

Company: San Diego Gas & Electric Company (U 902 M)
Proceeding: 2024 General Rate Case
Application: A.22-05-015 / A.22-05-016
Exhibit: [SDG&E-02-E](#)

**PREPARED DIRECT TESTIMONY OF
ESTELA DE LLANOS
(SUSTAINABILITY POLICY)**

[ERRATA](#)

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



May 2023~~2~~

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Appendix A – Glossary of Terms

**PREPARED DIRECT TESTIMONY OF
ESTELA DE LLANOS
(SUSTAINABILITY POLICY)**

I. INTRODUCTION

My name is Estela de Llanos, and I am the Vice President of Procurement and Sustainability for San Diego Gas & Electric Company (SDG&E or the Company). My testimony supplements and further elaborates on the Policy Overview testimony of Bruce Folkmann (Ex. SDG&E-01). In this testimony, I describe SDG&E's commitment to not only deliver clean, safe, and reliable electric and natural gas service, but the Company's strategy to do so in a manner that supports California's ambitious climate and energy transition goals.

California's climate agenda features a wide range of decarbonization laws and policies, including achieving economy-wide carbon neutrality by 2045, with interim targets and goals to promote an orderly transformation of the economy. The threats posed by climate change and the need to act urgently are widely acknowledged and accepted. SDG&E shares this sense of urgency.

To support and advance the state's objectives, SDG&E has adopted a Sustainability Strategy¹ and its own goal to reach Net Zero greenhouse gas (GHG) emissions by 2045. SDG&E's Sustainability Strategy is built on a framework of decarbonization, diversification, and digitalization. This strategy recognizes that a broad suite of solutions, including electrification, clean fuels, and carbon removal, will be needed to achieve net-zero GHG emissions. I will point to many proposed activities in SDG&E's 2024 General Rate Case (GRC) Application, sponsored by other witnesses, that reflect and support our company-wide commitment to sustainability.

While direct forecasted costs that support sustainability activities will be discussed in other witnesses' testimony and workpapers, I am sponsoring SDG&E's overall strategy, and my testimony will help the Commission understand how the activities being conducted across the Company support the state's broader sustainability and climate goals, as well as SDG&E's mission to improve lives and communities by building the cleanest, safest and most reliable energy infrastructure company in America.

¹ SDG&E, Building a Better Future: Our Commitment to Sustainability (October 2020) (Sustainability Strategy), *available at* https://www.sdge.com/sites/default/files/documents/SDG%26E%20Sustainability%20Report_0.pdf.

1 **II. SDG&E’S SUSTAINABILITY POLICY CHAPTER**

2 In the context of corporations, “sustainability” refers to the ability of an entity to
3 consistently create and protect value over the long term for all its stakeholders. For utilities, such
4 as SDG&E, if we are not safe and reliable, we are not sustainable. In the broader context of
5 social and environmental sustainability, “sustainability” refers to the support of human and
6 ecological well-being, health, and vitality over time.²

7 While these definitions are linked and can be used interchangeably, my sustainability
8 policy testimony incorporates both by focusing on three major categories that underpin
9 SDG&E’s sustainability-linked actions and investments: climate change mitigation, climate
10 change adaptation, and grid transformation; all aimed at the evolution of the grid as a reliable
11 and resilient catalyst for clean energy. These categories also offer a framework to consider
12 environmental and social justice, as well as climate equity considerations throughout SDG&E’s
13 operations. Pursuant to the CPUC’s (ESJ) Action Plan – Version 2.0, “ensuring the development
14 of environmentally friendly and resource-responsible policies are essential to maintaining a
15 resilient utility service network, especially within the current climate change crisis...[as] these
16 programs will provide substantial benefits to ESJ communities that are most harmed by pollution
17 and climate change impacts.”³ Focusing on Environmental and Social Justice is imperative to
18 support a just and equitable energy transition in California.

19 **A. Climate Change Mitigation**

20 Under this category, we address projects and investments designed to avoid, reduce, or
21 remove greenhouse gas emissions to minimize contributions to climate change. Through the
22 following proposed activities, SDG&E will advance these solutions to support multiple state and
23 regional climate objectives, including the state goal to achieve a just and equitable transition to
24 sector-wide carbon neutrality by 2045. As discussed below, SDG&E published an economy-

² University of California at Los Angeles, What is Sustainability (2022), *available at*
<https://www.sustain.ucla.edu/what-is-sustainability/>.

³ CPUC, Environmental & Social Justice Action Plan – Version 2.0, (April 7, 2022) at 22, *available at*
<https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

1 wide decarbonization roadmap in April 2022,⁴ which showed that a holistic pathway to
2 electrification and cleaner fuels is needed to mitigate climate change.

3 **B. Climate Change Adaptation**

4 Under this category, we include activities to enhance energy system reliability and
5 resiliency in response to the growing threats posed by climate change. Climate adaptation
6 planning is prudent to ensure the safety and reliability of investor-owned public utilities (IOUs).
7 Pursuant to D. 20-08-046, SDG&E is preparing to upgrade its infrastructure, operations and
8 services to adapt to climate change, and ensure safe and reliable energy service to the
9 communities it serves – including communities most vulnerable to climate risks and
10 communities of concern. As stated in this decision, “Climate change adaptation for IOUs focuses
11 on incorporating the best available climate science into utility infrastructure, operations, and
12 services for the long-term to help ensure provision of resilient and reliable service to all.”
13 Climate change adaptation activities and projects are described in several areas of testimony as
14 the Company works to reduce the negative impacts of climate change on its infrastructure and
15 the communities SDG&E serves.

16 **C. Grid Transformation**

17 Transformation⁵ of the energy grid is vital to achieving economy-wide carbon neutrality.
18 As more sectors of the economy decarbonize, the need for a reliable, resilient, and
19 interconnected energy grid will continue to grow. SDG&E’s diverse portfolio of innovative clean
20 energy solutions will help transform the electric grid for clean energy adoption. Near-term
21 investments, particularly those that accelerate electrification, enhance resilience, and enable grid
22 flexibility– are necessary to advance the clean energy transition.

23 **III. California Climate Laws & Regulatory Policy**

24 SDG&E’s commitment to sustainability and climate is driven by the goals and policies of
25 its stakeholders, in particular the state and communities we serve. As with safety and reliability,

⁴ SDG&E, The Path to Net Zero: A Decarbonization Roadmap for California, (April 2022) *available at* https://www.sdge.com/sites/default/files/documents/path_to_net_zero.pdf?nid=21961.

⁵ Grid Transformation in the context of this chapter is being used as umbrella term that applies to decarbonization measures across SDG&E’s gas and electric grid, that enable safety, reliability and overall grid resilience. It also includes, but is not limited to, activities outlined in SDG&E’s Grid Modernization Plan (GMP).

1 sustainability is core to SDG&E’s mission and business strategy – because our stakeholders
2 expect it.

3 SDG&E’s company-wide focus on sustainability is aligned with the state’s leadership in
4 climate policy and mitigation. Building on prior policy and legislation, California has set an
5 ambitious target of achieving carbon neutrality by 2045, with an intermediate requirement to
6 reduce GHG emissions to 40% below 1990 levels by 2030.⁶ To advance California’s climate
7 agenda, the state legislature has passed a wide array of statutes aimed at expanding renewable
8 energy, increasing energy efficiency, and decreasing emissions across the state economy.⁷ In
9 addition, the Clean Energy and Pollution Reduction Act of 2015⁸ (SB 350) requires the state to
10 double statewide energy efficiency for both electric and gas end uses by 2030. And the Short-
11 Lived Climate Pollutant Law⁹ aims to reduce organic waste landfill disposal by 75% by 2025, a
12 statewide effort to reduce methane emissions that is a byproduct of organic waste. These are just
13 some of the state laws that set a path for California and inform SDG&E’s Sustainability Strategy.

14 California’s climate agenda is further supported by executive orders aimed at reducing
15 emissions and promoting innovative, clean technologies. For example, Executive Order (EO) N-
16 79-20 by Governor Newsom calls for 100 percent of in-state sales of new passenger cars and
17 trucks to be zero-emission by 2035, with 100 percent of medium- and heavy-duty vehicles in the
18 state to be zero-emission by 2045 where feasible.¹⁰ And EO N-82-20 highlights the role natural
19 and working lands will have in sequestering carbon and acting as resilient buffers against the
20 rising threat of climate change.¹¹

⁶ Senate Bill (SB) 32 ordered a reduction in economywide emissions of 40% below 1990 levels by 2030 and Executive Order (EO) B-55-18 established a statewide goal to achieve carbon neutrality by 2045.

⁷ SB 100 sets a goal of requiring renewable and zero-carbon energy resources to supply 100% of electric retail sales and state loads by 2045; SB 350 requires the state to double statewide energy efficiency for both electric and gas end uses by 2030; SB 1383 aims to reduce organic waste landfill disposal by 75% by 2025, a statewide effort to reduce methane emissions that are a byproduct of organic waste.

⁸ SB 350 (Stats. 2015).

⁹ SB 1383 (Stats. 2016).

¹⁰ Executive Order N-79-20 (September 23, 2020).

¹¹ Executive Order N-82-20 (October 7, 2020).

1 Environmental and social justice is an important element of California’s climate agenda.
2 For example, in 2019, the CPUC created the first draft of the CPUC Environmental and Social
3 Justice (ESJ) Action Plan, which establishes an operating framework to integrate environmental
4 and social justice into the work of the Commission.¹² Among the goals set by the Commission is
5 the goal to increase investment in clean energy resources to benefit ESJ communities. This
6 document will be revised over time as the issues facing both the environment and communities
7 of concern continue to evolve.¹³ SDG&E supports the Commission’s ESJ Plan and California’s
8 broader efforts to promote ESJ. In comments on the draft ESJ Plan, SDG&E also noted the need
9 to consider clean fueling infrastructure and electric vehicle charging as part of the effort to
10 address pollution in communities of concern.¹⁴

11 SDG&E’s commitment to sustainability also derives from regional stakeholders and the
12 communities it serves. In furtherance of state goals, several jurisdictions within SDG&E’s
13 service territory have adopted Climate Action Plans (CAP) that require significant steps toward
14 decarbonization. In fact, all but one city within SDG&E’s service territory have adopted a CAP.
15 SDG&E’s Sustainability Strategy aligns with local CAPs and calls for accelerating strategic
16 collaboration with stakeholders, especially in the areas of clean transportation, urban tree
17 planting, and climate equity.

18 In short, SDG&E’s commitment to sustainability is driven by the goals and policies of
19 the state and communities we serve. We believe the activities proposed in our 2024 GRC to
20 advance sustainability align with the needs and desires of these key constituencies.

¹² California Public Utilities Commission, Environmental & Social Justice Action Plan – Version 1.0 (February 21, 2019) available at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/environmental-and-social-justice.pdf>.

¹³ The CPUC has recently adopted Version 2.0 of the Environmental and Social Justice Action Plan on April 7, 2022, to report on progress made on incorporating ESJ considerations into the work of the Commission and to deepen and enhance the goals of the ESJ Action Plan. SDG&E agrees with the emphasis on local outreach and engagement to guide sustainable solutions that build greater resilience, especially as we think about wildfire and climate related risks in SDG&E’s service territory.

¹⁴ Comments of Southern California Gas Company and San Diego Gas & Electric Company on the Environmental Social Justice Action Plan, Version 2.0, Correspondence from Mr. Joseph Mock to the CPUC dated November 24th, 2021 available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/draft-esj-v2-public-comment/socalgas--sdge.pdf?sc_lang=en&hash=549C29265D12A4CA9D73540A19CB314D.

1 **A. SDG&E Actions and Initiatives**

2 SDG&E has developed a vision and strategy for advancing sustainability throughout its
3 service territory. Initiated in 2020, SDG&E’s “living” Sustainability Strategy¹⁵ focuses on
4 regional collaboration, stakeholder engagement, and strategic initiatives to promote clean energy
5 innovation in a reliable and equitable manner. The strategy builds on SDG&E’s existing
6 strengths and programs -- in environmental stewardship, clean transportation, and community
7 engagement -- and includes strategic initiatives in pilots and innovation designed to accelerate
8 the energy transition -- microgrids, energy storage, clean hydrogen, and vehicle-to-grid
9 technology. Over time, SDG&E anticipates that the Sustainability Strategy will evolve to reflect
10 changing energy forecasts and financial modeling, stakeholder input, progress towards goals,
11 technological innovations, and an ever-changing climate.¹⁶ Although the suite of solutions in the
12 Sustainability Strategy may evolve over time, the overarching purpose of advancing state
13 policies in an orderly and equitable manner remains unchanged.

14 In 2021, SDG&E announced its aim to have net-zero emissions by 2045. Achieving this
15 goal depends on various factors, some of which SDG&E does not control. These factors include,
16 for example, supportive energy policies, development, and availability of alternative fuels, and
17 successful research and development efforts focused on low-carbon technologies that are
18 economically and technically feasible and viable, and above all, accepted by customers.

19 In April 2022, SDG&E published “The Path to Net Zero: A Decarbonization Roadmap
20 for California.” As the first analysis to model economy-wide California decarbonization through
21 2045 utilizing the industry standard for electric system reliability, this study will inform
22 SDG&E’s Sustainability Strategy. The Path to Net Zero recommends a diverse approach for
23 California, leveraging clean electricity, clean fuels, and carbon removal to achieve the 2045
24 carbon neutrality goal through the lens of reliability, affordability, and equity. The study
25 provides a recommended decarbonization Roadmap for the state incorporating new insights
26 about electric generation capacity, technology requirements, and policy action that will be
27 necessary to provide reliable, affordable, clean energy to all Californians and bolster California’s
28 position as a sustainability leader.

¹⁵ SDG&E, Building a Better Future: Sustainability Strategy (October 2020).

¹⁶ SDG&E, Building a Better Future: Sustainability Strategy Update (October 2021).

1 Looking through an affordability lens, SDG&E is acutely aware of the financial
2 challenges facing our local communities. Balancing the rising costs of decarbonization with
3 affordability is an overarching challenge that must be addressed in this rate case and other
4 regulatory proceedings—and a key driver behind SDG&E’s work in publishing The Path to Net
5 Zero.

6 **B. Ensuring climate equity in sustainability-linked actions**

7 As described in the introduction to my testimony, SDG&E’s strategy supports a just and
8 equitable energy transition in California. Environmental justice is defined in the California
9 Government Code as “the fair treatment and meaningful involvement of people of all races,
10 cultures, incomes, and national origins, with respect to the development, adoption,
11 implementation, and enforcement of environmental laws, regulations, and policies”¹⁷ and the
12 California legislature has recognized the need to measure environmental justice when
13 establishing relevant environmental policies, including such communities in SDG&E service
14 territory. For example, in Assembly Bill (AB) 617, California Air Resources Board (CARB) was
15 tasked with establishing a first-of-its-kind statewide effort to monitor and reduce air emissions
16 for communities that are most impacted by air pollution.¹⁸ As of February 2022, CARB has
17 increased the number of AB 617 Communities in SDG&E’s service territory to include the
18 communities along the International Border, San Ysidro and Otay Mesa.¹⁹ In addition, as
19 discussed above, the Commission has produced the ESJ Plan for the application of equity and
20 justice, which is focused on communities of concern and the impacts that environmental policies
21 have on these communities. SDG&E sees a clear intersection between the goal of AB 617 and
22 the use of the ESJ Plan by the Commission.²⁰

¹⁷ Gov’t Code § 65040.12.

¹⁸ AB 617 (Stats. 2017) which requires that CARB, “shall adopt a statewide strategy to reduce emissions of toxic air contaminants and criteria air pollutants in communities affected by a high cumulative exposure burden.” (Health & Safety Code § 44391.2(b)).

¹⁹ Of the 17 communities currently identified by CARB under AB 617, SDG&E has two within its service territory: Portside Environmental Justice Neighborhoods and, newly added in February 2022, the International Border Community, San Ysidro and Otay Mesa.

²⁰ In November 24th, 2021 joint comments on the CPUC’s Environmental & Social Justice Action Plan Version 2.0, SDG&E and SoCalGas pointed the Commission to AB 617’s Community Air Protection implementation as something to learn from and recommended that the CPUC add an action item to Appendix A of the plan that reflects the goals of AB 617 and implement community input through community-based organizations and leveraging ongoing efforts of sister agencies.

1 SDG&E’s commitment to a just and equitable energy transition is evident in its proposed
2 investments in grid transformation, for example. It is SDG&E’s view that rapid decarbonization
3 that ensures reliability, resiliency, affordability, and equity will transform the energy system.
4 This requires timely, cost-effective investments in both existing and emerging decarbonization
5 solutions, like those sponsored in the Testimony of SDG&E witness Fernando Valero (Exhibit
6 SDG&E-15, Clean Energy Innovations). Similarly, SDG&E’s approach has also prioritized
7 Access and Functional Needs (AFN) customers who may have difficulties participating in certain
8 utility programs (*e.g.*, California Alternate Rates for Energy program (CARE)), be negatively
9 impacted by a Public Safety Power Shutoff (PSPS) event if they have a medical device that
10 requires electricity or are increasingly vulnerable to extreme weather events due to a disability.
11 SDG&E has highlighted the importance of climate equity in multiple proceedings, most recently
12 in the Order Instituting a Rulemaking (OIR) proceeding for a Mobilehome Park Pilot Program
13 and to Adopt Programmatic Modifications.²¹

14 In this 2024 GRC, SDG&E continues to incorporate equity and environmental justice in
15 our strategy to address climate change mitigation, climate change adaptation, and transformation
16 of the grid. For example, in the Testimony of Jennifer L. Reynolds (Ex. SDG&E-21), SDG&E’s
17 Clean Transportation Team describes activities necessary to support the transition to zero-
18 emission vehicles (ZEVs), including policy development, electric operational planning, load
19 forecasting, customer service, and working with communities to promote a just and equitable
20 transition to ZEVs for all. In addition, as discussed in the Testimony of Arthur Alvarez (Ex.
21 SDG&E-22, Fleet Services), the launch of the Community Impact Platform will prioritize
22 decarbonization efforts in vulnerable communities that are disproportionately impacted by
23 climate change and local air pollution. SDG&E continues to partner with community-based
24 organizations and municipalities to plant and distribute trees where needed to expand urban tree
25 canopies that can mitigate local heat islands. SDG&E has also recently launched the Community
26 Tree Rebate Program to provide rebates for customers in designated zip codes most impacted by
27 climate and equity issues. These programs are further discussed in the testimony of ~~Olivia Reyes~~
28 ~~(Ex. SDG&E-11, Electric Distribution—Capital)~~ [Jonathan Woldemariam \(Ex. SDG&E-13-2R,](#)

²¹ Rulemaking (R.) 18-04-018, Opening Comments of SDG&E on Administrative Law Judge Ruling Seeking Comment on an Electrification Service Standard for the Mobilehome Park Utility Conversion Program (August 13, 2021) at 11.

1 [Wildfire Mitigation and Vegetation Management, at JTW-66 to 67\) and SDG&E’s 2020-2022](#)
2 [Wildfire Mitigation Plan Update at 282.](#)

3 **IV. ADDRESSING CLIMATE RISKS**

4 **A. 2021 RAMP Filing**

5 Concerned with the long-term outlook of climate risks, SDG&E detailed the threat posed
6 by climate change in its 2021 Risk Assessment and Mitigation Phase (RAMP) Report.²² As
7 described within the Report, climate-related hazards are expected to increase the severity and
8 frequency of adverse weather and other natural events and create or enhance risks to SDG&E’s
9 system as a result. RAMP also set the stage for how SDG&E plans to address climate risk,
10 especially as it relates to wildfire, through concrete safety upgrades and grid transformation
11 while also laying out a plan to reduce GHG emissions across all scopes to meet our climate
12 mitigation and adaptation goals.

13 **B. 2024 GRC alignment with mitigation, adaptation, and grid transformation**
14 **measures**

15 The 2024 GRC request is informed by SDG&E’s Sustainability Strategy and 2021
16 RAMP Filing. SDG&E’s Sustainability Strategy identifies near, medium, and long-term
17 actionable sustainability goals. This “living” strategy is intended to evolve over time with new
18 information such as SDG&E’s Path to Net Zero analysis, climate-related hazard assessments in
19 the RAMP, and stakeholder feedback. The 2024 GRC request reflects SDG&E’s forecast of
20 revenues necessary to continue delivering safe and reliable gas and electric service at reasonable
21 rates while implementing impactful sustainability measures that promote mitigation, adaptation,
22 and grid transformation.

23 The following table highlights key witness areas that will describe some of SDG&E’s
24 proposed work within the three main climate-risk related categories – mitigation, adaptation, and
25 the transformation of the grid. The costs and details on each project can be found in the
26 respective chapters and will be explained as part of those witnesses’ testimony.

²² A.21-05-011, Application of SDG&E (U 902 M) to Submit Its 2021 Risk Assessment and Mitigation Phase Report (May 17th, 2021).

**TABLE ED-1
Cross-Departmental Sustainability Alignment**

	Witness	Climate Measure	Sustainability Benefits
Ex. SDG&E-04 Gas Distribution	L. Patrick Kinsella	Mitigation and Gas Grid Transformation	<ul style="list-style-type: none"> • Reduce fugitive GHG emissions from the natural gas transmission and distribution system from the 2015 baseline²³ and implement best management practices for methane monitoring • Repair leaks to reduce GHG emissions from gas infrastructure • Locate & Mark underground natural gas facilities to prevent excavation damage (dig-in) • Proactively maintain and replace Gas Infrastructure through Cathodic Protection, accommodating Renewable Natural Gas (RNG) and clean hydrogen into the future
Ex. SDG&E-05 Gas System Staff & Technology	Wallace Rawls	Mitigation	<ul style="list-style-type: none"> • Public awareness, and damage prevention proactive intervention to reduce third-party damage to gas infrastructure to promote safety, reliability, and leak prevention
Ex. SDG&E-06 Gas Transmission	Rick Chiapa and Steve Hruby	Mitigation	<ul style="list-style-type: none"> • Minimize the amount of natural gas vented during planned transmission pipeline work by implementing innovative solutions, <i>e.g.</i>, methane sensors, to reduce emissions and promote safety during planned repairs
Ex. SDG&E-07 Gas Engineering	Maria T. Martinez	Mitigation and Gas Grid Transformation	<ul style="list-style-type: none"> • Decarbonize natural gas supply and leverage existing gas infrastructure for clean fuels, <i>e.g.</i>, RNG and hydrogen
Ex. SDG&E 08 Pipeline Safety Enhancement Plan (PSEP)	Norm Kohls	Mitigation and Gas Grid Transformation	<ul style="list-style-type: none"> • Modernize natural gas infrastructure by investing in innovative technologies that avoid fugitive emissions and add system-

²³ CARB’s Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities. *See* Sempra 2019 Corporate Sustainability Report, outlining how SDG&E, SoCalGas, and iEnova efforts contribute to this shared fugitive emissions reduction goal.

	Witness	Climate Measure	Sustainability Benefits
			wide resilience to minimize community impacts
Ex. SDG&E-09 Gas Integrity Programs	Amy Kitson and Travis Sera	Mitigation and Gas Grid Transformation	<ul style="list-style-type: none"> Invest in overall gas infrastructure integrity to promote safety, mitigate risk to our gas system, and reduce emissions
Ex. SDG&E-10 Energy Procurement	Christopher Summers	Mitigation	<ul style="list-style-type: none"> Procure resources needed to meet California clean energy and reliability goals including procurement requirements established in the Commission’s Renewable Portfolio Standard (RPS) and Integrated Resource Plan (IRP) proceedings GHG compliance activities
Ex. SDG&E-11 Electric Distribution - Capital	Oliva Reyes	Mitigation, Adaptation and Grid Transformation	<ul style="list-style-type: none"> Reduce SF6 to advance reaching net zero by 2045
Ex. SDG&E-12 Electric Distribution – O&M	Tyson Swetek	Grid Transformation	<ul style="list-style-type: none"> Upgrade systems to prepare the grid for high Distributed Energy Resources (DER) penetration, maximizing the environmental benefits of a cleaner power grid while promoting safety and reliability
Ex. SDG&E-13 Wildfire Mitigation and Vegetation Management	Jonathan Woldemariam	Mitigation, Adaptation	<ul style="list-style-type: none"> Wildfire mitigation strategies, such as undergrounding, situational awareness, and software upgrades to help increase safety, reliability, and resiliency of the grid and community as wildfire risk increases in our region 10,000 Tree Program to promote safe and sustainable tree planting efforts, and provide community value
Ex. SDG&E-14 Electric Generation	Daniel S. Baerman	Mitigation and Grid Transformation	<ul style="list-style-type: none"> Integrate technologies to improve sustainability within SDG&E’s electric generation fleet to lower emissions while increasing electric reliability and safety
Ex. SDG&E-15 Clean Energy Innovations	Fernando Valero	Mitigation and Grid Transformation	<ul style="list-style-type: none"> Clean energy innovations such as clean hydrogen, battery storage, microgrids, and

	Witness	Climate Measure	Sustainability Benefits
			other DER to promote grid resiliency and energy delivery
Ex. SDG&E-17 Customer Services - Field Operations	David Thai	Mitigation, Adaptation and Grid Transformation	<ul style="list-style-type: none"> Innovative programs such as wire-down detection and back-feed detection reduce public and employee safety risk and wildfire risk.
Ex. SDG&E-20 Supply Management, Logistics, & Supplier Diversity	Daniel Castillo	Mitigation	<ul style="list-style-type: none"> Bolster local supply chain to help mitigate Scope 3 GHG emissions, while also promoting equity by supporting Diverse Business Enterprises (DBEs)
Ex. SDG&E-21 Clean Transportation Policy & Initiatives	Jennifer Reynolds	Mitigation, Adaptation and Grid Transformation	<ul style="list-style-type: none"> Reduce transportation sector GHG and air pollutant emissions Decrease health and air pollution burdens along transportation corridors and within communities of concern
Ex. SDG&E-22 Fleet Services	Arthur Alvarez	Mitigation	<ul style="list-style-type: none"> Support ZEV fleet, electric charging and hydrogen refueling infrastructure Map SDG&E fleet routes and overlay equity index data to reduce emissions in communities of concern and prioritize ZEV fleet deployment
Ex. SDG&E-23 Real Estate & Facility Operations	Dale Tattersall	Mitigation	<ul style="list-style-type: none"> Reduce environmental impact of our buildings through water and waste conservation, GHG emission reductions through on-campus electric vehicle charging and hydrogen re-fueling infrastructure, and Leadership in Energy and Environmental Design (LEED) certification
Ex. SDG&E-24 Environmental Services	Brittany Syz	Mitigation and Adaptation	<ul style="list-style-type: none"> Environmental stewardship and conservation to minimize SDG&E's impact on sensitive habitat and restore/expand carbon sinks that sequester GHG emissions
Ex. SDG&E-25 Information	William J. Exon	Grid Transformation	<ul style="list-style-type: none"> Leverage digital technologies to improve operational efficiency, wildfire safety,

	Witness	Climate Measure	Sustainability Benefits
Technology, Chapter 2			and customer service to enable decarbonization and enhance reliability

1 **V. CONCLUSION**

2 Sustainability is a key driver of SDG&E’s business, and with good reason: From
3 advancing California’s bold climate agenda and SDG&E’s mission to protecting against ever-
4 increasing climate risks, the need for a comprehensive approach to sustainability has never been
5 more clear. As of this filing, California has less than eight years to achieve its 2030 emissions
6 reduction target, ambitious ZEV goals, and other climate initiatives. And although SDG&E is not
7 solely responsible for achieving California’s climate goals, we know we can play a key role in
8 enabling a just and equitable clean energy transition.

9 SDG&E is acutely aware of the need to spend ratepayer dollars prudently and
10 understands that economy-wide decarbonization will only be possible through the combined
11 efforts of all stakeholders. SDG&E’s 2024 GRC includes a business proposal that is informed by
12 a comprehensive Sustainability Strategy and the overarching goal of enabling a just and
13 equitable energy transition to economy-wide carbon neutrality by 2045. SDG&E’s Sustainability
14 Strategy is intended to guide and integrate sustainability and GHG emission reduction strategies
15 throughout all aspects of SDG&E’s business. The strategy aligns with California policy, is
16 informed by an appreciation of the risks posed by climate change, and is supported by the
17 analysis published in “The Path to Net Zero: A Decarbonization Roadmap for California.”

18 Consistent with our Sustainability Strategy, we have prioritized climate change
19 mitigation, climate change adaptation, and grid transformation activities. Importantly, these
20 categories also offer the framework to integrate environmental and social justice, as well as
21 climate equity considerations throughout SDG&E’s operations and investment decisions.

22 This concludes my prepared direct testimony.

1 **VI. WITNESS QUALIFICATIONS**

2 My name is Estela de Llanos, and I currently serve as Vice President of Energy
3 Procurement and Sustainability, Chief Environmental Officer, and Chief Sustainability Officer
4 for San Diego Gas & Electric (SDG&E). In that role, I am responsible for overseeing SDG&E's
5 electric and fuel procurement, environmental compliance, and sustainability initiatives.

6 Since joining the Sempra family of companies in 2014, I have held several leadership
7 positions at SDG&E and SoCalGas, including as Vice President of Clean Transportation,
8 Sustainability & Chief Environmental Officer of SDG&E; Vice President of Operations Support,
9 Sustainability & Chief Environmental Officer of both SDG&E and SoCalGas; and Director of
10 Major Projects for SDG&E. Before joining Sempra, I was an attorney with the law firm of
11 Latham & Watkins, LLP in Los Angeles, specializing in land use and environmental matters.

12 I received a bachelor's degree in psychology with a second major in international studies
13 from Yale University. I received a Juris Doctorate from the University of Pennsylvania. I serve
14 on the Board of Directors of the California Environmental Voters Education Fund (as Vice-
15 Chairperson) and the California Coalition for Clean Air.

16 I have not previously testified before the California Public Utilities Commission.

APPENDIX A

GLOSSARY OF TERMS

APPENDIX A – Glossary of Terms

LIST OF ACRONYMS

AB	Assembly Bill
ADMS	Advanced Distribution Management System
AFN	Access and Functional Needs
AMI	Advanced Metering Infrastructure
CARB	California Air Resources Board
CARE	California Alternate Rates for Energy
CAP	Climate Action Plan
CO2	Carbon Dioxide
CEC	California Energy Commission
CPUC	California Public Utilities Commission
DAC	Disadvantaged Communities
DBE	Diverse Business Enterprise
DER	Distribution Energy Resources
DERMS	Distribution Energy Resource Management System
EO	Executive Order
ESJ	Environmental and Social Justice
EV	Electric Vehicle
GHG	Green House Gas
GRC	General Rate Case
GTSR	Gas Transmission Safety Rule
IOU	Investor-Owned Utility
IRP	Integrated Resource Plan
LEED	Leadership in Design and Environmental
LiDAR	Light Detection and Ranging
NBS	Nature-Based Solutions
NOx	Nitrogen Oxide
NWL	Natural and Working Lands
PHMSA	Pipeline and Hazardous Materials Safety Administration
PM	Particulate Matter
PSEP	Pipeline Safety Enhancement Plan
PSPS	Public Safety Power Shutoff
RAMP	Risk Assessment Mitigation Phase
RNG	Renewable Natural Gas
RPS	Renewable Portfolio Standard
SB	Senate Bill
SDG&E	San Diego Gas & Electric Company
SF6	Sulfur Hexafluoride
SoCalGas	Southern California Gas Company
TLM	Transmission Line Matrix
USGBC	U.S. Green Building Council
WMP	Wildfire Mitigation Plan
ZEV	Zero Emission Vehicle