

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

Order Instituting Rulemaking to Continue
Electric Integrated Resource Planning and
Related Procurement Processes.

Rulemaking 20-05-003
(Filed May 7, 2020)

**2020 INDIVIDUAL INTEGRATED RESOURCE PLAN OF
SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)**

****PUBLIC VERSION****

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September 1, 2020

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I. INTRODUCTION

Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (the “Commission”), and the direction provided in the *Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes* (“OIR”) adopted in the above-referenced proceeding on May 14, 2020, and in Decision (“D.”) 20-03-028, San Diego Gas and Electric Company (“SDG&E”) submits its 2020 Individual Integrated Resource Plan (“IIRP”).

The Integrated Resource Planning (“IRP”) process is the statewide approach to electric resource planning established by Senate Bill (“SB”) 350 intended to achieve California’s greenhouse gas (“GHG”) emissions reduction goals for the electric sector.^{1/} Under the Commissions adopted IRP framework, the statewide resource planning process consists of a two-year cycle: the first year of the IRP cycle will focus on high-level resource planning activities that will result in Commission adoption of a Reference System Plan (“RSP”) designed to meet the GHG target at the electric system level; the second year of each cycle will produce a

^{1/} Senate Bill 350 (Stats. 2015, Ch. 547). Codified at Public Utilities Code §§ 454.51 and 454.52. All statutory references herein are to the Public Utilities Code unless otherwise noted.

Preferred System Plan that takes into account the IIRPs of each load-serving entity (“LSE”) and is intended to ensure that the GHG target for the electric sector is met in a manner that preserves reliability and achieves reasonable cost.

SDG&E’s IIRP, provided as Appendix 2 hereto, complies with the direction provided by the Commission in D.20-03-028. SDG&E also includes as Appendix 1 its senior executive attestation form, required by D.19-11-016, which confirms that SDG&E will self-procure to meet the mandated procurement established in D.19-11-016. As discussed in more detail below, SDG&E’s IIRP demonstrates that SDG&E is well-positioned to meet the 2030 GHG target and that, given the planning requirements provided by the Commission, no new incremental procurement is warranted at this time. It is important to note, however that this conclusion may change due to recent system reliability events. SDG&E’s IIRP includes all required data and analysis, including a comprehensive description of its activities related to Disadvantaged Communities (“DACs”) and a discussion of barriers to procurement and lessons learned.

II. DISCUSSION

The IRP is a critical tool for achieving the state’s GHG emission reduction goals for the electric sector through and beyond 2030. SDG&E’s development of its IIRP is guided by key statutory principals: (i) ensuring reliability;^{2/} (ii) reducing GHG emissions with the best-fit resources at the lowest possible cost;^{3/} and (iii) meeting the state’s Renewables Portfolio Standard (“RPS”) program goals,^{4/} as well as by the direction provided in D.20-03-028 and other Commission rulings. As required by the Commission, SDG&E’s IIRP involves two conforming

^{2/} See, e.g., Section 399.

^{3/} See, e.g., Sections 454.51, 454.52(a)(3).

^{4/} See Section 399.11, *et seq.*

portfolios (each a “Preferred Conforming Portfolio”): one that achieves the 46 million metric tons (“MMT”) GHG benchmark, and a second that achieves the 38 MMT GHG benchmark.^{5/} SDG&E requests Commission approval of its Preferred Conforming Portfolio involving the 46 MMT scenario.

SDG&E’s analysis relies upon the assumptions utilized in the RSP approved by the Commission in D.20-03-028. In performing its analysis, SDG&E considered its existing portfolio and mandated procurement activities in relation to its forecasted load in the California Energy Commission’s (“CEC’s”) Integrated Energy Policy Report (“IEPR”). The IEPR assumes a significant decline in SDG&E’s bundled load in 2021 as customers increasingly depart utility bundled service in favor of Community Choice Aggregation (“CCA”) and Direct Access (“DA”) service, but assumes no additional load fluctuations beyond those that were identified at the time the IEPR was produced.^{6/} Thus, the IIRP analysis presented by SDG&E does not fully reflect market changes expected in SDG&E’s distribution service territory over the IRP planning period. In particular, the assumptions related to load fluctuation and available portfolio resources do not align with expectations regarding bundled customer load departure due to increased adoption of CCA and DA^{7/} in San Diego’s distribution service territory and likely portfolio optimization activity.

^{5/} GHG benchmarks for the 38 MMT and 48 MMT scenarios were assigned to individual LSEs in the *Administrative Law Judge’s Ruling Correcting April 15, 2020 Ruling Finalizing Load Forecasts and Greenhouse Gas Benchmarks for Individual 2020 Integrated Resource Plan Filings*, issued May 20, 2020 in R.16-02-007.

^{6/} For SDG&E, this includes load departure projections associated with initial implementations plans from San Diego Community Power (“SDCP”) and Clean Energy Alliance (“CEA”). Note that these projections have already changed and may continue to be adjusted over time.

^{7/} D.19-03-009 expands the DA cap for the State by 4,000 GWh, ~380 GWh of which is allocated to the SDG&E service territory.

Even so, SDG&E's analysis confirms that it is well-positioned to achieve its 2030 GHG benchmark and reliability needs. As discussed in greater detail in its IIRP, SDG&E does not have a need in this IRP cycle to undertake new procurement that is incremental to its current procurement activity. Rather, SDG&E expects its primary focus to be on taking action to "right-size" its resource portfolio as customers depart bundled service in favor of CCA and DA service.

In addition to addressing the need for incremental procurement to achieve the GHG target, SDG&E's IIRP provides data and analysis concerning the DACs located in its service territory, including a comprehensive description of its current activities in support of DAC customers, and a discussion regarding early prioritization of emissions in DACs. SDG&E also identifies barriers to procurement and lessons learned from this IRP cycle.

III. CONCLUSION

SDG&E respectfully requests that the Commission approve SDG&E's Preferred Conforming Portfolio involving the 46 MMT scenario and that it expeditiously address the issues and concerns identified in its IIRP.

Respectfully submitted this 1st day of September 2020.

/s/ Aimee M. Smith

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VERIFICATION

Miguel Romero declares the following:

I am an officer of San Diego Gas & Electric Company (“SDG&E”) and am authorized to make this verification on behalf of SDG&E. I am informed and believe that the matters stated in the foregoing **2020 INDIVIDUAL INTEGRATED RESOURCE PLAN OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)** are true to my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 1st day of September 2020 at San Diego, California

By: /s/ Miguel Romero

Miguel Romero
Vice President of Energy Supply
SAN DIEGO GAS & ELECTRIC COMPANY

Appendix 1

D.19-11-016 Senior Executive Attestation to Self-Procure

Senior Executive Attestation
Compliance Filing for LSEs Electing to **Self-Provide** the Integrated Resource Planning
Procurement Required by D. 19-11-016

September 1, 2020

CA Public Utilities Commission (CPUC)
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

*Re: September 1, 2020, Individual Integrated Resource Plan Senior Executive Attestation
Pursuant to Decision (D). 19-11-016 adopted in R. 16-02-007*

Pursuant to Ordering Paragraph (O.P.) 12 of Decision (D.) 19-11-016, adopted in R.16-02-007 on November 5, 2019, San Diego Gas and Electric submits this attestation.

Background

D.19-11-016 requires that all Load Serving Entities (LSEs) file their individual integrated resource (IRP) plans by May 1, 2020 [*revised to September 1, 2020*].¹ The decision also requires that all LSEs directed in the Decision shall present in their IRP plans an attestation from a senior executive in the company that the necessary capacity required in this Decision shall be provided if the LSE is electing to self-provide the capacity required.² This Decision states that the attestation shall be accompanied by a detailed list of projects, capacities, and dates by which the LSE expects the projects to be providing service to the LSE, as well as a demonstration that the projects are incremental, to meet the 2021, 2022, and 2023 requirements of the decision.

Resource Data Template

The Resource Data Template to be used for the September 1, 2020, IRP filing has been developed to identify the required information in O.P. 12 D.19-11-016; consequently, this attestation refers to the template contents to obviate the need for a separate compliance document. The “Certification of Information” section at the bottom of this attestation refers to the specific data fields in the Resource Data Template referenced in Table 1 below, which map to the requirements in O.P. 12 of D.19-11-016.

¹ Decision (D.)20-03-028 modified the filing date from May 1, 2020 to September 1, 2020 at page 67.

² The LSEs directed in the Decision are named in OP 3 and by CPUC staff as discussed in OP 4.

Table 1
Resource Data Template Reliability Procurement Fields Related to O.P. 12, D.19-11-016

O.P. 12 Requirement	Corresponding Field in Resource Data Template
Detailed List of Projects	“Monthly_GWH_MW” tab; Columns B, C, & K
Capacities	“Monthly_GWH_MW” tab; Columns F, G, & H
Dates by which LSE expects projects to be providing service to LSE	“Unique Contracts” tab; Columns G, H, & I
Demonstration projects are incremental	“Unique Contracts” tab; Columns M & N

Attestation Requirements

To satisfy the requirements in O.P. 12 of D. 19-11-016, a senior executive shall sign the “Certification of Information” section below and submit this attestation as part of their compliance filing in the IRP Proceeding by September 1, 2020. No additional documentation is required at this time.

Certification of Information

Consistent with Rules 1 and 2.4 of the CPUC’s Rules of Practice and Procedure, the individual IRP compliance filing has been verified by a senior executive who shall expressly certify, under penalty of perjury, the following:

- (1) The necessary incremental Resource Adequacy capacity required of San Diego Gas and Electric in Decision (D.) 19-11-016 shall be provided in compliance with the terms established in D.19-11-016 and January 3, 2020, ruling finalizing baseline resources.
- (2) I have reviewed the Resource Data Template data fields referenced in Table 1 above (and any information provided to meet Milestone 1 of the backstop mechanism proposed in the June 5, 2020, Backstop Procurement and Cost Allocation Mechanisms Ruling) submitted in my company’s individual IRP compliance filing in the IRP Proceeding.
- (3) Based on my knowledge, information or belief, the compliance filing information referenced in (2) above is an accurate reflection of the LSE’s plans to self-provide its obligation of the incremental Resource Adequacy capacity and the terms identified in D.19-11-016, and does not contain any untrue statement of a material fact or data or omit to state a material fact or data necessary to make the statements true.
- (4) Based on my knowledge, information, or belief, the compliance filing information referenced in (2) above contains all of the information required to be provided by CPUC orders, rules, and regulations.

Senior Executive Signature:

Miguel Romero

Vice President of Energy Supply

/s/ Miguel Romero

September 1, 2020

Appendix 2

SDG&E 2020 Individual Integrated Resource Plan