

Company: San Diego Gas & Electric Company (U 902 M)
Proceeding: 2028 General Rate Case
Application: A.26-06-____
Exhibit: SDGE-11

**PREPARED DIRECT TESTIMONY OF AARON G. FRANZ
(ENERGY PROCUREMENT)**

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



June 2026

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SUMMARY

SDG&E ENERGY PROCUREMENT (In 2025 \$)			
O&M	2025 Adjusted-Recorded (000s)	TY 2028 Est. (000s)	Change (000s)
Non-Shared	10,027	12,678	2,651
Shared	0	0	0
Total O&M	10,027	12,678	2,651

Summary of Requests

- San Diego Gas & Electric Company (SDG&E) requests that the California Public Utilities Commission (Commission or CPUC) approve a forecast of \$12.678 million of operations and maintenance (O&M) expenses necessary to enable SDG&E's Energy Procurement (EP) function to undertake procurement necessary to provide retail electric service to bundled service customers, to fulfill regional and statewide reliability mandates, as well as to support the successful transition of customers who depart bundled service in a manner that maintains equitable cost allocation for all customers.
- This request includes an approximate \$2.651 million increase in O&M expenses relative to the 2025 adjusted-recorded amounts primarily due to the need to fill several vacancies that existed in 2025, as well as an expanded need for expertise given the increasingly complex technical and policy issues arising from the evolving market, technology, and regulatory landscape, among others.

**SDG&E DIRECT TESTIMONY OF AARON FRANZ
(ENERGY PROCUREMENT)**

I. INTRODUCTION

A. Summary of Energy Procurement Costs and Activities

My testimony supports the Test Year (TY) 2028 forecasts for non-shared operations and maintenance (O&M) costs for the Energy Procurement (EP) area for San Diego Gas & Electric (SDG&E). I do not sponsor any shared costs. The request for capital costs associated with certain necessary California Independent System Operator (CAISO) and other EP-related technology needs is included in the Information Technology testimony (Ex. SCG-10/SDGE-14). Table AF-1 summarizes my sponsored costs.

**TABLE AF-1
Test Year 2028 Summary of Total Costs**

SDG&E ENERGY PROCUREMENT (In 2025 \$)			
Categories of Management	2025 Adjusted-Recorded (000s)	TY 2028 Est. (000s)	Change (000s)
Total Non-Shared Services	10,027	12,678	2,651
Total O&M	10,027	12,678	2,651

This testimony requests California Public Utilities Commission (Commission or CPUC) approval of approximately \$12.678 million of annual O&M costs to enable EP to fulfill its responsibilities related to planning, procuring, managing, and administering the energy supply resources needed for SDG&E to deliver clean, safe, and reliable electric service to customers at least cost, maintain compliance with procurement requirements, and meet California’s ambitious clean energy goals. As of 2025, the value of the energy supply resources in SDG&E’s resource portfolio exceeds \$11 billion and continues to grow.

The nature of the work performed by EP continues to increase in complexity, driven by factors such as grid reliability, clean energy mandates, grid modernization, expansion of distributed energy resources (DERs) including energy storage, increasingly specialized procurement of specific resources (*e.g.*, renewables paired with storage, geothermal, etc.), portfolio optimization requirements, greenhouse gas (GHG) emissions reduction targets, Cap-and-Invest compliance, a new west-wide Extended Day-Ahead Market (EDAM) and Day-Ahead Market Enhancements (DAME), potential future expansion of the western market through the Regional Organization for Western Energy (ROWE), and the evolving role of investor-owned

1 utilities (IOUs) in the energy market resulting from the state’s policy in favor of customer
2 choice. With the introduction of each new procurement-related mandate or market design
3 change, EP must interact with stakeholders and various regulatory bodies, develop new
4 processes, evaluate the market, execute new contracts, seek Commission approval, dispatch
5 approved resources, invoice, settle, and administer new agreements, and monitor/report on
6 progress.

7 EP meets bundled service customer demand by procuring both long-term and short-term
8 resources, optimizing those resources in the wholesale energy and ancillary services markets,
9 prudently administering resource contracts, including utility-owned resources, and accurately
10 settling all energy procurement transactions. In addition, EP is involved in developing state
11 procurement policy through engagement at the CPUC, CAISO, California Energy Commission
12 (CEC), and the California Air Resources Board (CARB). To meet state policy goals and comply
13 with legislative and regulatory requirements, EP also develops comprehensive procurement
14 strategies and tools to evaluate and capture the benefits of clean and evolving technologies, such
15 as energy storage, hybrid resources, and other technologies. While EP’s commodity-related
16 costs are recovered separately through SDG&E’s Energy Resource Recovery Account (ERRA),
17 EP’s O&M costs are set through the General Rate Case (GRC).¹

18 **B. Organization of Testimony**

19 My testimony is organized as follows:

- 20 • Introduction
- 21 • Description of the activities, non-shared cost forecast, and cost drivers for:
 - 22 ○ Origination Analytics and Energy Origination (OA&EO)
 - 23 ○ Energy Supply
 - 24 ○ Energy Portfolio Management, Settlements, and Technology (Back
 - 25 Office)
 - 26 ○ Integrated Resource Planning and Policy (IRP&P)²

¹ The costs of certain software and/or subscriptions that are used exclusively to meet energy procurement-related requirements may be recovered through ERRA (*e.g.*, Tullett Prebon pricing subscriptions used exclusively for short run avoided cost price indices).

² OA&EO, Energy Supply, and IRP&P, together, are referred to as “Front Office.”

- 1 • Regulatory Accounts
- 2 • Conclusion
- 3 • Witness Qualifications

4 **C. Support To and From Other Witnesses**

5 My testimony also references the following testimony and workpaper, either in support of
6 their testimony or as support for mine.

- 7 • **Information Technology (Ex. SCG-10/SDG&E-14):** This witness area supports
8 the need for EP’s technology upgrades to enable SDG&E to maintain its legal and
9 contractual obligations to provide scheduling services within the CAISO market
10 and meet other regulatory requirements.
- 11 • **Regulatory Accounts (Ex. SDG&E-26):** This witness area discusses the
12 Avoided Cost Calculator Update Memorandum Account and the Incentive Pilot
13 Admin Costs Memorandum Account.

14 **II. AFFORDABILITY & EFFICIENCY**

15 SDG&E’s EP organization manages its responsibilities with a continued focus on
16 affordability and operational efficiency while complying with evolving regulatory, market, and
17 policy requirements. EP has constrained cost growth by relying on base year staffing levels
18 where feasible, prioritizing work activities, and leveraging standardized processes, automation,
19 and system enhancements to reduce manual effort and operational risk. EP continues to evaluate
20 its activities to enhance processes and drive technology innovation. To the extent practicable, EP
21 will seek to address incremental workload through process improvements and/or technology.
22 Where incremental costs are requested, they are targeted to activities that mitigate material risks,
23 including regulatory noncompliance, inaccurate settlements, reduced market optimization, or
24 exposure to penalties and disallowances. Failure to perform this work would likely result in
25 higher downstream costs and increased customer risk, and could negatively impact system
26 reliability. As discussed in the sections below, EP’s requested costs reflect a prudent balance
27 between cost containment and the need to fulfill statutory, regulatory, and market obligations in a
28 manner that protects customers and supports reliable electric service.

29 **III. NON-SHARED O&M COSTS**

30 “Non-Shared Services” are activities that are performed by a utility solely for its own
31 benefit. Corporate Center provides certain services to the utilities and to other subsidiaries. For
32 purposes of this general rate case, SDG&E treats costs for services received from Corporate

Center as Non-Shared Services costs. Table AF-2 summarizes the total non-shared O&M forecasts for the listed cost categories.

**TABLE AF-2
Non-Shared O&M Summary of Costs**

SDG&E ENERGY PROCUREMENT (In 2025 \$)			
Categories of Management	2025 Adjusted- Recorded (000s)	TY 2028 Est. (000s)	Change (000s)
A. Origination Analytics and Energy Origination	1,488	1,744	256
B. Energy Procurement and Trading/Market Analysis/Market Operations	2,279	2,576	297
C. Energy Portfolio Management/Settlements and Technology/Back Office	4,888	6,111	1,223
D. Integrated Resource Planning and Policy	1,372	2,247	875
Total Non-Shared Services	10,027	12,678	2,651

The EP function generally involves the purchase of products, including electricity, fuel used in electric generation, resource capacity, and GHG compliance instruments to satisfy applicable procurement requirements and to provide service to SDG&E’s bundled service customers and, in some instances, Community Choice Aggregation (CCA) and Direct Access (DA) customers. This function is overseen by SDG&E’s Vice President of Energy Procurement and Rates, who provides direction and officer oversight to over 70 employees involved in multiple procurement-related functions, including resource planning and policy, energy trading, origination, resource management, asset optimization, settlements, contract management, compliance, and reporting.³ More broadly, the Vice President of Energy Procurement and Rates is responsible for providing strategic direction consistent with SDG&E’s broader mission, developing policies to strengthen and enhance energy supply functions and performance, and ensuring that all energy procurement is conducted in accordance with applicable federal and state requirements. As discussed below, the energy procurement function includes: (1) Origination Analytics and Energy Origination (OA&EO), (2) Energy Supply, (3) Back Office, and (4) Integrated Resource Planning and Policy (IRP&P).

³ The Vice President of Energy Procurement and Rates also oversees the electric rates functions, which are discussed in the Administrative & General testimony (Ex. SDGE-23).

A. Origination Analytics and Energy Origination (1EP001)

**TABLE AF-3
Non-Shared O&M – Origination Analytics and Energy Origination**

SDG&E ENERGY PROCUREMENT (In 2025 \$)			
A. Origination Analytics & Energy Origination	2025 Adjusted-Recorded (000s)	TY 2028 Est. (000s)	Change (000s)
1. Origination Analytics & Energy Origination	1,488	1,744	256

1. Description of Costs and Underlying Activities

The OA&EO function is responsible for defining and implementing the regulatory and commercial strategies needed to develop the optimal energy resource portfolio to further California’s energy policy objectives at the lowest possible price to customers. The requested costs support OA&EO’s strategic activities focused on identifying, analyzing, and contracting with the resources needed to meet SDG&E’s retail commodity service obligations, comply with mandated procurement requirements, and help the state achieve its affordability, reliability and clean energy goals.

To meet its procurement-related objectives, OA&EO negotiates and executes contracts with various market participants. As of the end of 2025, SDG&E’s energy resource portfolio included over 60 long-term power purchase agreements totaling more than 4,200 Megawatts (MW) of energy and capacity, with contract terms ranging from one to 25 years.⁴ Additionally, SDG&E manages nearly 30 utility-owned resources in its energy resource portfolio, totaling more than 1,661 MW. Given the need to meet recent CPUC procurement directives, such as those issued in the Commission’s Integrated Resource Planning (IRP) proceeding,⁵ as well as statutory clean energy mandates in 2030, 2035, and 2045,⁶ the number of long-term contracts in SDG&E’s resource portfolio will increase in the near term. Contract counterparties include, among others, large independent power suppliers, load-serving entities (LSEs), energy storage

⁴ Figures include projects both in construction and operation, and reflect data as of December 31, 2025.

⁵ See, e.g., R.20-05-003 and R.25-06-019.

⁶ See SB 100 (DeLeón, 2018), and SB 1020 (Laird, 2022), available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1020.

1 developers, and power marketers. Long-term resources include solar, wind, biomass, small
2 hydro, combined heat and power, conventional generation, energy storage, standalone and hybrid
3 with renewables, and resource adequacy (RA)-only contracts; procurement orders are
4 increasingly incorporating newer technologies like long-duration energy storage and
5 geothermal,⁷ requiring additional operational management and expertise. In response to several
6 Commission directives, SDG&E's procurement of new resources has increased significantly in
7 recent years, which requires additional time spent crafting solicitations, reviewing bids,
8 negotiating contracts, and submitting executed transactions to the Commission for approval, that
9 must all be dispatched by Market Operations⁸ and both managed and settled by Back Office.
10 This increase in mandated procurement activity is expected to continue during the forecast
11 period and beyond.

12 Before any procurement is undertaken, the OA&EO function will work with the IRP&P
13 function and the Market Operations function to assess any specific procurement needs stemming
14 from future clean energy targets, procurement mandates, or reliability concerns. From there,
15 competitive solicitations are conducted by issuing a Request for Offers (RFO) or similar
16 communication to the market, using a valuation model and methodology, conducting bidder
17 conferences, evaluating submitted bids, and selecting the resource that best fits portfolio needs,
18 the RFO objectives, and/or Commission requirements. Common to all RFOs, OA&EO requests
19 and reviews information on cost, project viability, and performance guarantees. Given the
20 evolving nature of the energy industry and SDG&E's position within it, the number of formal
21 solicitations conducted by SDG&E remains high, averaging 11 per year from 2023 to 2025. This
22 number of solicitations and market inquiries is expected to be the norm going forward, barring
23 future unforeseen procurement needs. For example, SDG&E currently estimates sustaining a
24 base volume of ten to 12 solicitations over the 2026-2031 forecast period. These solicitations
25 will include the procurement of new resources to address existing and expected⁹ regulatory

⁷ See e.g., Decision (D.) 21-06-035; D.26-02-057.

⁸ For example, recent mandates have included requirements to invest in battery storage; these assets require additional diligence to manage on a daily basis, significantly increasing work for market operations, requiring staff to continually navigate state-of-charge limits, multi-interval market rules, real-time dispatch fluctuations, and evolving CAISO compliance obligations – challenges that intensify as the portfolio expands.

⁹ E.g., procurement activity required under the RCPMP, once adopted.

1 mandates, as well as various portfolio optimization (*i.e.*, sales) activities to right-size the
2 portfolio.¹⁰ This sustained increase in procurement activity is indicative of the need for
3 additional resources within the state to meet reliability and California’s zero-emission goals.

4 Following the activities directly related to a procurement solicitation, OA&EO negotiates
5 with winning bidders to execute final contracts. Given the evolving nature of procurement,
6 California’s focus on new resources, and the changing market dynamics in the West, each
7 negotiation is different and requires review and updates to contractual language to ensure that the
8 contracted resources meet Commission requirements and can be properly managed and
9 dispatched to the market. Once a resource contract is executed, OA&EO is responsible for
10 drafting the request for Commission approval (typically through an application or Tier 2 or 3
11 advice letter). OA&EO is responsible for any associated data requests, advocacy, and/or
12 litigation related to such filings. An approved Independent Evaluator (IE) is included throughout
13 the procurement process to monitor SDG&E’s actions, provide guidance, and report on the
14 overall solicitation/negotiation process. To conduct procurement of utility-owned resources,
15 OA&EO follows a strict code of conduct that governs communications and defines roles within
16 and outside of the team so that utility-owned resources are not afforded preferential treatment
17 during the solicitation process.¹¹

18 In addition to holding solicitations, it may be necessary for SDG&E to transact directly
19 with counterparties, including, but not limited to, when liquidity is limited, expediency is needed,
20 favorable pricing opportunities arise, and/or opportunities to sell excess resources arise. In these
21 bilateral transactions, the contract negotiation process is very similar to that used for contracts
22 arising from an RFO. While there is no formal solicitation process, SDG&E analyzes the
23 competitiveness of the prices and, as appropriate, seeks CPUC approval, consistent with its
24 approved Bundled Procurement Plan (BPP) requirements.

25 Approved resources are incorporated into the SDG&E portfolio and are ultimately
26 dispatched by the Market Operations function discussed in Section III.B. While Market
27 Operations dispatches the resources, the contracts themselves are administered by the Energy
28 Portfolio Management/Settlements and Technology/Back Office function, discussed in Section

¹⁰ Given load departure, SDG&E regularly holds solicitations to sell excess resources.

¹¹ See D.07-12-052, D.13-10-040.

1 III.C. below, which is responsible for oversight and contract administration of a project through
2 construction and development. These responsibilities include exercising contractual options in a
3 prudent manner, verifying that conditions precedent to the agreement have been satisfied,
4 monitoring project designs, schedules, and milestones so that the project being constructed meets
5 the stated performance requirements in the contract, and coordinating internal SDG&E functions
6 necessary to meet all the terms and conditions of the agreement. These contract administration
7 activities continue through operation until the expiration of the contract term. While the Back
8 Office function has primary responsibility for these activities, OA&EO assists with interpreting
9 contract provisions, renegotiating terms, as necessary, due to changed circumstances or
10 conditions, and resolving disputes as required.

11 OA&EO, together with the other EP functions, meets at least monthly with SDG&E's
12 Procurement Review Group (PRG) to provide updates and address questions on a variety of
13 SDG&E procurement-related issues and transactions. The PRG includes staff of the CPUC's
14 Energy Division and the California Public Advocates Office, as well as "non-market
15 participants" interested in SDG&E's procurement activities. The main purpose of SDG&E's
16 involvement with the PRG is to provide details of SDG&E's overall procurement strategy,
17 proposed procurement contracts, and processes prior to submission for CPUC approval and to
18 establish a forum for offering input and perspectives on SDG&E's procurement activities.¹²

19 In addition to transactional activities, OA&EO is responsible for assisting with the
20 development and implementation of regulatory and commercial strategies related to the energy
21 portfolio in coordination with the IRP&P function, discussed below in Section III.D. OA&EO is
22 actively involved in providing analysis and recommendations on matters related to public policy
23 in California.

24 In addition to regular engagement with governmental agencies, OA&EO, along with
25 IRP&P, actively participates in CAISO initiatives to shape California's wholesale energy
26 markets. IRP&P and OA&EO monitor developments across the larger California and western
27 energy markets, participate in policymaking activities at the CAISO, support initiatives to
28 enhance interconnection processes, and monitor CAISO market outcomes to identify and
29 mitigate market failures or anomalies. OA&EO and the Energy Procurement and

¹² See D.02-08-071 at 24-26.

1 Trading/Market Analysis/Market Operations function (discussed in Section III.B. below) work
2 very closely together to ensure that policy initiatives at the CAISO, Legislature, and CPUC are
3 properly implemented in the CAISO commercial market.

4 **2. Forecast Method**

5 The forecast method developed for OA&EO for both Labor and Non-Labor is based on
6 BY 2025. The base year recorded data was used to best represent the organization's structure,
7 while incremental adjustments were made to account for anticipated costs of ongoing regulatory
8 and operational activities.¹³

9 **3. Cost Drivers**

10 The cost drivers behind the OA&EO forecast are changes in the electric procurement
11 market and the regulatory environment, including newly adopted Commission requirements. For
12 example, the OA&EO function must handle multiple new procurement mandates, portfolio
13 optimization,¹⁴ comply with its statutory role as the provider of last resort (POLR), staff for
14 future unforeseen externalities such as emergency orders, and other issues arising from increased
15 fragmentation of the market and competition among LSEs for limited capacity resources.

16 OA&EO is charged with designing and implementing procurement processes that support the
17 maturation of emerging technologies in the marketplace while mitigating risks so that customers
18 receive a reliable product that complies with applicable regulatory requirements. While annual
19 procurement levels may vary, activities requiring procurement expertise are growing in number
20 and complexity as California moves to a 60% Renewables Portfolio Standard (RPS) goal by
21 2030 and the CPUC implements procurement mandates related to clean energy, reliability, and
22 new requirements necessitated by the increasing fragmentation of the electric procurement
23 market. Currently, EP must secure resources to meet various procurement requirements and
24 prudently manage the resulting energy resources. Mandates arise from various proceedings and
25 statutory requirements, including, but not limited to, the following:

- 26 • RA Program; Summer Reliability Procurement (R.25-10-003/R.20-11-003)

¹³ OA&PD's labor, non-labor costs and FTEs include the Vice President of Energy Procurement and Rates.

¹⁴ See R.17-06-026.

- 1 • RPS (R.24-01-017)
- 2 • IRP (R.25-06-019)¹⁵
- 3 • SB 100
- 4 • SB 1020

5 Procurement ordered through IRP, Summer Reliability, and RA proceedings is highly
6 complex, as the Commission increasingly focuses on integrating new battery storage, hybrid
7 resources, and other evolving technologies. D.21-06-035, D.23-02-040, and D.26-02-057
8 provide an added layer of complexity as evolving technologies are required to come online in
9 specific years, which requires additional due diligence and analysis to attempt to select new
10 technologies from a smaller pool of eligible projects. Each new mandate requires all functions
11 within EP to work together to identify the needs, properly contract with new energy resources,
12 dispatch, and settle related transactions. This necessarily requires a review of the portfolio,
13 analysis of new resources, outreach to suppliers in the form of bilateral negotiations and/or
14 solicitations, updates to contracts or new contracting, work with the PRG and Independent
15 Evaluator, engaging in the regulatory process to secure Commission approval, monitoring
16 construction progress, and ultimately managing the contractual obligations.

17 While SDG&E is engaged in significant procurement activity to comply with
18 Commission directives to contract with new, incremental resources to meet resource capacity, it
19 is also obligated at the same time to comply with “portfolio optimization” activities aimed at
20 right-sizing its portfolio in response to the high level of load departure experienced in its
21 distribution service territory. Pursuant to R.17-06-026 and R.24-01-017, such activities include
22 administration of the Voluntary Allocation and Market Offer (VAMO), which involves an
23 annual allocation of SDG&E’s RPS portfolio and a market offer process, Request for
24 Information to Reduce RPS Portfolio Costs, and additional portfolio sales. SDG&E seeks to sell
25 excess length in its portfolio and return those revenues back to ratepayers.

26 It is important to note that while the San Diego region has experienced a mass migration
27 of customers from utility bundled service to CCA service, this circumstance does not reduce the

¹⁵ Past cycles of the IRP proceeding have established significant procurement requirements. *See, e.g.*, D.19-11-016, D.21-06-035, D.26-02-057. It is expected that future IRP cycles will impose additional procurement requirements under the Commission’s proposed Renewable Clean Power Procurement Program (RCPPP).

level of SDG&E’s procurement-related transactional activity. Indeed, EP’s activities have increased as a result of load migration. For example, VAMO increased the number of contracts SDG&E administers by nearly 25%. SDG&E is still required to comply with procurement requirements related to IRP, RA, RPS, etc. on behalf of its bundled service customers (and in some instances, may also be asked to conduct procurement on behalf of CCAs and DA providers’ customers¹⁶), as noted above, and must at the same time comply with VAMO obligations and engage in continuous review of its resource portfolio in order to identify excess resources and potentially offer those products to the market, which necessitates negotiations, contracting, etc. – in short, load departure adds complexity and increases workload.

To meet its procurement priorities, SDG&E is requesting 1.3 FTEs, of which 0.3 FTE is to account for backfilling existing staffing and 1.0 FTE as a new staff position, as summarized below:

- Senior Origination Analyst (1.0 FTE): As mandates and requirements increase, this new position will focus on resource solicitations, bid analysis, regulatory requests, RPS compliance activities, BPP activity, and other procurement-related regulatory and transactional matters.

B. Energy Supply: Energy Procurement and Trading/Market Analysis/Market Operations (1EP002)

Energy Supply (ES) includes: (1) Electric Procurement and Trading, (2) Market Analysis, and (3) Market Operations.

**TABLE AF-4
Non-Shared O&M – Energy Procurement and Trading/Market Analysis/Market Operations**

SDG&E ENERGY PROCUREMENT (In 2025 \$)			
B. Energy Procurement and Trading/Market Analysis/Market Operations	2025 Adjusted Recorded (000s)	TY2028 Estimated (000s)	Change (000s)
1. Energy Procurement and Trading/Market Analysis/Market Operations	2,279	2,576	297

¹⁶ See, e.g., D.21-03-056, D.21-12-015.

1 **1. Description of Costs and Underlying Activities**

2 The Energy Supply function costs support the activities that optimize SDG&E’s
3 generation and contracted resources within the CAISO markets to serve customers through least-
4 cost dispatch, and in a manner consistent with SDG&E’s Commission-approved BPP. Work
5 includes 24/7 communication with CAISO and SDG&E’s supply fleet on dispatch of assets,
6 outages, and other market requests. Energy Supply prepares daily price and load forecasts,
7 transacts emissions and energy-related products, optimizes bidding of SDG&E’s energy supply
8 portfolio, secures natural gas to fuel generation, and manages generator outages. To support
9 these activities, the group develops processes, documentation, and training to facilitate
10 compliance with applicable state and federal rules and regulations. To accomplish these
11 requirements, Energy Supply personnel have CAISO market expertise and leverage several
12 information management systems across functions, including Power Costs System Inc. (PCI),
13 Czarnecki-Yester Consulting Group (CYCG), Versify, Yes Energy, Morningstar, Wood
14 Mackenzie, and Natural Gas Intelligence. In addition to commercial and operational
15 responsibilities, Energy Supply employees regularly work with IRP&P staff to assess the impacts
16 of new CAISO initiatives, Commission procurement requirements, and other regulatory
17 requirements on the ability to prudently manage the resource portfolio. As noted above, Energy
18 Supply is comprised of three discrete functional areas: (1) Electric Procurement and Trading, (2)
19 Market Analysis, and (3) Market Operations.

20 **a. Electric Procurement and Trading**

21 Within Energy Supply, the Electric Procurement and Trading function performs short-
22 term planning, procurement, and trading functions for transactions within a five-year time
23 horizon. Planning activities include developing short-term forecasting methodologies,
24 conducting short-term power planning studies and regulatory analyses, and assessing changes in
25 tariffs and regulations governing the least-cost dispatch of electric and gas portfolios. Electric
26 Procurement and Trading is also responsible for all short-term electricity transactions related to
27 dispatchable generation, including executing trades, purchases, hedges, and sales to manage the

1 electricity supply portfolio in accordance with SDG&E's BPP.¹⁷ This includes trading physical
2 and financial energy products to meet energy and generation needs, manage market price risk,
3 and hedge fuel-related cost exposure.

4 In addition, Electric Procurement and Trading is responsible for procuring the natural gas
5 needed for dispatchable generation and for performing gas scheduling on the electronic bulletin
6 boards of the interstate and intrastate pipelines it uses to deliver fuel to its natural gas-fired
7 resources, including SDG&E-owned resources and tolling contracts. This includes 24/7
8 management of the natural gas required to run dispatchable generation resources in real time, as
9 well as long-term hedging through financial products and firm gas transactions.

10 Finally, Electric Procurement and Trading is responsible for purchasing and/or selling
11 various environmental products, such as Low Carbon Fuel Standard Credits and Cap-and-Invest
12 compliance instruments. In particular, Electric Procurement and Trading is the lead for
13 SDG&E's GHG compliance activities, including monitoring new developments at CARB,
14 reviewing portfolio needs, and executing trades needed to maintain compliance.

15 **b. Market Analysis**

16 The Market Analysis function works closely with the Market Operations, Electric
17 Procurement and Trading, and IRP&P functions to analyze the market, assess daily portfolio
18 performance, and optimize resource allocation and bidding strategies. Its primary purpose is to
19 provide insights, forecasts, and risk assessments that inform decisions about dispatching assets,
20 buying energy, hedging risk, and managing RA and Congestion Revenue Rights (CCRs)
21 portfolios. Market Analysis manages compliance with annual and monthly RA requirements,
22 including the purchase and sale of short-term resources as needed. To fulfill this responsibility,
23 Market Analysis supports RA solicitations, prepares system and local RA filings with the CPUC,
24 and demonstrates that it has procured sufficient capacity resources, including reserves, to serve
25 the aggregate monthly system load. This includes managing increasing Planning Reserve
26 Margin (PRM) and integrating new slice-of-day requirements into compliance and portfolio
27 management. Market Analysis also participates in CAISO-related meetings and working groups
28 to monitor changes at the CAISO and to anticipate associated impacts on SDG&E's operations

¹⁷ Hedging is a risk management strategy used to limit the probability of loss from fluctuations in the prices of commodities. Generally, this involves taking market positions that maintain the price risk exposure associated with EP's portfolio within the customer risk tolerance limits set by the CPUC.

1 and portfolio costs. Finally, Market Analysis provides analytical support for various CAISO
2 policy initiatives, manages RA compliance, and supports preparation of the Commission's
3 Quarterly Compliance Report (QCR).

4 **c. Market Operations**

5 The Market Operations function performs day-ahead demand forecasting, analyzes daily
6 portfolio performance, conducts generation outage planning, and seeks to optimize Energy
7 Supply's scheduling and bidding strategies. The Market Operations group oversees the
8 scheduling and dispatch functions, including day-ahead and real-time operations of SDG&E's
9 energy portfolio, to ensure adequate energy supply. This function serves as the point of contact
10 with CAISO for all generation dispatch and is staffed 24 hours a day, 7 days a week. This area
11 develops the bidding strategies for the resources that make up the energy supply portfolio and is
12 responsible for scheduling resources into the CAISO's day-ahead, hour-ahead, and 15-minute
13 markets while managing portfolio outages and day-ahead RA obligations. This group is tasked
14 with the least-cost dispatch of assets, using models and forecasts to optimize the portfolio and
15 submit bids to CAISO, and will be responsible for managing new requirements implemented
16 through the EDAM and DAME. The group communicates with CAISO and resource owners in
17 real time to provide dispatch instructions and manage outages, and coordinates with CAISO as
18 needed during periods of tight energy supply.

19 In addition to scheduling SDG&E's own generating capacity, the Market Operations
20 function schedules and dispatches most resources in SDG&E's energy portfolio, and serves as
21 the point of contact for daily operational administration of those resources. As described above,
22 SDG&E has procured substantial new resources since 2021. All of these new resources are
23 managed by the Market Operations group and include a massive influx of battery storage and
24 hybrid projects. As those resources come online, the workload for Market Operations continues
25 to increase, as it is responsible for complying with CAISO dispatch requirements and ensuring
26 that all scheduling and market dispatch functions comply with applicable rules and regulations.

27 Because battery storage technology and related development practices are still maturing,
28 SDG&E must devote additional efforts during the New Resource Implementation (NRI) process
29 for coordination, validation, and compliance with CAISO requirements. At the same time, the
30 existing CAISO market model and outage management tools do not fully account for the

1 operating characteristics of energy storage resources, such as state-of-charge limitations, which
2 can constrain flexibility and increase workload.

3 **2. Forecast Method**

4 The forecast method developed for the labor costs in Energy Supply is based on BY 2025
5 with adjustments for incremental staffing. This approach is most appropriate because it reflects
6 the most recent recorded labor costs for Energy Supply at full staffing levels plus anticipated
7 labor needs. Using BY 2025 reduces year-to-year variability.

8 The forecast method for non-labor costs in Energy Supply is based on BY 2025, with
9 incremental adjustments. Non-labor costs consist primarily of telecommunication and supply
10 expenses needed to support Energy Supply’s labor in fulfilling their responsibilities. This
11 approach maintains alignment with the current organizational structure while incorporating
12 anticipated regulatory and operational cost increases.

13 **3. Cost Drivers**

14 The cost drivers for Energy Supply stem from ongoing shifts in the electric procurement
15 market and changes in the regulatory environment that impact operational needs. Energy Supply
16 must, on a daily basis, buy all the electricity SDG&E needs from the CAISO markets to serve
17 SDG&E’s customers, bid SDG&E-owned generation and SDG&E-contracted resources to the
18 CAISO markets, and manage any outages and replacement capacity. This daily process of
19 buying and selling must be conducted in accordance with the CPUC’s least-cost dispatch
20 requirements and involves complex energy transactions with large dollar values. In 2025,
21 Energy Supply leveraged its existing expertise and systems to absorb the demand for additional
22 scheduling and analysis resulting from SDG&E’s procurement of new resources in response to
23 Commission-established procurement obligations in the IRP and Summer Reliability
24 proceedings. However, the number of new resources in SDG&E’s portfolio and the
25 corresponding workload demands will continue to increase as SDG&E seeks to comply with
26 additional procurement requirements imposed by the IRP and other procurement proceedings.
27 Finally, Energy Supply must further develop expertise in managing a portfolio with increasingly
28 intermittent resources, energy storage, and new resources such as hybrid (solar and energy
29 storage), long-duration storage, and geothermal. Looking ahead, the scope, complexity, and
30 importance of Energy Supply’s work will continue to require skilled and competent personnel,
31 accurate and efficient information management systems, and regular training.

To maintain and execute Energy Supply priorities, SDG&E is requesting 1.4 FTE, of which 0.4 FTE is to account for backfilling existing staffing and 1.0 FTE as a new staff position as summarized below:

- Market Trading Analyst (1.0 FTE): This position will provide analytical support to assist Energy Supply in the development of its CAISO bidding strategies, value trading products, and evaluate the performance of positions, assist in the many compliance filings, including QCR, ERRA, and other reports as required.
- C. Energy Portfolio Management, Settlements, and Technology (Back Office) (1EP003)**

**TABLE AF-5
Non-Shared O&M – Energy Portfolio Management/Settlements and Technology/Back Office**

SDG&E ENERGY PROCUREMENT (In 2025 \$)			
C. Energy Portfolio Management/Settlements and Technology/Back Office	2025 Adjusted Recorded (000s)	TY2028 Estimated (000s)	Change (000s)
1. Energy Portfolio Management/Settlements and Technology/Back Office	4,888	6,111	1,223

1. Description of Costs and Underlying Activities

The Back Office consists of the Energy Portfolio Management, Settlements, and Technology sections further described herein. Back Office responsibilities include settlements, contract administration, accounting, compliance reporting, systems administration, business intelligence, and automation activities required for all energy contracts and transactions for EP’s power procurement and sales. Evolving regulatory requirements and new procurement activity must be managed, settled, and reported by the Back Office, often creating additional responsibilities and work activity. Back Office performs, among other responsibilities, the verification of CAISO charges, administration of EP’s supply contracts, and support of the primary operational systems (PCI and Versify)¹⁸ used in EP’s operations. In the reconciliation process, Back Office validates that all contract and market payments and receipts are in accordance with the terms of the contract or tariff provisions associated with the underlying

¹⁸ These systems are primarily used to schedule and bid power to the CAISO, record gas and power transactions, and manage RA.

1 transactions. This process requires annually verifying and processing over 1,600 invoices and
2 billing requests, filing disputes for questionable charges when appropriate, and preparing journal
3 entries to record expenses and revenues. Back Office is also responsible for financial accounting
4 and payment for the commodity, transportation, hedging, and other related transactions
5 associated with gas burned at power plants under EP tolling agreements and at SDG&E-owned
6 power plants.¹⁹

7 In addition, Back Office must review daily CAISO charges and invoices for accuracy and
8 will dispute them with the CAISO as required to correct billing discrepancies. Back Office
9 provides guidance and expertise in technical analyses for Market Operations and OA&EA, using
10 CAISO meter data and tariff and power contract data to support regulatory and legislative policy
11 positions.

12 Other Back Office responsibilities include aggregating, tracking, and reporting energy
13 procurement data, including meter data, to regulatory agencies and the CAISO; reviewing,
14 testing, and commenting on proposed CAISO changes to the reconciliation process; and other
15 related tasks. Back Office is responsible for the energy supply costs for the ERRRA compliance
16 proceeding and for providing corresponding testimony and responses to data requests from
17 stakeholders and regulators.

18 Back Office contract administrators are responsible for over 60 long-term power
19 purchase agreements (PPAs) associated with the resources in EP's portfolio, including PPAs in
20 the commercial development phase. Contract administration activities include interactions with
21 counterparties, coordinating and resolving disputes, monitoring counterparties' safety plans,
22 verifying and settling monthly invoices, interpreting contracts, and serving as points of contact.
23 Contract administrators work to manage the proper distribution of settlement payments and
24 charges, and when discrepancies are found, the two functions work together to resolve them. In
25 addition, contract administrators monitor and verify various contract terms, including scheduled
26 maintenance, curtailments, insurance, and efficiency monitoring. Contract administrators also
27 oversee the commercial development phase of new contracted energy resources through
28 commercial operational approvals. Within EP, contract administrators also develop and maintain

¹⁹ Miramar Energy Facility, Palomar Energy Center, Cuyamaca Peak Energy Center and Desert Star Energy Center, are further described in the Electric Generation testimony (Ex. SDGE-10).

1 functional and process flow diagrams for energy procurement, support process improvement
2 initiatives, and develop and document business requirements and processes for quality control.

3 Additionally, SDG&E expects continued activity related to the allocation and sale of
4 portfolio resource attributes as required under the VAMO framework.²⁰ Over the coming years,
5 SDG&E will continue to allocate its RPS portfolio to eligible LSEs while managing and settling
6 its existing RPS contracts. These processes require incremental planning, additional due
7 diligence by EP staff, and regulatory approval, reporting, contract management, and settlement.

8 Back Office is further responsible for the administration of EP’s systems and
9 subscriptions, including project management of system enhancements, new system deployments,
10 and issue remediation. Back Office manages the vendor contracts associated with these software
11 subscriptions and key software systems, including PCI and Versify, which EP uses to record gas
12 and power transactions, invoice and settle all EP transactions, manage RA, and schedule and bid
13 power to the CAISO. In 2024, EP implemented a new energy trading, risk management, and
14 settlement system with its existing vendor, PCI, due to the planned retirement of EP’s legacy
15 Allegro system, which had reached the end of life. Back Office works closely with internal
16 Information Technology (IT) personnel and external contractors to manage the implementation
17 of system upgrades and enhancements, providing overall leadership, strategic planning,
18 guidance, and oversight to meet objectives, milestones, and budgets for capital projects and
19 system changes that support EP department functions. Back Office personnel commit
20 considerable hours to these responsibilities, as their subject matter expertise is necessary for
21 business and technical requirements, release demonstrations, extensive testing and retesting,
22 defect remediation, and training.

23 Furthermore, to continue EP’s focus on efficiency and evolving information technology
24 needs, Back Office has formed a new function focused on the strategic development,
25 identification, implementation, and ongoing management of new toolsets, such as artificial
26 intelligence, and other digital solutions to reduce manual work and enhance the data upon which
27 EP relies to execute its functions.

²⁰ See R.17-06-026.

1 associated with additional resources, as well as numerous additional economic curtailment
 2 amendments, so that it continues to have the capacity to perform its functions successfully.

3 To fulfill its Back-Office responsibilities, SDG&E is requesting 6.5 FTEs, of which 3.5
 4 FTE is to account for backfilling existing staffing and 3.0 FTE as new staff positions,
 5 summarized below:

- 6 • Energy Administrator (1.0 FTE): This position will work on contract management
 7 from contract execution to commercial operation and administration over the
 8 specified term of the contract, manage the counterparty relationships, provide
 9 support for contract disputes, assist in the briefing of senior management on
 10 contract-related issues, and prepare testimony to support procurement-related
 11 proceedings.
- 12 • Senior Energy Administrator (1.0 FTE): This position will provide commodity
 13 settlement policy and operational guidance to Back Office functions.
 14 Responsibilities include subject-matter expertise in commodity accounting and
 15 settlements across Back Office functions and all cost recovery mechanisms.
 16 Performs quantitative and witness responsibilities for relevant Commission and
 17 other compliance proceedings, such as ERRA Forecast and ERRA Compliance.
- 18 • Senior Accountant (1.0 FTE): This position will settle third-party energy
 19 commodity purchase and sales, including volumes and pricing verification, across
 20 all transaction types such as CAISO purchases and sales, VAMO, RA, Cap-and-
 21 Invest, and for SDG&E’s long-term energy supply portfolio. Prepares, posts, and
 22 reviews general ledger entries and other reconciliations. Identifies settlement
 23 discrepancies and works with counterparties and/or traders to resolve these
 24 discrepancies. Prepares a multitude of compliance filings throughout the year to
 25 various agencies, including the CPUC, CAISO, Federal Energy Regulatory
 26 Commission (FERC), CARB, CEC, and the United States Environmental
 27 Protection Agency (EPA).

28 **D. Integrated Resource Planning and Policy (1EP004)**

29 **TABLE AF-6**
 30 **Non-Shared O&M – Integrated Resource Planning and Policy**

SDG&E ENERGY PROCUREMENT (In 2025 \$)			
D. Integrated Resource Planning and Policy	2025 Adjusted-Recorded (000s)	TY 2028 Est. (000s)	Change (000s)
1. Integrated Resource Planning and Policy	1,372	2,247	875

31

1 **1. Description of Costs and Underlying Activities**

2 The IRP&P costs support the activities of reviewing studies, forecasts, and regulatory
3 requirements to develop future procurement needs forecasts that meet reliability and clean
4 energy requirements. To meet clean energy standards, this function uses resource costs,
5 historical data, existing and potential resource capabilities, and costs to identify an optimal
6 resource plan. IRP&P is comprised of two key functions: Resource Planning Analytics
7 (Resource Planning) and Energy Policy & Planning (Policy).

8 **a. Resource Planning**

9 Resource Planning identifies the resources needed to meet CPUC procurement
10 requirements, GHG reduction goals, and other policy objectives, while continuing to provide
11 safe and reliable service to customers at the lowest possible cost. This is accomplished prudently
12 maintaining the infrastructure needed to meet all reliability requirements, including the
13 availability of the tools required to evaluate resource needs. Resource Planning uses modeling
14 software and employee expertise to analyze the electric system using several distinct methods,
15 including production cost modeling, capacity expansion modeling, solicitation valuation, and
16 price dispatch modeling. This modeling is used to develop information that aids in procurement
17 decisions and is required for CPUC-required filings in various proceedings, including the
18 integrated resource plan and EERRA proceedings. In addition, Resource Planning performs
19 economic evaluations of resources bid into RFOs by integrating resource costs, energy pricing,
20 and additional values to support OA&EO in selecting the best resources for the portfolio.

21 The modeling and forecasting analysis performed by Resource Planning is key to
22 SDG&E identifying the resources necessary to achieve the state’s policy goals. Resource
23 Planning is responsible for assessing portfolio needs ten to 20 years into the future to allow
24 SDG&E adequate time to build a portfolio that meets the state’s reliability and clean energy
25 needs. Given its analytical expertise and ability to model portfolio needs, Resource Planning
26 often supports the policy and planning efforts within the EP&P organization.

27 **b. Policy**

28 Policy continuously monitors legislative, regulatory, and state policy initiatives and
29 represents SDG&E in CPUC regulatory proceedings and stakeholder initiatives, and performs
30 similar functions at CAISO, the CEC, CARB, and the legislature, as applicable. Policy prepares
31 analysis, written testimony, comments, and other materials to advance SDG&E’s positions and

1 proposals and supports alignment of EP’s procurement strategies and market operations with
2 applicable policy and market requirements.

3 For example, Policy is the lead policy developer and advocate for SDG&E at
4 Commission proceedings, including the RPS, RA, IRP, and ERRRA. Similarly, at the CAISO,
5 EP&P represents SDG&E in various stakeholder initiatives, including Congestion Revenue
6 Rights Enhancements, Day-Ahead Market Enhancements, EDAM Congestion Revenue
7 Allocation, Interconnection Process Enhancements, Price Formation Enhancements, Storage
8 Design & Modeling, RA Modeling & Program Design, and the expansion of the western market.
9 For each new bill, rulemaking, or CAISO market reform, Policy is tasked with cross-functional
10 coordination for proper identification and understanding of commercial/operational
11 requirements. From there, Policy leads the policy advocacy efforts at the applicable regulatory
12 body and works with the various EP groups to make sure rules are understood and integrated into
13 business practices. The changing dynamics of the western market including the new Day-Ahead
14 Market Expansion and the West-Wide Governance Initiative require EP&P to engage with
15 external entities on a regular basis and to incorporate learnings into SDG&E portfolio
16 management.

17 **2. Forecast Method**

18 The forecast method for the labor costs in IRP&P is based on BY 2025 plus incremental
19 adjustments. This method was selected because it provides a reasonable foundation for
20 forecasting the organization’s future needs. Forecast adjustments were applied to the base year
21 to account for incremental FTEs and engineering consultation costs.

22 The forecast method for non-labor costs in Integrated Resource Planning and Policy is
23 also based on BY 2025, with incremental adjustments. Non-labor costs consist primarily of
24 consulting services and technology expenses needed to support IRP&P’s labor in fulfilling their
25 responsibilities. This approach maintains alignment with the current organizational structure
26 while incorporating anticipated regulatory and operational cost increases.

27 **3. Cost Drivers**

28 The cost drivers for IRP&P are the operational support required, as summarized above.
29 For Labor, SDG&E is requesting 4.2 FTE, of which 2.2 FTE is to account for backfill timing of
30 existing staffing and 2.0 FTE as new staff positions, summarized below:

- Senior Energy Policy Advisor (1.0 FTE): This position will develop the procurement organization's strategic policy and plan(s) to optimize the portfolio and maintain compliance with market rules. Integrates policy and strategy with business operations and commercial needs, drawing from disciplines such as market design, business analysis, operations, and systems analysis. Develops, implements, and communicates new policies and processes to comply with newly issued energy supply directives.
- Senior Resource Planner (1.0 FTE): This position will focus on data acquisition and integration from various areas (*i.e.*, CAISO, OA&EO, Western Renewable Energy Generation Information System [WREGIS], etc.) for storage, cost modeling, and analysis with a long-term goal of lowering vendor costs and supporting decision making.

IV. REGULATORY ACCOUNTS

A. Avoided Cost Calculator Update Memorandum Account

Resource Planning oversees costs in the Avoided Cost Calculator Update Memorandum Account (ACCUMA). ACCUMA is an interest-bearing memorandum account recorded on SDG&E’s financial statements. Pursuant to D.16-06-007, the purpose of this account is to track the costs allocated to the utilities for contractors hired by the Commission to perform annual Avoided Cost Calculator updates and to provide technical assistance or research for the purpose of advancing future refinement of cost-effective methods. As shown in Table AF-7, as of December 31, 2025, SDG&E spent \$115,981 in O&M expenses before interest.

**TABLE AF-7
Avoided Cost Calculator Update Memorandum Account**

Memorandum Account Name	O&M Costs	Interest	Total
Avoided Cost Calculator Update - Electric	115,981	5,012	120,993
Avoided Cost Calculator Update - Gas	-	-	-

The costs in Table AF-7 were incurred to support SDG&E’s proportionate share of the Commission’s consultant’s direct expenses for the (a) Integrated Distributed Energy Resources (IDER) proceeding²¹ for services including, but not limited to, the IDER Avoided Cost Calculator and associated studies and modeling; and (b) for the avoided transmission and

²¹ See D.23-11-087 and D.24-04-010.

1 distribution (T&D) cost study. SDG&E is not seeking changes to this account at this time.
2 Therefore, SDG&E requests recovery of the balance and to continue the ACCUMA. Details of
3 the ACCUMA are discussed in the Regulatory Accounts testimony (Ex. SDGE-26).

4 **B. Incentive Pilot Admin Costs Memorandum Account**

5 The Incentive Pilot Admin Costs Memorandum Account (IPACMA) records incremental
6 administrative costs for the solicitation process associated with the Utility Regulatory Incentive
7 Pilot authorized by D.16-12-036. As shown in Table AF-8 below, as of December 31, 2025,
8 SDG&E incurred \$172,788 in O&M expenses, before interest.

9 **TABLE AF-8**
10 **Incentive Pilot Admin Costs Memorandum Account**

Memorandum Account Name	O&M Costs	Interest	Total
Incentive Pilot Admin Costs	\$172,788	\$23,100	\$195,888

11
12 The costs shown in Table AF-8 were incurred to conduct the distributed energy resource
13 solicitation process for applicable resources ordered under the Decision Addressing Competitive
14 Solicitation Framework and Utility Regulatory Incentive Pilot.²² No further costs are expected to
15 be recorded to the IPACMA. Accordingly, as further addressed in the Regulatory Accounts
16 testimony (Ex. SDGE-26), SDG&E requests recovery of the balance and proposes to close this
17 account.

18 **V. CONCLUSION**

19 The EP functions described above will support SDG&E's effort to ensure that clean, safe,
20 reliable, and affordable energy is available to serve SDG&E's customers. Associated O&M
21 responsibilities require expertise and advanced technology systems that are broadly consistent
22 with prior-year costs. As such, SDG&E requests that the Commission adopt its proposal for
23 \$12.678 million in O&M expenses in TY 2028 for EP, to allow SDG&E to meet all of its electric
24 commodity procurement-related responsibilities through the 2026-2028 rate case cycle.

25 This concludes my prepared direct testimony.

²² See D.16-12-036.

1 **VI. WITNESS QUALIFICATIONS**

2 My name is Aaron G. Franz. My business address is 8326 Century Park Court, San
3 Diego, California 92123. I am currently employed by SDG&E as the Senior Manager, Energy
4 Trading Operations and Support in the Energy Procurement Department. In this role, I oversee
5 energy supply contract administration, invoicing, settlement, and EP systems matters –
6 commonly referred to as the Back Office - for SDG&E’s Energy Procurement functions.

7 I began working at SDG&E in 2006 as an Associate Contracting Agent in the Supply
8 Management department, with a focus on procurement, negotiation, and contract administration
9 of transmission and distribution electric equipment and certain electric construction services. I
10 worked in positions of increasing responsibility as a Contracting Agent for SoCalGas’ Advanced
11 Meter project, environmental compliance Project Manager for SDG&E’s Sunrise Powerlink
12 transmission project, Project Manager developing SDG&E’s first green tariff and community
13 solar programs where I served as a witness, Team Lead for the Net Energy Metering team, and
14 the Customer Experience Manager within the Office of the Customer. Prior to my current
15 position, I was the Customer Assistance Manager, overseeing income-qualified customer
16 programs and operations.

17 I hold a bachelor’s degree in economics from the University of San Diego and a master’s
18 degree in finance from Georgetown University.

19 I have previously testified before the California Public Utilities Commission.

APPENDIX A – GLOSSARY OF TERMS

ACRONYM	DEFINITION
ACCUMA	Avoided Cost Calculator Update Memorandum Account
AI	Artificial Intelligence
Back Office	Energy Portfolio Management, Settlements, and Technology
BPP	Bundled Procurement Plan
BY	Base Year
CAISO	California Independent System Operator
CARB	California Air Resources Board
CCA	Community Choice Aggregation
CEC	California Energy Commission
CPUC	California Public Utilities Commission
CRR	Congestion Revenue Rights
CYCG	Czarnecki-Yester Consulting Group
DA	Direct Access
DAME	Day-Ahead Market Enhancements
DER	Distributed Energy Resource
EDAM	Extended Day Ahead Market
EIM	Energy Imbalance Market
EP	Energy Procurement
EPA	U. S. Environmental Protection Agency
ERRA	Energy Resource Recovery Account
ES	Energy Supply
FERC	Federal Energy Regulatory Commission
FTE	Full-Time Equivalent
GHG	Greenhouse Gas
GRC	General Rate Case
IDER	Integrated Distributed Energy Resources
IE	Independent Evaluator
IOU	Investor-Owned Utility
IPACMA	Incentive Pilot Admin Costs Memorandum Account
IRP	Integrated Resource Plan
IRP&P	Integrated Resource Planning and Policy
IT	Information Technology
LSE	Load-Serving Entity
MW	Megawatt
NRI	New Resource Implementation
OA&EO	Origination Analytics and Energy Origination
O&M	Operations and Maintenance
PCI	Power Costs System Inc.

ACRONYM	DEFINITION
POLR	Provider of Last Resort
PPA	Power Purchase Agreements
PRG	Procurement Review Group
PRM	Planning Reserve Margin
QCR	Quarterly Compliance Report
RA	Resource Adequacy
RCPPP	Renewable Clean Power Procurement Program
RFO	Request For Offer
ROWE	Regional Organization for Western Energy
RPS	Renewables Portfolio Standard
SB	Senate Bill
SDG&E	San Diego Gas & Electric Company
T&D	Transmission and Distribution
TY	Test Year
VAMO	Voluntary Allocation and Market Offer
WREGIS	Western Renewable Energy Generation Information System