**DATA REQUEST**

1)  What is the Threshold Formula for the PYD and Public GIR rate?

**SDG&E Response:**

The threshold formula for the system and circuit events is determined by looking at the previous year’s top 150 and top 200 hours, respectively, and determining what the expected system and circuit load was in that given hour. That load becomes the threshold for the system and circuit events in a subsequent year.

2)  How does the threshold relate to the top hours historically, please explain how this rate is configured with the history and a threshold....is there a specific hour that becomes the threshold number annually and that is the trigger for an event? Please explain.

**SDG&E Response:**

The threshold relates to the top hours historically by the top 150 hours at a system level and the top 200 hours at a circuit level. The specific hours are not identified for future events. Rather, the threshold will trigger future events based on day-ahead forecasted loads as they occur, rather than predicting the same future hours based on the historical hours.

3)  How does this apply to each customers circuit? Thereby, would all customers have events every year if they were on this rate based on the threshold formula? In other words, the formula applies to each and every circuit?

**SDG&E Response:**

All customers on the VGI or Public GIR rate will have the same system event hours in a given year and only customers on the same circuit will have the same circuit event hours in a given year. Different customers on different circuits may or may not have similar circuit event hours depending upon the load of the circuit.

4) Per SDAP Slides 5 to 7 and the question on slide 7 that was asked but not answered:

Question: In 2018, the CAISO Day-Ahead hourly price exceeded 35 cents per kWh in 33 hours, with a maximum of $1.01 per kWh. If that hour had been a CPP event hour, would the super-position of a $1.01 market price and a CPP adder result in double-counting capacity costs?

**SDG&E Response:**

No, CAISO prices are energy only; the CAISO does not have a capacity market.

a.  Would SDG&E agree that the CAISO day-ahead market price of $1.01 per kWh at hour 20 of 7/24/2018 exceeds the physical marginal energy cost in that hour (as determined by the physical heat rate (Btu/kWh) of the least efficient generating unit operating in that hour)?  If not, why not?

**SDG&E Response:** For reference, the day ahead SoCal City Gate price in hour 20 of 7/24/2018 was $39.52. This implies a market heat rate of 25,557 which exceeds the heat rate of the least efficient unit in the system, but the marginal energy cost does not account for Variable Operations and Maintenance Costs or the cost for starting up power plants.

b.  Could the difference between the $1.01 CAISO day-ahead market price and the physical marginal energy cost be regarded as recovery of capacity-related cost in the CAISO day-ahead energy market? If not, why not?

**SDG&E Response:** The CAISO day-ahead market price is the marginal energy price in that hour. By definition, the marginal energy price not only covers the variable cost of the marginal unit dispatched in that hour, but any additional revenue contributes to recovery of the marginal unit’s fixed capacity- related costs.