Company: San Diego Gas & Electric Company (U 902 M)
Proceeding: 2028 General Rate Case
Application: A.26-06-___
Exhibit: SDGE-17

PREPARED DIRECT TESTIMONY OF HOLLIE K. BIERMAN

ENVIRONMENTAL SERVICES

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

June 2026

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SUMMARY

ENVIRONMENTAL SERVICES In 2025 $ (000s)			
O&M	**2025 Adjusted-Recorded**	**Estimated TY 2028**	**Change**
Non-Shared Environmental Services	9,368	11,439	2,071
Non-Shared Sustainability	226	533	307
Non-Shared Advanced Clean Technology	1,561	2,300	739
Total O&M	11,155	14,272	3,117

Summary of Requests

- SDG&E's Environmental Services is requesting adoption of the 2028 Test Year (TY) forecast of $14,272,000 for operations and maintenance (O&M) expenses. This represents an increase of $3,117,000 from adjusted recorded base year costs of $11,155,000.
- Requesting authorization to continue the New Environmental Regulatory Balancing Account (NERBA) within the Non-Shared Environmental Services O&M request. Providing an estimate of $1,173,000 increased NERBA costs for TY 2028 compared to adjusted base year costs. Proposing to modify the balancing account framework from one-way balancing to two-way balancing treatment to account for considerable, unpredictable, but none the less required environmental expenditures, in addition to adding a natural gas component to the existing Polychlorinated Biphenyl (PCB) subaccount to record costs related to testing, removal and disposal of gas pipeline materials that contain PCBs. SDG&E is discontinuing several other subaccounts to the NERBA and transferring the associated costs to unbalanced O&M within base business.
- Estimated $898,000 in increased costs for TY 2028 compared to base year costs to support mandatory compliance with applicable environmental requirements, including obtaining project-level and programmatic permits related to hazardous materials, natural resources, cultural resources, air quality and water quality.

- Estimated $307,000 in increased costs for TY 2028 compared to base year costs for Sustainability initiatives.
- Estimated $739,000 in increased costs for TY 2028 compared to base year costs for Advanced Clean Technology (ACT) initiatives.

PREPARED DIRECT TESTIMONY OF HOLLIE K. BIERMAN
ENVIRONMENTAL SERVICES

I. INTRODUCTION

A. Summary of Environmental Services Costs and Activities

My testimony supports the Test Year (TY) 2028 forecasts for operations and maintenance (O&M) costs for non-shared services for the forecast years 2026, 2027, and 2028, which are associated with Environmental Services for SDG&E. Table HB-1 summarizes my sponsored costs.

TABLE HB-1

ENVIRONMENTAL SERVICES In 2025 $ (000's)			
O&M	**2025 Adjusted-Recorded**	**Estimated TY 2028**	**Change**
Non-Shared Environmental Services	9,368	11,439	2,071
Non-Shared Sustainability	226	533	307
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Total O&M	11,155	14,272	3,117

1. **The Environmental Services Department** oversees SDG&E's compliance with federal, state, tribal, regional, and local environmental statutes, regulations, and rules, including laws protecting air quality, water quality, cultural resources, natural (biological) and coastal resources, and regulating hazardous materials and hazardous waste. The department also obtains required environmental clearances and permits for SDG&E's activities. This department works closely with and collaborates with the Sustainability Department to develop and support SDG&E's Sustainability strategy. Environmental Services' responsibilities include reviewing, tracking and analyzing federal, state, tribal and local environmental statutes, regulations and rules; developing compliance policies, procedures, and tools; developing and delivering training materials; developing and implementing internal quality assurance and quality control procedures; screening planned infrastructure projects for environmental compliance, including construction as well as post-construction compliance; avoiding or minimizing the potential impact of Company projects; obtaining permits to manage and mitigate project impacts, especially with respect to species and habitat impacts; obtaining and

managing mitigation and monitoring associated with such permits; minimizing or mitigating soil contamination associated with project work or facilities operations; providing compliance oversight; and developing and obtaining environmental project permits and plans. Environmental Services also manages a California-certified environmental laboratory; two SDG&E treatment, storage, and disposal facilities (TSDFs); remediation of contaminated soils at current and former utility sites; and addresses emergency hazardous waste release events. Additionally, Environmental Services collects data and submits required reports on the Company's greenhouse gas (GHG) emissions, in collaboration with the Sustainability Department.

Key components of the environmental compliance management program include internal assessments, scheduled facilities compliance checks, a hazardous waste vendor audit program; and development of comprehensive environmental contract terms and conditions related to the health and safety of employees and vendors. Additionally, specialists within Environmental Services analyze the potential impacts of proposed legislation, ordinances or regulations and provide early planning for compliance with newly adopted legislation, ordinances or regulations. Field-based environmental representatives are located throughout the SDG&E service territory to support day-to-day operations of Company facilities, including generation facilities, substations, and Construction & Operations (C&O) facilities. The environmental compliance management program also manages the Company's Environmental Safety Compliance Management Program (ESCMP), and the development and implementation of training for field employees. Environmental Services partners with Facilities, Operations and C&O centers to manage operations in accordance with compliance requirements. Environmental Services also includes on-call environmental specialists to assist field operations as environmental issues arise.

2. **The Sustainability Department** is responsible for the development of the Company's overall sustainability strategy and oversees compliance obligations to equitably address the existing climate crisis and help move the state of California toward achieving its ambitious climate goals, including a target of net zero GHG

emissions by 2045.[1] It collaborates across all Company business departments to fulfill regulatory and policy requirements and support operational planning and execution to enable SDG&E's transition toward an affordable and reliable low-carbon energy future that meets state climate objectives. Responsibilities include monitoring regulatory and legislative changes as well as establishing corporate targets and tracking progress to achieve carbon neutrality, promote renewable energy adoption and reduce waste in support of evolving federal, state and local climate goals. In collaboration with Environmental Services, the Sustainability Department accounts for Company GHG emissions to meet federal and state policy obligations and regularly communicates updates to stakeholders. To address operational efficiency and affordability efforts, the Department identifies, tests and implements digital tools to help optimize reporting. Sustainability also supports internal and external stakeholder education and engagement to drive awareness of and participation in Company environmental programs and sustainability initiatives intended to reduce regional GHG emissions.

3. **The ACT Department** is responsible for developing, deploying, and providing ongoing operational and asset management support for the delivery and use of clean energy technologies, such as battery energy storage, microgrids, integration software, and low carbon fuels throughout SDG&E's service territory. Responsibilities include pre- and post-asset implementation evaluation, testing, and deployment of infrastructure and technologies needed to achieve both SDG&E's and California's strategic goals related to decarbonization, electric resiliency, and operational flexibility, while supporting customers' equitable access to electricity. Additionally, the ACT Department is responsible for various regulatory activities in support of state policy. These responsibilities include regulatory reporting for existing assets/facilities, researching pertinent state legislation, and supporting SDG&E responses to CPUC proceedings, such as the Microgrid Order Instituting Rulemakings (OIRs), the Distributed Energy Resources (DER) OIRs and the

[1] SDG&E's Sustainability Strategy can be found at: https://www.sdge.com/more-information/environment/sustainability-approach.

Integrated Resource Planning OIRs, as well as responding to ad-hoc data requests from agencies/organizations.

B. Environmental Services Safety Culture Commitment

The Environmental, Sustainability, and ACT Departments contribute to the Company's strong safety culture in meaningful ways:

1. Environmental Services reviews all gas and electric capital and O&M projects prior to construction to avoid environmental impacts and to mitigate compliance concerns related to operations. Early, thoughtful involvement in the planning and design phases identify safety and environmental issues when they can be more easily avoided, mitigated or minimized.
2. Environmental Services conducts an annual internal certification of environmental program and training compliance and identifies opportunities for process improvement.
3. Environmental Services collaborates with Safety and other internal stakeholders to develop a library of fact sheets, standards, and Company-specific employee training to inform employees about relevant environmental health and safety concerns and procedures.
4. Environmental Services manages the collection, disposal and transportation of hazardous waste on behalf of the Company to protect the health and safety of workers and the public. This includes training hazardous material crews on the appropriate fact sheets, standards and specific safety related training for packaging, managing, and responding to hazardous material release events. (*e.g.*, release of transformer oil due to car-pole contact).
5. Environmental Services supports day-to-day operations by posting field-based environmental representatives at SDG&E sites to manage programs, permits and emergency response plans to protect customers, the public and employees.
6. When an environmental emergency occurs, Environmental Services activates an Environmental Services Emergency Command Center to support the SDG&E Emergency Operations Center (EOC) through on-call environmental specialists.
7. Environmental Services manages a California-certified environmental laboratory to support environmental services and safety, two treatment, storage, and disposal

facilities (TSDFs), and the remediation of contaminated soils at current and former utility sites.

8. Environmental Services provides environmental compliance training and education to the collective SDG&E workforce to support the lawful, compliant and safe operations of SDG&E's gas and electric systems for the benefit of the public and SDG&E employees.

9. Sustainability advances safety through the collection and reporting of GHG emissions and other environmental metrics in support of local, state and federal climate goals, which enables the Company to identify potential risks, and protect the region's natural resources, contributing to a safer and healthier environment for employees and the public.

10. ACT advances a strong safety culture across emerging energy storage technologies, with a focus on risk identification, operational excellence, and cross functional alignment. The Department drives safety strategy development, coordinating engineering, operations, and compliance teams to provide a safety focus throughout the technology lifecycle—from concept evaluation to field deployment.

11. ACT also supports the development of safe design guidance, commissioning criteria, and operational protocols as part of a multi-disciplinary Energy Storage Safety Task Force, collaborating with internal experts, external stakeholders, and industry partners to address evolving safety standards for battery energy storage systems (BESS).

C. Organization of Testimony

My testimony is organized as follows:

- **Safety Culture Commitment:** Describes how the departments contribute to SDG&E's strong safety culture.
- **Affordability & Efficiency**: Discusses how the departments leverage new technology to enhance efficiency and streamline workflow.
- **Non-Shared Costs and Activities**: Details forecasted costs and activities for programs and services.

- **New Environmental Regulations Balancing Account (NERBA):** Describes costs that will continue to be balanced and those that are being transferred to unbalanced base O&M business.
- **Deferred Work**: Describes forecasted activities sponsored in this testimony that were previously authorized in the 2024 GRC but were not executed due to reprioritization or agency timing.
- **Conclusion**: Summarizes the testimony and reinforces the importance of these programs and activities in meeting the Company's environmental, sustainability, and clean technology policy objectives while maintaining affordability.

D. Support to and From Other Witnesses

My testimony references the testimony and workpapers of several other witnesses, either in support of their testimony or as support for mine.

- Exhibit (Ex.) SDGE-04, Gas Distribution testimony sponsors the Gas Decarbonization O&M forecast.
- Ex. SDGE-05, Gas Transmission testimony describes the ongoing O&M in the LDAR subaccount will be part of base business in this GRC. Costs currently recorded in the subaccount through December 31, 2027 will be requested for recovery through a subsequent reasonableness review.
- Ex. SDGE-08, Electric Distribution Capital testimony and Ex. SDG&E-09, Electric Distribution O&M testimony support sulfur hexafluoride (SF6) reduction compliance costs and SF6 switch replacement costs, respectively.
- Ex. SDGE-16, Operations Support testimony supports costs related to fleet emissions standards in addition to the portable engine tier phase-out schedule of retiring older units and reclassify to "low-use" and/or replace with Tier 4 Final equivalent.
- Ex. SCG-16/SDGE-20, Compensation & Benefits testimony describes cost drivers related to labor in connection with the compensation modernization initiative.
- Ex. SDGE-26, Regulatory Accounts testimony supports treatment of costs balanced through the NERBA.

- Ex. SDGE-29, Depreciation testimony supports the costs associated with closure of the Sustainable Communities program.

II. AFFORDABILITY & EFFICIENCY

Technology continues to play a vital role in increasing efficiency, improving accuracy, and supporting smarter decision-making across SDG&E's operations. Environmental Services, Sustainability, and ACT leverage a number of technological tools to streamline workflow, strengthen process consistency, and support broader affordability initiatives.

Building on the success of systems currently in use, SDG&E is now implementing enhancements to further enhance efficiency and elevate service delivery. These new tools will introduce more automation, reduce manual effort, and create clearer, more connected processes that support both staff and organizational goals. For example, Environmental Services utilizes an Environmental Tracking System (ETS) to track the status of environmental reviews processed within the department. ETS provides operational efficiencies across the organization that mitigate the need to add additional resources otherwise required to support workflow demands. Several enhancements are currently in development to further increase the efficiency and consistency of the review process. These improvements include streamlining review steps to reduce processing time, automating routine actions for low-risk activities, and refining GIS integration to support faster data access and more accurate spatial analysis. Together, these updates will strengthen workflow reliability and provide the department with a more efficient and responsive tracking system.

The Environmental Services department, in collaboration with Sustainability, is also implementing a new Environmental Management System (EMS) to streamline its regulatory compliance efforts with existing and evolving state requirements for greenhouse gas emissions reporting, as required by California Air Resources Board (CARB) and consistent with Senate Bill (SB) 253.[2] Efficiencies and associated cost reductions are achieved by securely maintaining compliance-related documentation and sustainability data in a centralized database accessible to internal stakeholders. The EMS system converts hard copy retention practices into a uniform and consistent digital record using standardized naming conventions so data analysis may be

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[2] SB 253 (Weiner, 2023), *available at:* https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB253

conducted, and it makes emergency response plans, permits and monitoring data readily available.

Environmental Services is also implementing new project management software designed to increase workflow efficiency within the department and across the Company. This improved workflow mitigates the need for additional resources that would otherwise be required to maintain service levels and meet mandatory regulatory and compliance requirements. The tool also strengthens SDG&E's ability to identify and close data gaps by centralizing project information and ensuring that key compliance obligations are properly tracked throughout the lifecycle of each project. This enhanced visibility supports more consistent documentation, timely follow-through, and improved compliance performance.

ACT is currently assessing the depreciation life of the SDG&E-owned energy storage battery fleet. Currently set at ten years, increasing the depreciation life of these assets to at least 15 years aligns with updated industry standards and supports lower annual collections over a longer period of time. This directly benefits customers by reducing rate spikes and spreading out the costs of these key assets, which are critical for reliability and clean energy utilization, supporting both affordability and efficiency.

Collectively, these enhancements promote affordability and efficiency by controlling costs and improving workflow.

III. NON-SHARED O&M COSTS – ENVIRONMENTAL SERVICES

"Non-Shared Services" are activities that are performed by a utility solely for its own benefit. Corporate Center provides certain services to the utilities and to other subsidiaries. For purposes of this General Rate Case (GRC), SDG&E treats costs for services received from Corporate Center as non-shared Services costs. Table HB-2 summarizes the total non-shared O&M forecasts for the listed cost categories.

TABLE HB-2
Test Year 2028 Summary of O&M Non-Shared Total Costs

ENVIRONMENTAL SERVICES In 2025 $ (000s)			
O&M	**2025 Adjusted-Recorded**	**Estimated TY 2028**	**Change**
Non-Shared Environmental Services	9,368	11,439	2,071
Non-Shared Sustainability	226	533	307
Non-Shared Advanced Clean Technology	1,561	2,300	739
Total O&M	11,155	14,272	3,117

TABLE HB-3
Non-Shared O&M Summary of Environmental Services Costs

ENVIRONMENTAL (In 2025$)	**2025 Adjusted-Recorded (000s)**	**Estimated TY 2028 (000s)**	**Change (000s)**
Environmental Services	7,177	8,075	898
NERBA – Electric	575	723	148
NERBA – Gas	1,616	2,641	1,025
Total Non-Shared Services	9,368	11,439	2,071

TABLE HB-4
Non-Shared O&M Summary of
ENVIRONMENTAL SERVICES COSTS by Category

ENVIRONMENTAL SERVICES (In 2025$)			
Categories of Management	**2025 Adjusted-Recorded**	**TY 2028 Estimated**	**Change**
A. Environmental Services Director	527	355	(172)
B. Hazardous Materials & Waste Management	1,707	1,960	253
C. Site Assessment & Mitigation	157	187	30
D. Environmental Lab	617	764	147
E. Environmental Field Operations	1,125	1,235	110
F. Environmental Programs	2,225	2,310	85
G. Environmental Permitting & Project Management	302	747	445
H. Business Support & Planning	517	517	0
Subtotal O&M	7,177	8,075	898
I. NERBA	2,191	3,364	1,173
TOTAL O&M	**9,368**	**11,439**	**2,071**

A. Environmental Services Director

1. Description of Costs and Activities

The activities in this non-shared O&M cost category include labor costs in support of an Environmental Services Director who provides leadership and strategic direction to the Environmental Services Department at SDG&E. Non-labor consists of consulting fees and costs related to overall department functions.

2. Forecast Method

A base year forecast methodology was used to determine cost requirements. This method is most appropriate because it identifies specific costs that are applicable to the general oversight and direction of the department during the GRC cycle. The specific cost drivers are applied to the base year level to most accurately approximate future activity costs.

3. Cost Drivers

Base year labor costs consisted of one Vice President & Chief Environmental Officer, one Director and one administrative associate. Labor costs are forecasted to decrease because of the elimination of the Vice President of Environmental Services and administrative associate positions. The duties of the Vice President of Environmental Services have been subsumed by the Vice President within the Operations Support organization, who is now also the Chief Environmental Officer. This category of costs includes a department-wide adjustment of $198,000 to reflect changes in connection with the compensation modernization initiative. Please refer to the Compensation and Benefits testimony, Ex. SCG-16/SDGE-20. Non-labor costs are forecasted to increase by $25,000 for consulting expenses to support overall departmental initiatives including benchmarking studies and professional development.

B. Hazardous Materials & Waste Management and Site Assessment & Mitigation

1. Description of Costs and Activities

The Hazardous Materials and Waste department manages and oversees the hazardous materials and waste operations of SDG&E as well as site assessment and mitigation work, which include the operation of two Treatment, Storage, and Disposal Facilities (TSDF), conducting and managing cleanup activities from gas operations, electrical equipment, and company operations, and managing the receipt, storage and shipment of hazardous materials and waste. This department also manages the Company's transformer recycling program for scrap metal and

transformer mineral oil. The process is labor-intensive because the equipment and oil must be thoroughly sampled and tested. For transformer oil, SDG&E follows the applicable used-oil regulations, which require certification prior to transportation. Both company employees and contracted vendors perform these labor-intensive activities. The activities in this non-shared O&M cost category include labor costs and non-labor costs related to contracted services with outside vendors, permitting fees and disposal costs to transport hazardous waste.

2. Forecast Method

A base year forecast methodology was used to determine cost requirements. This method is most appropriate because it identifies specific environmental regulatory changes and their related costs impacting the company during the GRC cycle. The specific cost drivers are best applied to a conservative base year level to most accurately approximate future activity costs.

3. Cost Drivers

The anticipated non-labor activity resulting in upward pressures on the Hazardous Materials & Waste and Site Assessment & Mitigation forecast costs are described below:

a. **Miramar TSDF Permit:**[3] SDG&E's Miramar TSDF site is required by law to hold a valid Hazardous Waste Facility Permit to allow the storage of federally regulated PCB equipment and the management of waste streams generated throughout the service territory. The permit must be renewed yearly to allow operations to continue. Permit renewal costs increase from $82,000 in 2026 to $122,000 in 2027 and $122,000 in 2028.

b. **Oil Water Separator Replacement:** Forecasted costs of $55,000 in 2028 to repair the Oil Water Separator (OWS) at Miramar. The OWS processes vault water from electric substructures. The OWS is critical to SDG&E's vault dewatering and electric reliability operations, processing approximately 3 million gallons of water

[3] The Miramar TSDF permit authorizes the storage of federally regulated Resource Conservation Recovery Act (RCRA) and non-RCRA hazardous waste generated throughout the service territory. These permit conditions are tightly regulated, and the Department of Toxic Substances Control (DTSC) increases the per-ton fee on an annual basis, which results in rising operational costs.

annually. Replacing the panel, pumps and piping is necessary for SDG&E's electric reliability and restoration response throughout the service territory.

c. **Rolloff Bin:** Forecasted costs of $35,000 in TY 2028 for the collection and transportation of hazardous materials. A roll-off bin is a heavy duty steel container used for collecting, storing, and transporting large volumes of waste or recyclable materials. The bin sits on wheels so it can be safely loaded to a truck using a hydraulic lift system. The roll-off bin supports waste streams managed under the TSDF requirements as required by the Department of Toxic Substances Control (DTSC) and the 90-day hazardous waste storage pad requirements enforced by the Certified Unified Program Agency (CUPA).

d. **DTSC Health Risk Assessment (HRA):** Forecasted costs of $30,000 in 2026. An HRA is required under the terms of the Miramar TSDF Permit. DTSC requires applicants for Hazardous Waste Facility Permits to review potential health risks that could occur from storing, treating, or handling hazardous waste at the site. Such analysis is managed through the completion of an HRA.

e. **Site Remediation Costs:** $30,000 for ongoing site remediation and mitigation expenses for new remediation matters not incurred in the base year. Remediation costs have increased due to added Local Enforcement Agency (LEA) requests, such as sampling and Phase I and II assessments.

C. Environmental Laboratory

1. Description of Costs and Activities

The Environmental Laboratory plays a central role in environmental and hazardous waste compliance and management by providing analytical data regulators rely on to confirm that waste is properly managed. The activities in this non-shared O&M cost category include operation of SDG&E's California State Certified Environmental Analysis Laboratory (the "Lab"). The Lab performs a broad spectrum of environmental and chemical sampling, testing

and analysis for operational maintenance and regulatory compliance. The Lab regularly submits reports required for compliance to oversight agencies such as the CUPA, DTSC, the San Diego Air Pollution Control District (SDAPCD), the Department of Transportation (DOT), and the U.S. Environmental Protection Agency (USEPA). The primary costs for these activities include employee labor and non-labor costs related to outsourced vendor costs and laboratory supplies and the operation of the Lab. The Lab also supports a mobile van to comply with the requirements of SB 1371[4] which aims to reduce methane leaks from natural gas pipelines. The law requires the CPUC and CARB to work together to reduce emissions and make the natural gas system safer. The mobile van is one of the SB 1371 best practices and is used to quickly respond to gas leaks.

2. Forecast Method

A base year forecast methodology was used to determine cost requirements. This method is most appropriate because it identifies specific known environmental regulatory changes and their related costs impacting the Company during the GRC cycle. The specific cost drivers are best applied to a conservative base year level to most accurately approximate future activity costs.

3. Cost Drivers

The anticipated incremental labor needs for the Lab, resulting in an increase of $120,000, are to support one full-time Chemist. The Chemist contributes to project support, equipment coding, profiling, and quality control to operate the Lab and provide adequate service levels. Additionally, SDG&E is requesting incremental non-labor activities for the following activities:

a. **The NELAC Institute (TNI) Standards:** California regulations require that the Lab obtain TNI certification, which is widely recognized and required to allow the Lab to perform regulatory testing. One consultant is needed to conduct a third-party assessment of the Lab for the Environmental Laboratory Accreditation Program (ELAP), which is a required part of TNI certification. The assessment will evaluate compliance with

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[4] SB 1371 (Leno, 2014), *available at:* https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB1371

current California ELAP Regulations, 2016 TNI requirements, and the International Accreditation Service (IAS) for testing laboratories. The estimated consultant cost for the TNI standards assessment is forecast to be $10,000 in 2028.

b. **Metals Testing:** Metals testing is a California regulatory requirement[5] for characterizing non-hazardous and hazardous materials and disposal. The estimated cost for this testing is $27,000.

D. Environmental Field Operations

1. Description of Costs and Activities

The Environmental Field Operations group manages and maintains environmental compliance and provides regulatory oversight for the Company's electric and gas facilities, which total more than 200 across SDG&E's service territory. Additionally, this group manages environmental facilities inspections for the Company's ESCMP, which includes facilitating regulatory inspections (approximately 150 per year), supporting corporate audits, conducting internal self-assessments (approximately 100 per year), developing, and facilitating mandatory training (over 5,000 employee completions per year), and annually certifying compliance metrics. The Environmental Field Operations group also routinely manages the updating of environmental training material with support from other groups within Environmental Services to provide employee training that is current with applicable regulatory obligations and changes in operations. The activities in this non-shared O&M cost category include employee labor and non-labor costs for facility-based regulatory fees and assessments, permits and consultant-supported employee training development.

2. Forecast Method

A base year forecast methodology was used to determine cost requirements. This method is most appropriate because it identifies specific environmental regulatory changes and their related costs impacting the Company during the GRC cycle. The specific cost drivers are best applied to a base year level to most accurately approximate future activity costs.

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[5] 22 Cal. Code Regs. Tit. 22, div. 4.5, Sections (§§) 66250 – 69600.7.

3. Cost Drivers

The anticipated incremental labor costs of $110,000 support one new full-time Field Operations Representative beginning in 2026. The position supports compliance requirements for various Company facilities, including facility inspections, self-assessments, and metrics. This position will also support facility emergency response plans and permit tracking processes. This position is required to maintain compliance with inspections, audits and self-assessment requirements. The previous staff member filling this role was promoted internally, requiring the remaining Field Operations Representatives to cover this work, creating workload strain and extended hours.

E. Environmental Programs

1. Description of Costs and Activities

The Environmental Programs group provides guidance on the management and protection of natural and cultural resources, air, water and aquatics quality, and GHG emissions, The technical specialists who work in this group conduct project screening for potential environmental impacts for all electric and gas programs and projects, obtain environmental permits for programs or projects that create environmental impact as required by law, calculate and report the Company's GHG emissions as required by law, review proposed statutes and regulations, and provide compliance guidance and oversight. In addition, the group is responsible for the administration and implementation of these permits, which may be programmatic or project specific, including applications and coordination with local, state and federal agencies, completing required annual reports, obtaining and tracking mitigation for permit compliance, resolving permit-related issues, and ensuring all permit conditions are met throughout the lifecycle of the project. The group also develops, maintains, and updates environmental plans and guidelines necessary to support compliance. The primary costs for these activities include employee labor; non-labor costs support consultants, permits, and supplies.

2. Forecast Method

A base year forecast methodology was used to determine cost requirements. This method is most appropriate because it identifies specific environmental regulatory changes and their related costs impacting the Company during the GRC cycle. The specific cost drivers are best applied to a base year level to most accurately approximate future activity costs.

3. Cost Drivers.

Labor costs are forecast to increase by $15,000 for the addition of one full-time Senior Environmental Specialist in the Water Quality section (the remainder of this Specialist's time is charged to Capital). The balance of labor costs related to adding this position are charged to Capital and are not included in this request. Non-labor forecast increases are due to upward pressure for incremental costs for various programs listed below.

a. **Vault Dewatering Permit:** Incremental costs are needed to renew the Vault Dewatering Permit,[6] which expired in June 2020. Permit coverage has been extended until a new permit is adopted and becomes effective. The SWRCB has not issued a renewed/updated permit because they have prioritized other permits ahead of the Vault Permit. It is anticipated that the SWRCB will resume work updating the Vault Permit in 2026, with a new permit likely issued in late 2027 or early 2028. This permit is a National Pollutant Discharge Elimination System (NPDES) permit pursuant to the Clean Water Act[7] that regulates short-term intermittent discharges from utility vaults and underground structures to surface waters. Consultant support will also be needed to update the Pollution Prevention Plan and develop and implement new best management practices (BMPs) and training. Estimated consultant costs are $20,000 in TY 2028. These activity costs were authorized in the 2024 GRC Decision,[8] but the execution of this activity was delayed as described above. Further details regarding this deferred work project are detailed below in Section IV, "Deferred Work."

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[6] The California State Water Resources Control Board (SWRCB) adopted Order 2014-0174-DWQ, *General NPDES Permit for Discharges from Utility Vaults and Underground Structures to Waters of the United States,* on October 21, 2014, which is available at: https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2014/wqo2014_0174_dwq.pdf.

[7] 33 U.S.C. § 1251 *et seq*.

[8] Decision (D.) 24-12-074

b. **Municipal Separate Stormwater Sewer System (MS4) Permit:** SDG&E is proposing to discontinue charging the MS4 subaccount in the NERBA starting in TY 2028 and to move the costs to base business. Forecasted costs are $20,000 in TY 2028.

c. **Enhancement Program Implementation Support:** This activity represents deferred work activity authorized in the TY 2024 GRC but not executed. This initiative assures that all post-construction site restoration activities have support to obtain the necessary customer and landowner approvals and awareness of SDG&E restoration activities on their property. The work was expected to begin in TY 2024; however, enhancement program implementation under the new Habitat Conservation Plan (HCP) took longer than originally anticipated. SDG&E forecasts spending $75,000 annually from 2026-2028 to support this initiative. The support activities include, but are not limited to, coordinating site access, compiling, and communicating schedules to customers and landowners, and tracking customer and landowner contacts for these post construction restoration activities. Further details regarding this deferred work project are detailed below in Section IV, "Deferred Work."

d. **Greenhouse Gas (GHG) Reporting - Scope 3 Verification:** SDG&E forecasts spending $10,000 annually in 2026, 2027 and 2028 for a third-party verifier to review and verify their validity. This work was deferred from the TY2024 GRC. It was expected to begin in 2024, when SB 253 was passed; however, SDG&E is now waiting for CARB to finalize its regulations implementing SB 253 to determine the requirements for Scope 3 emissions. Further details regarding this deferred work project are detailed below in Section IV, "Deferred Work."

e. **Wildlife Detection Camera:** SDG&E forecasts $20,000 in TY 2028 to purchase a wildlife detection camera to provide

Environmental Specialists with data to improve compliance and documentation. Wildlife detection cameras allow for continuous, non-intrusive monitoring of species over extended periods, reducing labor costs and disturbance compared to deploying individual biological monitors. As a result, SDG&E will be able to manage projects more effectively for compliance with its HCP and other biological permits.

F. Environmental Permitting and Project Management

1. Description of Costs and Activities

The Environmental Permitting and Project Management group is engaged in environmental planning, permitting, and implementation support for construction projects as described in Ex-SDGE-06, Gas Major Projects testimony and workpapers. Each staff person serves as environmental lead and SME for multiple projects. Environmental Permitting and Project Management staff are responsible for managing the full spectrum of environmental review, permitting, and compliance activities for Gas Major Projects. Staff members are assigned to support Gas Major Projects and coordinate with other groups within Environmental Services, including the air quality, water and aquatics quality, cultural, and natural resources teams, who provide in-depth subject matter expertise tailored for each project's needs.

These large-scale infrastructure projects occur at high volume and require an experienced support staff comprised of a variety of subject matter experts, including environmental project managers and environmental subject matter experts, who can coordinate cross functionally across the organization to meet the extended planning and construction timelines and not impede construction progress. The electric and gas activities supported by Environmental Permitting and Project Management group are often subject to agency review pursuant to the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA), which requires expertise with current regulations and procedures.

This non-shared O&M cost category includes labor and non-labor ancillary costs including training, travel and computer charges for employees supporting major construction project licensing, permitting, and capital project construction-phase environmental compliance. Examples include land planners, project managers and technical compliance leads.

2. Forecast Method

A base year forecast methodology was used to determine cost requirements. This method is most appropriate because it identifies specific environmental regulatory changes and their related costs impacting the Company during the GRC cycle. The specific cost drivers are best applied to a base year level and are more accurate than using an average or trend methodology.

3. Cost Drivers

The O&M costs for Environmental Project Permitting and Environmental Project Management are primarily employee labor and non-labor charges associated with licensing, permitting, construction and/or post-construction environmental compliance for capital, Federal Energy Regulatory Commission (FERC) refundable and O&M projects. SDG&E is forecasting $120,000 in labor costs for two additional lead positions. One team lead position will support the Project Management & Permitting team, and the other team lead position will support the Post-Construction team. The balance of labor costs related to adding these positions are charged to capital and FERC O&M and are not included in this request. SDG&E is requesting non-labor funding for deferred work authorized in the TY 2024 GRC but not executed, related to the Bureau of Land Management (BLM) O&M plan implementation, which has been delayed due to BLM staffing issues. The forecasted BLM implementation costs are $250,000. Further details regarding this deferred work project are detailed below in Section IV, "Deferred Work."

G. Business Support & Planning

1. Description of Costs and Activities

This non-shared O&M cost category includes labor and non-labor ancillary costs including training, travel and computer charges for employees who support the overall department with business support, financial planning, regulatory compliance and designing environmental training courses used company wide.

2. Forecast Method

A base year forecast methodology was used to determine cost requirements. This method is most appropriate because it identifies specific environmental regulatory changes and their related costs impacting the Company during the GRC cycle. The specific cost drivers are best applied to a conservative base year level and would not be captured an average or trend methodology.

3. Cost Drivers

The O&M costs for the Business Support & Planning section are primarily employee labor and ancillary non-labor charges. SDG&E is not forecasting any upward or downward pressures for these teams during the forecast period.

H. NERBA

1. Description of Costs and Activities

In the 2012 GRC, [9] the Commission approved the establishment of the NERBA as a two-way balancing account to record costs associated with certain new and proposed environmental rules or regulations. The Commission approved continuation of the NERBA as a two-way balancing account in the 2016[10] and 2019 GRCs.[11] In the 2024 GRC Decision, the Commission modified the NERBA by changing the balancing account from two-way to one-way treatment. The currently authorized NERBA gas and electric subaccounts include: (1) Assembly Bill (AB) 32[12] Administration Fees; (2) PCB Phase-Out Electric, (3) Municipal Separate Stormwater Sewer Systems (MS4); (4) Title 40 of the Code of Federal Regulations Part 98, Subpart W; and (5) Leak Detection Abatement Repair (LDAR). The intent of the NERBA is to record costs that meet the following criteria: (1) uncertainty as to the scope, magnitude, and mechanics of the compliance requirements associated with new, proposed, or evolving environmental rules or regulations; and (2) potential for incurring considerable incremental costs.

2. Proposed Modifications to NERBA

SDG&E is requesting a modification of the existing structure of the NERBA balancing accounts to discontinue several previously authorized subaccounts because certain environmental regulation costs have become more predictable. The more predictable costs would shift and be managed within SDG&E's base business (non-balanced O&M). The costs which will remain in the NERBA are AB 32 Cost of Implementation (COI) fees and PCB Phase-Out costs. Costs for

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[9] D.13-05-010 at 1092.

[10] D.16-06-054 at 316.

[11] D.19-09-051 at 748.

[12] AB 32 (Nunez, 2006), *available at*: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200520060AB32

MS4, and Title 40 of the Code of Federal Regulations Part 98, Subpart W will be shifted to Environmental Services non-balanced O&M. Costs for LDAR have been shifted to non-balanced base O&M within the Gas Transmission Department, sponsored in the Ex. SDGE-05, Gas Transmission testimony. Additionally, SDG&E is requesting to add a gas subaccount to the existing PCB Phase Out program (PCB Subaccount) to accommodate the phase out of PCBs which are often contained in natural gas pipelines.

SDG&E is requesting that two-way balancing account treatment be reinstated for the NERBA for subaccounts covering expenditures for AB 32, and electric and gas PCB Phase Out costs, which are uncertain as to scope and magnitude and may cause the Company to incur considerable incremental costs. It is reasonable to reauthorize the NERBA as a two-way balancing account consistent with the Commission's original intent of the NERBA to record only costs that are non-predictable to avoid the cost and time of a reasonableness review.

For the TY 2028 GRC cycle, SDG&E has assumed the AB 32 COI fees billed to SDG&E associated with the Company's provision of natural gas to customers and PCB Phase-Out costs are the only expenditures expected to be recorded in the NERBA and which are subject to a reasonableness review for balancing through the NERBA. AB 32 COI fees are calculated based on GHG emissions from natural gas supplies (in conjunction with the statewide carbon common cost (CCC), $/MT CO2e), which the California Air Resources Board (CARB) sets every year. As GHG emissions fluctuate due to variations in the amount of natural gas supplied to customers (governed by market forces, weather conditions, economic settings, and other factors), annual GHG emissions are uncertain. Furthermore, and as noted above, the annual carbon common cost of carbon ($/MT CO2e) is not a fixed value; CARB has the authority to change it annually. Historically, the CCC has fluctuated considerably over the program's duration, ranging from a low of 0.1213 in 2012 to 0.3459 in 2020. For example, the CCC was 0.2978 in 2018. It dropped to 0.2683 in 2019, and then went up again in 2020 to 0.3459. Because the AB 32 COI fees are a direct pass-through from the rates set by CARB, ratepayers would not benefit from a burdensome and costly reasonableness review process required under the existing NERBA one-way balancing mechanism. SDG&E has no control over the billed amount, nor does it gain any advantage from spending above the authorized amount. For these reasons, SDG&E supports the need for a two-way balancing account for AB 32 COI fees and PCB Phase-Out costs. SDG&E's proposed NERBA-related costs are shown below in Table HB-5.

TABLE HB-5
Non-Shared Balanced O&M Summary of Costs for NERBA
In 2025 $ (000s)

NERBA ITEM	2025 Adjusted-Recorded	TY 2028 Estimated	Change	Proposed Status
AB 32 Cost of Implementation Fees	2,191	2,964	773	Environmental Services NERBA/ 2-way balancing
PCB Phase-Out	0	400	400	Environmental Services NERBA/ 2-way balancing
MS4	0	0	0	Discontinue in the 2028 GRC cycle
40 CFR §98 Subpart W	0	0	0	Discontinue in the 2028 GRC cycle
TOTAL	**2,191**	**3,364**	**1,173**	

Additional details of the NERBA are sponsored in Ex. SDGE-26, Regulatory Accounts testimony.

3. Forecast Method

A base year forecast methodology, plus or minus incremental costs, was used to determine cost requirements for the AB 32 Administrative Fees and PCB Phase-Out costs as a cost category. As NERBA items are not readily predictable given the attributes for NERBA as described earlier, traditional averaging of historical costs would not be a representative forecast method.

4. Cost Drivers

The following NERBA subaccounts represent the cost drivers and collectively contribute to a total forecasted amount of $3,364,000 in TY 2028:

a. **AB 32 Cost of Implementation Fees (Gas/Electric):** As described above, SDG&E pays administrative fees as required by AB 32. These fees allow CARB to recover its costs to implement AB 32. Refer to Ex. SDGE-17-WP, workpaper group 1EV003.000 and 1EV004.000, and supplemental work papers 1EV003.

b. **PCB Phase-Out Costs (Gas—Proposed/Electric):** PCBs are chemical compounds that were historically used in various industrial applications, including additives in coal tar wrap to

prevent corrosion of natural gas piping. The USEPA has prohibited the use of PCBs in materials like coal tar wrap due to their harmful environmental and health effects. SDG&E is forecasting $400,000 for PCB testing and disposal costs related to coal tar wrap. SDG&E is requesting a new subaccount for gas PCB Phase-Out costs related to testing and removal of PCBs contained in natural gas pipeline materials. Additional details on the proposed PCB Subaccount are included in the SDG&E Regulatory Accounts testimony. (Ex. SDGE-26)

c. **Municipal Separate Stormwater Sewer System (MS4) Permit (Electric/Gas):** SDG&E is proposing to discontinue the MS4 subaccount for TY 2028 due to insignificant activity and move the O&M costs to base business. The ongoing O&M in the MS4 subaccount will be part of base business in this GRC. Any overcollections left in these accounts at the end of the GRC period will be amortized into rates. The forecasted unbalanced O&M costs within Environmental Services base business O&M are $20,000.

d. **Subpart W Costs (Gas):** SDG&E is discontinuing the Subpart W subaccount for TY 2028 due to insignificant activity. The ongoing O&M in the Subpart W subaccount will be part of base business in this GRC. Any overcollections left in these accounts at the end of the GRC period will be amortized into rates. . The forecasted non-balanced O&M costs within Environmental Services base business O&M are $5,000. The forecasted unbalanced O&M costs within Environmental Services base business O&M are $5,000.

e. **Leak Detection Abatement Repair (LDAR) Costs (Gas):** SDG&E is proposing to discontinue the Subpart W subaccount for TY 2028 and move the forecasted unbalanced O&M costs to base business O&M within the Gas Transmission organization. Any overcollections left in these accounts at the end of the GRC period

will be amortized into rates. *See* Ex. SDGE-05, Gas Transmission testimony.

I. Sustainability

TABLE HB-6
Non-Shared O&M Summary of Sustainability Costs
In 2025 $ (000)

SUSTAINABILITY	2025 Adjusted-Recorded	TY 2028 Estimated	Change
Sustainability	226	533	307
Total Non-Shared Sustainability Costs	**227**	**533**	**307**

1. Description of Costs and Underlying Activities

SDG&E is requesting an increase of $307,000 to support increased sustainability strategy activity and emissions and climate data reporting consistent with state policy and legal requirements.

a. **SB 253 California Corporate GHG Reporting:** In 2023, following SDG&E's last GRC submission, new legislation was adopted mandating GHG emissions reporting across Scopes 1 and 2 in 2026 (based on 2025 data) and including Scope 3 in 2027 (based on 2026 data). The Sustainability Department will support company compliance with this new requirement, which requires "limited assurance" for Scope 1 and 2 emissions reporting in 2026 and "reasonable assurance" for Scope 3 emissions reporting in 2027. Additionally, this activity will support anticipated compliance and filing fees.

b. **Climate Related Financial Risk Disclosure Programs:** In 2023, SB 261[13] was adopted requiring companies to biennially publish a report that outlines climate-related financial risks. The

[13] SB 261 (Stern, 2023), *available at*: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB261

Sustainability Department will support and enhance this reporting mandate by advancing data collection and analysis capabilities.

2. Forecast Method

A base year forecast methodology, plus incremental costs, was used to determine forecasted cost requirements for this cost category. This method is most appropriate because it identifies specific environmental regulatory changes and their related costs impacting the company during the GRC cycle. The specific cost drivers are best applied to a conservative base year level and would not be captured by traditional averaging or trending.

3. Cost Drivers

The cost drivers that influence this forecast support the additional and emerging compliance requirements mandated by the State of California and will fund the addition of a data engineer who will focus on the needs of the expanding GHG emissions compliance and assurance reporting per SB 253 and SB 261. Non-labor costs support ongoing enhancement and testing of the existing EMS to build out new capabilities that enable the Company to report emissions and other climate data accurately and efficiently to comply with evolving state policy requirements.

J. Advanced Clean Technology

TABLE HB-7
Non-Shared O&M Summary of Advanced Clean Technology Costs
In 2025 $ (000)

ADVANCED CLEAN TECHNOLOGY	2025 Adjusted-Recorded	TY 2028 Estimated	Change
Advanced Clean Technology	1,561	2,300	739
Total Non-Shared Advanced Clean Technology Costs	1,561	2,300	739

1. Description of Costs and Underlying Activities

These costs support the Advanced Clean Technology (ACT) Department. This department is responsible for developing, deploying, and providing ongoing operation and asset management of utility-owned energy storage facilities. In total, there are 27 facilities, representing 482 megawatts (MWs) of capacity within the service territory. These assets also include ten microgrids of varying scale that provide reliable and resilient electric power in a safe and stable manner to serve communities during emergencies (*i.e.*, Public Safety Power Shutoffs)

and planned or unplanned outages. These assets provide customer value via improved reliability to critical facilities, reduced outage impacts, and align with affordability goals by avoiding curtailment of renewable energy generation. Supported by a group of project managers, engineers, and compliance advisors, the ACT Department's responsibilities include stakeholder engagement, supporting active CPUC proceedings and compliance activities, managing the assets' Long-Term Service Agreements (LTSA), providing technical and engineering expertise, operational monitoring and maintenance, leading safety and emergency response initiatives, and implementing technology upgrades. Specifically, the regulatory group provides input on ongoing proceedings related to California's decarbonization and reliability goals, such as the Integrated Resource Planning rulemaking tied to SB 350,[14] and SB 100,[15] Distribution Planning tied to the High Distributed Energy Resources rulemaking and grid modernization and supporting SDG&E's Wildfire Mitigation Plan.

With an emphasis on safety and affordability, these efforts provide electric reliability, resiliency, and stability to SDG&E's service territory, in addition to the broader California Independent System Operator (CAISO) market. The O&M expenses for ACT include labor costs and non-labor costs for training and staff development.

2. Forecast Method

A base year forecast methodology, plus incremental costs, was used to determine forecasted cost requirements for this cost category. This method is most appropriate because it identifies specific environmental regulatory changes and their related costs impacting the company during the GRC cycle. The specific cost drivers are best applied to a conservative base year level and would not be captured by traditional averaging or trending.

3. Cost Drivers

The cost drivers behind this forecast include labor and non-labor costs. SDG&E is requesting increased labor costs because of a forecasted change in labor allocation for this Department from capital to O&M. In SDG&E's 2024 GRC Decision, the Commission

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[14] SB 350 (DeLeón, 2015), *available at:* https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB350

[15] SB 100 (DeLeón, 2015), *available at:* https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB100

acknowledged that the full-time equivalent (FTE) count increased to seven equivalents in the 2021 Base Year to support the ACT Department.[16] In the 2028 GRC, SDG&E is requesting incremental labor, an increase of 3.3 FTEs, which represents staff previously funded through capital projects approved through incremental filings.[17] These employees are transitioning to O&M funded positions now that the capital activity is completed, and ongoing O&M activity is needed to manage these assets. These FTEs do not represent new positions or head count; they are existing staff shifting labor costs from capital to O&M. These FTE responsibilities include (historical and current):

a. **Asset Management:** ongoing technical support, operational monitoring and maintenance support; emergency response support; contractual management of LTSA vendor obligations and performance, including augmentation and recertifications; ensuring integration standards are current and cross-collaboration with internal/external stakeholders.

b. **Distributed Energy Resources:** support microgrid deployments in response to emergency events including Public Safety Power Shutoff events.

c. **Wildfire Mitigation Plan:** for costs not included nor those sponsored in Ex. SDGE-07 Wildfire Mitigation and Vegetation Management testimony, feasibility analysis of costs and benefits for programs under backup power for resilience (remote grids and dual use microgrids); and microgrid pre- and post-operational data reporting to the California Office of Energy Infrastructure Safety.

d. **Sustainable Communities Program:** program management to support and maintain the existing Sustainable Community participants. It is assumed that no future lease extensions will be

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[16] D.24-12-074 at 343.

[17] Resolutions E-5193 (February 10, 2022), E-5219 (June 23, 2022), E-5303 (December 14, 2023), and E-5372 (March 13, 2025).

offered. Funding will be used to see the program through closure; this does not represent incremental funding.

e. **Regulatory Compliance:** support internal business units in active regulatory proceedings, advice letter filings, compliance requirements, and other directives from the Commission, as referenced above.

IV. DEFERRED WORK

The Commission has consistently acknowledged that a utility may reprioritize funds authorized in the prior GRC.[18] D.24-12-074 requires that for the TY 2028 GRC, if SDG&E requests funding for the same work that was authorized in the TY 2024 GRC but not yet performed, in the TY2028 GRC, SDG&E must use a Deferred Work Framework (DWF)[19] that shows the deferred work related to safety and reliability at the program level. The DWF and principles are described in the Ex. SDGE-36 Compliance. This testimony requests funds for the qualifying deferred work projects or activities listed in Table HB-8. Above, in Section V, this testimony describes the costs and activities, the forecast method, cost drivers and the customer benefits associated with these projects. The circumstances that caused the delay and any changes in scope are described below.

TABLE HB-8
DEFERRED WORK

Deferred Work Program/Activity	O&M/ Capital	TY2024 GRC Exhibit	TY2024 Authorized Funding In 2021 $ (000s)	TY2028 Funding Request In 2025 $ (000s)
A. BLM O&M Plan	O&M	SDG&E-24	227,000	250,000
B. GHG Reporting – Scope 3	O&M	SDG&E-24	10,000	10,000
C. Vault Dewatering Permit	O&M	SDG&E-24	10,000	20,000
D. Enhancement Program	O&M	SDG&E-24	58,000	75,000

[18] *See* D.24-12-074 at 1091 (Ordering Paragraph (OP) 11), and D.20-01-002 at 38.

[19] To meet SDG&E's Deferred Work Framework, a project or activity must meet all three requirements: 1. The work was requested and authorized based on representations that it was needed to provide safe and reliable service; 2. Utility did not perform the authorized and funded work, as measured by the scope authorized in the prior GRC; and 3. Utility is again requesting funding in the current general rate case cycle to perform this same work.

A. BLM O&M Plan

a. Activity Scope: The authorized scope of this activity has not changed.

b. Reason(s) for Deferral: This project was expected to begin on or around 2024; however, due to BLM prioritizing the completion of the PG&E and SCE O&M Plans ahead of SDG&E's, the project has been deferred.

B. GHG Reporting – Scope 3

a Activity Scope: The authorized scope of this activity has not changed.

b. Reason(s) for Deferral: This project was expected to begin in 2024, when SB 253 was passed; however, SDG&E is now waiting for CARB to finalize its regulations implementing SB 253 to determine the requirements for Scope 3 emissions.

C. Vault Dewatering Permit

a. Activity Scope: The authorized scope of this activity has not changed.

b. Reason(s) for Deferral: This project was expected to begin on or around 2023/2024; however, the SWRCB has not issued the renewed/updated vault dewatering permit because they have prioritized other permits, such as fire mitigation, ahead of the Vault Permit. It is anticipated that the SWRCB will resume work updating the Vault Permit in 2026, with a new permit likely issued in late 2027 or early 2028.

D. Enhancement Program

a. Activity Scope: The authorized scope of this activity has not changed.

b. Reason(s) for Deferral: This project was expected to begin on or around 2022; however, projects were not submitted to the enhancement program requiring outside support for coordination.

V. CONCLUSION

My testimony and workpapers provide support for the costs I sponsor for the Environmental Services, Sustainability and Advanced Clean Technology Departments and the reasonableness of the methodologies used to derive those costs. The test year forecasts represent an increase over base year costs due to increased workload in addition to new compliance requirements and initiatives. I respectfully ask the Commission to fully fund this important work to allow SDG&E to continue to meet obligations to comply with environmental, health,

reliability and safety obligations and act as a steward of the environment on behalf of our customers and employees. This concludes my prepared direct testimony.

VI. WITNESS QUALIFICATIONS

My name is Hollie Bierman. My business address is 8335 Century Park Ct., San Diego, California, 92123. My current position is Director of Environmental Services and Sustainability within the Operations Support organization. I joined SDG&E in 2011 as Counsel in the Commercial Law Department. I have been in my current position at SDG&E since 2025. I am a licensed attorney in the State of California. I have previously testified before the Commission.

APPENDIX A

GLOSSARY OF TERMS

APPENDIX A – Glossary of Terms

ACRONYM	DEFINITION
AB	Assembly Bill
ACT	Advanced Clean Technology
BESS	Battery Energy Storage Systems
BLM	Bureau of Land Management
BMP	Best Management Practice
CAISO	California Independent System Operator
CARB	California Air Resources Board
CCC	Statewide Carbon Common Cost
CEQA	California Environmental Quality Act
COI	Cost of Implementation
CPUC	California Public Utilities Commission
CUPA	Certified Unified Program Agency
DER	Distributed Energy Resources
DOT	Department of Transportation
DTSC	Department of Toxic Substances Control
EA	Environmental Assessment
ELAP	Environmental Laboratory Accreditation Program
EMS	Environmental Management System
EOC	Emergency Operations Center
ESCMP	Environmental Safety Compliance Management Program
ETS	Environmental Tracking System
FERC	Federal Energy Regulatory Commission
USEPA	U.S. Environmental Protection Agency
GHG	Greenhouse Gas
HCP	Habitat Conservation Plan
HRA	Health Risk Assessment
HSCCA	Hazardous Substance Cleanup Cost Account
IAS	International Accreditation Service
LDAR	Leak Detection Abatement Repair
LEA	Local Enforcement Agency
LTSA	Long-Term Service Agreement
MW	Mega-Watt
MS4	Municipal Separate Storm Sewer System
NEPA	National Environmental Policy Act
NERBA	New Environmental Regulatory Balancing Account
NPDES	National Pollutant Discharge Elimination System
O&M	Operations & Maintenance
OIR	Order Instituting Ratemaking

ACRONYM	DEFINITION
OWS	Oil Water Separator
RCRA	Resource Conservation Recovery Act
PCB	Polychlorinated biphenyls
SB	Senate Bill
SDAPCD	San Diego Air Pollution Control District
SWRCB	State Water Resources Control Board
TNI	The NELAC Institute
TSDF	Treatment, Storage, and Disposal Facility
TY	Test Year