to purchase
5 renewable energy from community-based projects directly through the developers of those projects
6 (“Developer”).

7 The rate components for the ~~GT and~~ ECR rates¹⁰⁸ associated with these programs are as
8 follows:

9 ~~1. **Renewable Power Rate**¹⁰⁹ for the GT rate is the price that customers pay for the
10 commodity portion which is based on the cost of the incremental local solar projects
11 that the Utility procures for the program. The 2023 cost of local solar component of
12 the GT is \$52.98/ megawatt-hour (“MWh”) as described in the direct testimony of
13 SDG&E witness Matthew O’Connell.¹¹⁰ 2023 also includes the illustrative recovery of
14 the undercollected of \$1.388 million¹¹¹ as described in the direct testimony of SDG&E
15 witness Kristina Ghianni. When SDG&E combines the 2023 Renewable Power Rate
16 from the direct testimony of SDG&E witness Matthew O’Connell with the combined
17 \$1.388 million GTSRBA undercollection from direct testimony of SDG&E witness
18 Kristina Ghianni, the final illustrative 2023 Renewable Power Rate comes to
19 \$1,158/MWh.¹¹²~~

20 ~~2.1. **Renewable Energy Commodity Price**¹¹³ for the ECR rate is equal to the portion of
21 the renewable generating facility’s output that the customer has subscribed to,
22 multiplied by the amount per kWh that the Utility has agreed to pay the developer
23 (“Renewable Energy Commodity Price”). These values are part contract agreement
24 with the Developers and therefore not addressed in this proceeding.~~

¹⁰⁷ ~~The GTSR programs previously included a GT rate and related components. However, in light of the
program’s suspension as mentioned previously, SDG&E is not presenting GT rate components or total GT
rates in this updated testimony. SDG&E filed AL 4074-E on September 9, 2022 to suspend the program.~~

¹⁰⁸ All ~~GT and~~ ECR rate components include FF&U unless otherwise noted.

~~¹⁰⁹ SDG&E’s Renewable Power rate was previously referred to as the Cost of Local Solar.~~

~~¹¹⁰ SDG&E witness Matthew O’Connell shows the 2023 cost of local solar component as \$52.98/MWh,
which is without FF&U. The rate of \$53.99/MWh includes FF&U.~~

~~¹¹¹ As requested in SDG&E’s 2020 Erra Compliance filing (A.21-06-004) and adopted in D.22-05-006.~~

~~¹¹² \$1,158/MWh is with FF&U. The rate of \$1,144/MWh excludes FF&U.~~

¹¹³ Formerly the Solar Commodity Price.

1 ~~3.2.~~ **Renewable Energy Value Adjustment**¹¹⁴ for the GT and ECR rates calculates the
2 relative value of energy and capacity for the solar resources supporting the GT and
3 ECR programs compared to the Utility’s current portfolio of resources serving all
4 bundled load. ~~Previously, the illustrative 2023 Renewable Energy Value Adjustment~~
5 ~~is was~~ \$0.03190/kWh as described in the direct testimony of SDG&E witness
6 Matthew O’Connell.¹¹⁵ However, given that the GT program is suspended and the
7 ECR program is forecasted to have no customers, there is no value assigned to the
8 2023 Renewable Energy Value Adjustment for ECR.

9 ~~4.3.~~ **Administrative Costs** for the GT and ECR rates include incremental costs such as
10 labor and non-labor for program management and policy support, Green-e
11 certification, and IT costs. Per Resolution E-5028 which approved the administrative
12 costs for the GT and ECR programs, the ~~illustrative~~ 2023 charge for administrative
13 costs is ~~\$0.18972/kWh for GT and~~ \$0.00000/kWh for ECR.¹¹⁶

14 ~~5.4.~~ **Marketing Costs** for the GT and ECR rates includes incremental costs needed to
15 implement the marketing plan. These costs are composed of labor (spent for planning,
16 managing to the marketing plan, and community outreach) and non-labor tactical
17 implementation (*i.e.*, creative design, production, translation and mailing fees). Per
18 Resolution E-5028 which approved the marketing costs for the GT and ECR
19 programs, the ~~illustrative~~ 2023 marketing charge is ~~\$0.18538/kWh for GT and~~
20 \$0.00000/kWh for ECR.¹¹⁷

21 ~~6.5.~~ **Renewable Energy Commodity Credit**¹¹⁸ for the ECR rate assumes the customer has
22 already purchased the rights to this output from the developer, the Utility concurrently
23 assigns a credit to the customer equal to Renewable Energy Commodity Price
24 (“Renewable Energy Commodity Credit”). These values are part of the contract
25 agreement with the Developers and therefore not addressed in this proceeding.

26 ~~7.6.~~ **SDG&E’s Average Commodity Cost Adjustment** for the ~~GT and~~ ECR rates is
27 intended to approximate the avoided commodity costs and is based on SDG&E’s
28 forecasted 2023 class average commodity rates presented in Section III, which is
29 credited to the customer and is discussed in more detail below.

30 ~~8.7.~~ **Western Renewable Energy Generation Information System (“WREGIS”)** for the
31 ~~GT and~~ ECR rates may include, but is not limited to, the annual WREGIS fee and a
32 per MWh certificate fee that is charged as Renewable Energy Credits (“RECs”) are

¹¹⁴ D.16-05-006, p. 27 changed the name from Value of Solar Energy and Capacity Adjustment to Renewable Energy Value Adjustment to reflect the ability of multiple renewable technology types to participate in the GTSR Program.

~~¹¹⁵ SDG&E witness Matthew O’Connell shows the Renewable Energy Value Adjustment as \$0.03190/kWh, which is without FF&U. The adjustment of \$0.03228/kWh includes FF&U.~~

¹¹⁶ Commission approved AL 3168-E, effective September 26, 2019 per Resolution E-5028.

¹¹⁷ Commission approved AL 3168-E, effective September 26, 2019 per Resolution E-5028.

¹¹⁸ Formerly known as Solar Commodity Credit.

1 retired. As discussed in the direct testimony of SDG&E witness Matthew O’Connell,
2 the illustrative 2023 WREGIS costs are ~~\$0.004000.00000~~/MWh.

3 ~~9.8.~~ **CAISO GMC** for the ~~GT and~~ ECR rates include CAISO charges are associated with
4 grid management charges (“GMC”) and energy scheduling. The illustrative 2023
5 CAISO costs, as described in the direct testimony of Matthew O’Connell, are
6 ~~\$0.000350.00000~~/kWh.¹¹⁹

7 ~~10.9.~~ **Renewable Integration Costs (“RIC”)** for the ~~GT and~~ ECR rates are currently set at
8 \$0/kWh as a placeholder.¹²⁰ A RIC Charge that is greater than \$0/kWh may be
9 imposed in the future on a going-forward basis only to all customers served under this
10 Schedule, unless otherwise directed by the Commission.

11 ~~11.10.~~ **PCIA** for the ~~GT and~~ ECR rates is intended to serve as a reasonable proxy for the
12 GTSR customer indifference charge and is discussed further below.

13 **Table 23**
14 **GT Illustrative Rate Components**

	GT Rate Components (\$/kWh)	
	Current Authorized¹²¹	2023 Rates (Presented for Illustrative Purposes)
Renewable Power Rate¹²²	0.28907	1.15815
Renewable Energy Value Adjustment¹²³	0.01551	0.03228
Administrative Costs	0.02650	0.18972
Marketing Costs	0.03039	0.18538
SDG&E's Average Commodity Cost Adjustment	See Table 25 below	
WREGIS	\$0.00000	\$0.00000
CAISO GMC	\$0.00001	\$0.00035
Renewable Integration Cost	\$0.00000	\$0.00000

~~¹¹⁹ SDG&E witness Matthew O’Connell shows CAISO GMC as \$0.3488/MWh, which is without FF&U. The cost of \$0.00349/MWh includes FF&U.~~

~~¹²⁰ D.15-01-051 recognized that “[b]ecause GTSR is made up of renewable resources, the cost of renewables integration is of particular importance” (p. 115). D.15-01-051 further directed the IOUs to set a RIC charge of \$0 as a placeholder. Within 60 days of a decision setting a RIC charge for ratepayers, the IOUs must file a Tier 3 Advice Letter setting forth how the RIC charge will be allocated to customers (both new and existing). *Id.*, p. 119.~~

~~¹²¹ Authorized by D.12-12-040 and effective January 1, 2022 per AL 3928 E A/B.~~

~~¹²² Formerly known as Cost of Local Solar per SDG&E AL 3006 E.~~

~~¹²³ Formerly known as Value of Solar Energy and Capacity Adjustment per SDG&E AL 3006 E.~~

PCIA ¹²⁴	See Attachment E
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Table 2423
ECR Illustrative Rate Components

	ECR Rate Components (\$/kWh)	
	Current Authorized ¹²⁵	2023 Rates (Presented for Illustrative Purposes)
Renewable Energy Commodity Price ¹²⁶	Refer to Contract	
Renewable Energy Value Adjustment ¹²⁷	\$0.01551	\$0.03228 <u>\$0.00000</u>
Administrative Costs	\$0.00000	\$0.00000
Marketing Costs	\$0.00000	\$0.00000
Renewable Energy Commodity Credit ¹²⁸	Refer to Contract	
SDG&E's Average Commodity Cost Adjustment	See Table 2524 below	
WREGIS	\$0.00000	\$0.00000
CAISO GMC	\$0.00001	\$0.00035 <u>\$0.00000</u>
Renewable Integration Cost	\$0.00000	\$0.00000
PCIA ¹²⁹	See Attachment E <u>D</u>	

4 SDG&E's Average Commodity Cost Adjustment is used as a proxy to reflect SDG&E's
5 avoided commodity costs, which ideally would be reflected in the average commodity rate by
6 customer class. To better reflect the avoided commodity cost, the average commodity rate is adjusted
7 for ERRA-related balances given that such balances can cause the average commodity rate to differ
8 from the costs, as well as adjusted for updated commodity costs as filed in SDG&E's 2022-2023
9 NGBA update revenue requirement.¹³⁰ For this reason, SDG&E is substituting the ERRA component
10 of the average commodity rate by customer class with an ERRA forecast value in order to adjust for

~~¹²⁴ SDG&E is not proposing to maintain 2022 PCIA rates for GT customers; under SDG&E's proposal GTSR customers will be charged 2023 PCIA rates.~~

¹²⁵ Authorized by D.12-12-040 and effective January 1, 2022 per AL 3928-E-A/B.

¹²⁶ Formerly known as Solar Commodity Price.

¹²⁷ Formerly known as Value of Solar Energy and Capacity Adjustment per SDG&E AL 3006-E.

¹²⁸ Formerly known as Solar Commodity Credit.

~~¹²⁹ SDG&E is not proposing to maintain 2022 PCIA rates for ECR customers; under SDG&E's proposal ECR customers will be charged 2023 PCIA rates.~~

¹³⁰ ~~SDG&E filed AL 3886 E on November 4, 2021 Pursuant to AL 4092-E.~~

1 ERRA Balances and updated NGBA costs to better approximate avoided costs, as authorized in
 2 D.15-01-051. SDG&E’s illustrative 2023 adjusted class average commodity rate for the ~~GTSR-ECR~~
 3 rate components is based on the proposed average commodity rate by customer class,¹³¹ with the
 4 adjustments stated above, are shown in the Table ~~25-24~~ below.

5 **Table ~~2524~~**
 6 **~~GT and~~ ECR Rate Components –**
 7 **Illustrative Class Average Commodity Adjustment Rates (\$/kWh)**

	Current Authorized¹³²	Proposed
Residential	(0.13386)	(0.151310.19424)
Small Commercial	(0.11830)	(0.129840.16610)
M/L C&I	(0.13708)	(0.144490.18766)
Agricultural	(0.09543)	(0.119190.14975)
Streetlighting	(0.08773)	(0.099180.12735)

8 The PCIA component of the ~~GT and~~ ECR rates comprises the indifference adjustment or the
 9 above-market cost of the Utility’s existing procurement portfolio and is calculated annually. D.15-
 10 01-051 FOF 100 states, “[t]he PCIA calculated for DA and CCA customers provides a reasonable
 11 proxy for the GTSR customer indifference charge.” Accordingly, the utilities were directed to use
 12 vintaged PCIA as a proxy for the indifference adjustment.¹³³ This is a cost that is ultimately borne by
 13 all customers for resources that were procured on their behalf. ~~GT and~~ ECR customers’ PCIA rates
 14 will be billed by customer class and customer specific vintage using the proposed 2023 PCIA rates
 15 discussed above and identified in Attachment ~~ED~~.

¹³¹ As proposed in this testimony.

¹³² Effective January 1, 2022 per AL 3928-E/A/B.

¹³³ D.15-01-051, p. 103.

1 Per SDG&E AL 3593-E, GTSR participants are no longer subjected to a termination fee if
2 they cancel their subscription. As such, SDG&E no longer calculates or presents termination fees for
3 GTSR participants.¹³⁴

4 The detailed components of the illustrative 2023 ~~GT and~~ ECR rates and the total illustrative
5 2023 ~~GT and~~ ECR rates are presented in Attachments B ~~and C~~ of this testimony.

6 VII. SUMMARY AND RELIEF REQUESTED

7 Consistent with the rate recovery proposed in this testimony, SDG&E requests the following
8 relief in the Commission's forthcoming decision in this proceeding:

- 9 1. Approve for recovery in rates: (1) the 2023 ERRA revenue requirement of
10 ~~\$433.755~~545.009 million, which includes GHG costs; (2) the projected 2022 ERRA
11 year-end balance of ~~\$(2.017)~~30.773 million; (3) the 2023 PABA revenue requirement
12 of ~~\$15.445~~98.951 million and the projected 2022 PABA year-end balance of
13 ~~\$73.209~~89.728 million; (4) the 2023 CTC revenue requirement of ~~\$11.232~~10.765
14 million; (5) the 2023 LG revenue requirement of ~~\$175.361~~189.826 million; (6) the
15 SONGS revenue requirement of ~~\$1.188~~1.342 million; (7) the TMNBC revenue
16 requirement as set forth in the testimony of SDG&E witness Kristina Ghianni and
17 confidentiality declaration attached thereto; and (8) the balance recorded to the 2020
18 LGBA of \$0.400 million,^{135,136}
- 19 2. Approve SDG&E's 2023 proposed rates for:

¹³⁴ Per SDG&E AL 3593-E, effective September 18, 2020 and implemented into SDG&E's tariffs October 1, 2020 pursuant to AL 3619-E.

¹³⁵ The exact amount of the 2020 LGBA recorded balance requested for return is \$405,173.

¹³⁶ All values except PABA include FF&U. The bundled portion of the 2023 PABA revenue requirements include FF&U. The departing load portion of the 2023 PABA revenue requirements include uncollectibles.

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- a. GHG Allowance return to customers for the Residential and Small Business Semi-Annual CCC of ~~\$58.61~~60.69; and
 - b. 2023 PCIA rates presented in Attachment A; and
- 3. Approve SDG&E’s proposal to redistribute the 2020 CAPBA Trigger and 2020 ERRA Trigger balances among the appropriate groups of customers; and
 - 4. Approve SDG&E’s 2023 proposal ~~to maintain 2022 GTSR rates~~for 2023 ECR rates.
- This concludes my prepared direct testimony.

1 **VIII. QUALIFICATIONS**

2 My name is Gwendolyn Morien. My business address is 8330 Century Park Court, San
3 Diego, California 92123. I have been employed as a Rate Strategy & Design Manager in the
4 Customer Pricing Department at San Diego Gas & Electric Company since 2021. My primary
5 responsibilities include the development of electric rate policy and design in various regulatory
6 filings. I joined SDG&E in 2016 and have held positions of increasing responsibility in the Customer
7 Pricing group.

8 I received a Bachelor of Science in Accounting from the State University of New York at
9 Geneseo in 2010 and a Master of International Affairs with a concentration in Environmental and
10 Energy Policy from the School of Global Policy and Strategy at the University of California, San
11 Diego in 2016. I am a licensed CPA (inactive) in New York.

12 I have previously testified before the California Public Utilities Commission and the Federal
13 Energy Regulatory Commission.

ATTACHMENT A

**2023 ILLUSTRATIVE PCIA RATES PURSUANT TO THIS
INSTANT APPLICATION**

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2023 ERRR Forecast**

Attachment A

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers¹³⁷¹³⁸
(\$/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
Residential	0.00013	0.00004	0.00004	0.00488	0.00499	0.00659	0.00803	0.00876	0.00471	0.00798	0.01088	0.00983
Small Commercial	0.00008	0.00002	0.00002	0.00298	0.00305	0.00403	0.00490	0.00535	0.00288	0.00488	0.00666	0.00601
Medium & Large C&I	0.00006	(0.00000)	(0.00000)	0.00292	0.00299	0.00396	0.00483	0.00527	0.00282	0.00485	0.00673	0.00603
Agriculture	0.00007	0.00002	0.00002	0.00252	0.00258	0.00340	0.00415	0.00452	0.00243	0.00412	0.00567	0.00511
Streetlighting	0.00008	0.00002	0.00002	0.00294	0.00301	0.00397	0.00483	0.00527	0.00283	0.00480	0.00655	0.00592
System Total	0.00009	0.00001	0.00001	0.00372	0.00381	0.00503	0.00613	0.00670	0.00359	0.00613	0.00842	0.00758

¹³⁷ 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.

¹³⁸ PCIA presented in Attachment A do not include proposed PCIA rate adders. Total PCIA rates are presented in Attachment D.

~~ATTACHMENT B~~

~~2023 ILLUSTRATIVE GREEN TARIFF RATE COMPONENTS~~

~~SAN DIEGO GAS & ELECTRIC COMPANY – ELECTRIC DEPARTMENT 2023-ERRA Forecast~~

~~Attachment B~~

~~2023 Illustrative Green Tariff Rate Components~~

	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh
Description	Residential	Sm-Commercial	M/L C&I	Agriculture	Streetlighting
Renewable Power Rate	1.15815	1.15815	1.15815	1.15815	1.15815
Renewable Energy Value Adjustment	0.03228	0.03228	0.03228	0.03228	0.03228
Administrative Costs	0.18972	0.18972	0.18972	0.18972	0.18972
Marketing Costs	0.18538	0.18538	0.18538	0.18538	0.18538
SDG&E's Average Commodity Cost Adjustment	(0.15131)	(0.12984)	(0.14449)	(0.11919)	(0.09918)
WREGIS	0.00000	0.00000	0.00000	0.00000	0.00000
CAISO-GMC	0.00035	0.00035	0.00035	0.00035	0.00035
Renewable Integration Cost	0.00000	0.00000	0.00000	0.00000	0.00000
GT Differential	1.41458	1.43606	1.42140	1.44671	1.44672
PCIA	See Attachment E				

ATTACHMENT **EB**

**2023 ILLUSTRATIVE ENHANCED COMMUNITY
RENEWABLES RATE COMPONENTS**

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2023 ERRR Forecast**

Attachment BC

2023 Illustrative Enhanced Community Renewables Rate Components

	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh
Description	Residential	Sm Commercial	M/L C&I	Agriculture	Streetlighting
Renewable Energy Commodity Price	Refer to Contract				
Value of Solar Energy and Capacity Adjustment	0.032280.00000	0.032280.00000	0.032280.00000	0.032280.00000	0.032280.00000
Administrative Costs	0.00000	0.00000	0.00000	0.00000	0.00000
Marketing Costs	0.00000	0.00000	0.00000	0.00000	0.00000
Renewable Energy Commodity Credit	Refer to Contract				
SDG&E's Average Commodity Cost Adjustment	(0.151310.19424)	(0.129840.16610)	(0.144490.18766)	(0.119190.14975)	(0.099180.12735)
WREGIS	0.00000	0.00000	0.00000	0.00000	0.00000
CAISO GMC	0.000350.00000	0.000350.00000	0.000350.00000	0.000350.00000	0.000350.00000
Renewable Integration Cost	0.00000	0.00000	0.00000	0.00000	0.00000
<i>ECR Differential</i>	(0.118670.19424)	(0.097190.16610)	(0.111850.18766)	(0.086540.14975)	(0.066530.12735)
PCIA	See Attachment <u>DE</u>				

ATTACHMENT **DC**

**2023 PCIA RATE ADDERS PURSUANT TO 2020 CAPBA
TRIGGER D.20-12-028 AND 2020 ERRA TRIGGER D.21-02-014**

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2023 ERRR Forecast

Attachment ~~DC~~

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers¹³⁹
2020 CAPBA Trigger Undercollection
 (\$/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
Residential	-	-	-	-	-	-	-	-	(0.00001)	(0.00001)	(0.00002)	(0.00028)
Small Commercial	-	-	-	-	-	-	-	-	(0.00001)	(0.00001)	(0.00002)	(0.00028)
Medium & Large C&I	-	-	-	-	-	-	-	-	(0.00001)	(0.00001)	(0.00002)	(0.00028)
Agriculture	-	-	-	-	-	-	-	-	(0.00001)	(0.00001)	(0.00002)	(0.00028)
Streetlighting	-	-	-	-	-	-	-	-	(0.00001)	(0.00001)	(0.00002)	(0.00028)
System Total	-	-	-	-	-	-	-	-	(0.00001)	(0.00001)	(0.00002)	(0.00028)

Rate Group	PCIA 2013 Vintage	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
Residential	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00027)	(0.00024)	-	-	-	-
Small Commercial	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00027)	(0.00024)	-	-	-	-
Medium & Large C&I	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00027)	(0.00024)	-	-	-	-
Agriculture	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00027)	(0.00024)	-	-	-	-
Streetlighting	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00027)	(0.00024)	-	-	-	-
System Total	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00028)	(0.00027)	(0.00024)	-	-	-	-

¹³⁹ 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.

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2023 ERRR Forecast**

Attachment DC Continued

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers¹⁴⁰
2020 CAPBA Trigger Overcollection
(\$/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
Residential												
Small Commercial												
Medium & Large C&I												
Agriculture												
Streetlighting												
System Total												

Rate Group	PCIA 2013 Vintage	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
Residential	-	-	-	-	-	-	-	0.00023	0.00023	0.00023	0.00023
Small Commercial	-	-	-	-	-	-	-	0.00014	0.00014	0.00014	0.00014
Medium & Large C&I	-	-	-	-	-	-	-	0.00017	0.00017	0.00017	0.00017
Agriculture	-	-	-	-	-	-	-	0.00012	0.00012	0.00012	0.00012
Streetlighting	-	-	-	-	-	-	-	0.00014	0.00014	0.00014	0.00014
System Total	-	-	-	-	-	-	-	0.00019	0.00019	0.00019	0.00019

¹⁴⁰ 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.

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2023 ERRR Forecast**

Attachment DC Continued

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers¹⁴¹
2020 ERRR Trigger Undercollection
(\$/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
Residential	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial	-	-	-	-	-	-	-	-	-	-	-	-
Medium & Large C&I	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-
Streetlighting	-	-	-	-	-	-	-	-	-	-	-	-
System Total	-	-	-	-	-	-	-	-	-	-	-	-

Rate Group	PCIA 2013 Vintage	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
Residential	-	-	-	-	-	-	-	0.00023	0.00023	0.00023	0.00023
Small Commercial	-	-	-	-	-	-	-	0.00014	0.00014	0.00014	0.00014
Medium & Large C&I	-	-	-	-	-	-	-	0.00017	0.00017	0.00017	0.00017
Agriculture	-	-	-	-	-	-	-	0.00012	0.00012	0.00012	0.00012
Streetlighting	-	-	-	-	-	-	-	0.00014	0.00014	0.00014	0.00014
System Total	-	-	-	-	-	-	-	0.00019	0.00019	0.00019	0.00019

¹⁴¹ 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.

ATTACHMENT **DE**

TOTAL 2023 ILLUSTRATIVE PCIA RATES

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2023 ERRR Forecast**

Attachment ~~ED~~

Power Charge Indifference Adjustment Rates for Direct Access and Community Choice Aggregation Customers¹⁴²
(\$/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
Residential	0.00013	0.00009	0.00009	0.00354	0.00353	0.00404	0.00201	0.00237	(0.00247)	(0.00202)	(0.00066)	(0.00255)
Small Commercial	0.00008	0.00005	0.00005	0.00216	0.00216	0.00247	0.00123	0.00145	(0.00151)	(0.00124)	(0.00041)	(0.00167)
Medium & Large C&I	0.00006	0.00003	0.00003	0.00211	0.00211	0.00242	0.00119	0.00141	(0.00152)	(0.00124)	(0.00036)	(0.00170)
Agriculture	0.00007	0.00004	0.00004	0.00183	0.00182	0.00209	0.00103	0.00122	(0.00128)	(0.00105)	(0.00033)	(0.00146)
Streetlighting	0.00008	0.00005	0.00005	0.00213	0.00213	0.00243	0.00121	0.00143	(0.00149)	(0.00122)	(0.00040)	(0.00165)
System Total	0.00009	0.00005	0.00005	0.00269	0.00269	0.00308	0.00152	0.00180	(0.00191)	(0.00157)	(0.00049)	(0.00205)

Rate Group	PCIA 2013 Vintage	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
Residential	(0.00107)	(0.00101)	(0.00379)	(0.00163)	(0.00312)	(0.00163)	(0.00041)	0.00751	0.01773	0.01738	0.01740
Small Commercial	(0.00076)	(0.00073)	(0.00243)	(0.00110)	(0.00202)	(0.00109)	(0.00031)	0.00474	0.01984	0.01956	0.01958
Medium & Large C&I	(0.00073)	(0.00069)	(0.00253)	(0.00106)	(0.00207)	(0.00104)	(0.00014)	0.00567	0.02286	0.02253	0.02254
Agriculture	(0.00067)	(0.00064)	(0.00213)	(0.00097)	(0.00177)	(0.00097)	(0.00030)	0.00404	0.01734	0.01709	0.01710
Streetlighting	(0.00076)	(0.00072)	(0.00240)	(0.00109)	(0.00199)	(0.00109)	(0.00034)	0.00452	0.01681	0.01658	0.01660
System Total	(0.00087)	(0.00083)	(0.00304)	(0.00130)	(0.00250)	(0.00129)	(0.00027)	0.00633	0.01872	0.01839	0.01841

¹⁴² 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.

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
Residential	0.00013	0.00004	0.00004	0.00488	0.00499	0.00659	0.00803	0.00876	0.00470	0.00797	0.01087	0.00955
Small Commercial	0.00008	0.00002	0.00002	0.00298	0.00305	0.00403	0.00490	0.00535	0.00287	0.00487	0.00664	0.00573
Medium & Large C&I	0.00006	(0.00000)	(0.00000)	0.00292	0.00299	0.00396	0.00483	0.00527	0.00281	0.00484	0.00671	0.00575
Agriculture	0.00007	0.00002	0.00002	0.00252	0.00258	0.00340	0.00415	0.00452	0.00242	0.00411	0.00565	0.00482
Streetlighting	0.00008	0.00002	0.00002	0.00294	0.00301	0.00397	0.00483	0.00527	0.00283	0.00479	0.00653	0.00563
System Total	0.00009	0.00001	0.00001	0.00372	0.00381	0.00503	0.00613	0.00670	0.00358	0.00612	0.00840	0.00730

Rate Group	PCIA 2013 Vintage	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
Residential	0.01470	0.01466	0.00871	0.01431	0.00944	0.00924	0.01305	0.01159	0.02621	0.03856	0.02853
Small Commercial	0.00889	0.00886	0.00521	0.00866	0.00567	0.00554	0.00793	0.00711	0.02871	0.03855	0.03007
Medium & Large C&I	0.00916	0.00913	0.00519	0.00899	0.00569	0.00555	0.00831	0.00732	0.03191	0.04365	0.03355
Agriculture	0.00758	0.00755	0.00438	0.00737	0.00477	0.00466	0.00671	0.00605	0.02506	0.03368	0.02662
Streetlighting	0.00873	0.00871	0.00513	0.00850	0.00557	0.00545	0.00776	0.00698	0.02455	0.03253	0.02604
System Total	0.01140	0.01137	0.00663	0.01114	0.00722	0.00705	0.01021	0.00904	0.02676	0.03848	0.02870