

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



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Application of SAN DIEGO GAS & ELECTRIC  
COMPANY (U 902 M) for Approval of its Energy Storage  
Procurement Framework and Program As Required by A1603008 Filed March 1, 2016) Decision 13-10-040. Application No. 16-03-\_\_\_\_\_

**APPLICATION OF  
SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)**

Paul A. Szymanski  
Senior Counsel  
8330 Century Park Court, CP32D  
San Diego, CA 92123  
Telephone: (858) 654-1732  
Facsimile: (619) 699-5027  
Email: Pszymanski@semprautilities.com  
Attorney for  
SAN DIEGO GAS & ELECTRIC COMPANY

March 1, 2016

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OF THE STATE OF CALIFORNIA**

Application of SAN DIEGO GAS & ELECTRIC  
COMPANY (U 902 M) for Approval of its Energy Storage  
Procurement Framework and Program As Required by  
Decision 13-10-040.

Application No. 16-03-\_\_\_\_  
(Filed March 1, 2016)

**APPLICATION OF  
SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)**

Pursuant to Sections 2835 *et seq.* of the California Public Utilities Code (“P.U. Code”) and Rules 2.1 *et seq.* of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), San Diego Gas & Electric Company (“SDG&E”) requests review and approval of its Energy Storage Procurement Framework and Program. This Application is in response to, and consistent with, the direction provided in Commission Decision (“D.”) 13-10-040 (“Energy Storage Decision”).<sup>1</sup>

**I. INTRODUCTION**

On December 16, 2010, the Commission opened Rulemaking (“R.”) 10-12-007 to implement the provisions of Assembly Bill (“AB”) 2514 (Stats. 2010, ch. 469), to determine appropriate targets, if any, to procure viable and cost-effective energy storage systems.<sup>2</sup>

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<sup>1</sup> See esp. D.13-10-040 at 77, Ordering Paragraph 4.

<sup>2</sup> Energy storage systems are defined in P.U. Code Section 2835(a):

(1) “Energy storage system” means commercially available technology that is capable of absorbing energy, storing it for a period of time, and thereafter dispatching the energy. An “energy storage system” may have any of the characteristics in paragraph (2), shall accomplish one of the purposes in paragraph (3), and shall meet at least one of the characteristics in paragraph (4).

(2) An “energy storage system” may have any of the following characteristics:

(A) Be either centralized or distributed.

(B) Be either owned by a load-serving entity or local publicly owned electric utility, a customer of a load-serving entity or local publicly owned electric utility, or a third party, or is jointly owned by two or more of the above.

Footnote continued...

On October 21, 2013, the Commission issued the Energy Storage Decision adopting procurement targets for SDG&E to procure energy storage systems during 2014-2020. SDG&E's procurement target is indicated in Table JG-1 of SDG&E witness Joshua Gerber's testimony and in Table 1 below. The Energy Storage Decision also adopted this procurement framework and design program to achieve procurement targets, and it ordered the utilities to file procurement applications containing a proposal for procuring energy storage resources, as described in Section 3.d of Appendix A of the Energy Storage Decision.<sup>3</sup> Pursuant to the Commission's Order, SDG&E filed its first such application, A.14-02-006, which proposed SDG&E's 2014 biennial electric storage procurement plan, and which was subsequently approved in D.14-10-045. The subject Application provides SDG&E's 2016 biennial electric storage procurement plan which updates the prior plan based on data and experience from the past two years.

SDG&E respectfully seeks approval of SDG&E's overall procurement plan, inclusive of incremental storage-related resources, as explained in the accompany testimony of Joshua Gerber; the procurement aspects of the plan as explained in the testimonies of Joshua Gerber and Patrick Charles; the evaluation plan explained in the testimony of Randy Nicholson; and the cost allocation methodologies explained in the testimony of Cynthia Fang.

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(3) An "energy storage system" shall be cost effective and either reduce emissions of greenhouse gases, reduce demand for peak electrical generation, defer or substitute for an investment in generation, transmission, or distribution assets, or improve the reliable operation of the electrical transmission or distribution grid.

(4) An "energy storage system" shall do one or more of the following:

(A) Use mechanical, chemical, or thermal processes to store energy that was generated at one time for use at a later time.

(B) Store thermal energy for direct use for heating or cooling at a later time in a manner that avoids the need to use electricity at that later time.

(C) Use mechanical, chemical, or thermal processes to store energy generated from renewable resources for use at a later time.

(D) Use mechanical, chemical, or thermal processes to store energy generated from mechanical processes that would otherwise be wasted for delivery at a later time.

<sup>3</sup> See D.13-10-040 at 77, Ordering Paragraph 3.

## II. OVERALL STRATEGY AND 2014 – 2020 PLAN

The Energy Storage Decision directs SDG&E to solicit and target procurement of 165 MW of energy storage capacity by 2020. The procurement of energy storage systems will be conducted for three different domains: transmission, distribution and customer. The targets (as set by D.13-10-040) and the timing of the procurement are as follow:

**Table 1. SDG&E’s Procurement Schedule Based on the Energy Storage Decision**

|              | 2014         | 2016         | 2018         | 2020         | 2014-20       |
|--------------|--------------|--------------|--------------|--------------|---------------|
| Transmission | 10 MW        | 15 MW        | 22 MW        | 33 MW        | 80 MW         |
| Distribution | 7 MW         | 10 MW        | 15 MW        | 23 MW        | 55 MW         |
| Customers    | <u>3 MW</u>  | <u>5 MW</u>  | <u>8 MW</u>  | <u>14 MW</u> | <u>30 MW</u>  |
| Total        | <u>20 MW</u> | <u>30 MW</u> | <u>45 MW</u> | <u>70 MW</u> | <u>165 MW</u> |

The energy storage capacity to be procured by SDG&E is required to be in-service by the end of 2024.<sup>4</sup>

As with SDG&E’s 2014 plan, the 2016 plan proposed herein and two further, biennial solicitations thereafter will seek to identify projects consistent with the guiding principles established in AB 2514 and P.U. Code § 2835(a)(3). These guiding principles include:

- 1) The optimization of the grid, including peak reduction, contribution to reliability needs, or deferment of transmission and distribution upgrade investments;
- 2) The integration of renewable energy; and
- 3) The reduction of greenhouse gas emissions to 80 percent below 1990 levels by 2050, per Governor Brown’s mandate in Executive Order B-30-15.<sup>5</sup>

<sup>4</sup> D.13-10-040, Appendix A at 1.

<sup>5</sup> Executive Order B-30-15 is available at: <https://www.gov.ca.gov/news.php?id=18938>.

SDG&E intends to count existing projects towards 2016 and ongoing procurement cycle targets as appropriate.

### III. PROGRESS TOWARDS THE TARGETS

Based on previously approved storage projects, new storage additions since the 2014 procurement plan, currently pending contract(s), and currently pending customer-side interconnections, SDG&E has achieved 99.1 MW of energy storage, or 60% of its identified target. Nearly 94% of all installed and pending storage capacity is third-party-owned, with only 6% owned by SDG&E. SDG&E’s progress towards meeting the targets is described in Mr. Gerber’s testimony, and summarized by domain in the table below.

| <b>Procurement Targets and Current Progress</b>                           | <b>Transmission</b>                  | <b>Distribution</b>         | <b>Customer</b> | <b>Total</b>    |
|---|--------------------------------------|-----------------------------|-----------------|-----------------|
| Established Target  | 80.00 MW                             | 55.00 MW                    | 30.00 MW        | 165.00 MW       |
| Less Existing projects as authorized                                      | 40.00 MW                             | 6.15 MW                     | 4.66 MW         | - 50.81 MW      |
| Less Expected offsets from 2014/2015 procurement and installations        | 40.00 MW                             | 0.00 MW                     | 8.29 MW         | - 48.29 MW      |
| <b>Net Target for 2016 and remaining cycles / [w/80% Domain Transfer]</b> | <b>0 MW / [39.08 MW]<sup>6</sup></b> | <b>48.85 MW / [9.77 MW]</b> | <b>17.05 MW</b> | <b>65.90 MW</b> |

### IV. PROPOSED 2016 PROCUREMENT PLAN OVERVIEW

SDG&E’s energy storage optimization strategy is designed to allow SDG&E to meet its energy storage procurement targets established in the Energy Storage Decision while minimizing ratepayer costs, maximizing portfolio value, and managing risk. Through this strategy, SDG&E will contribute to the achievement of the market transformation envisioned in AB 2514 and the Energy Storage Decision.

Based on existing projects described in this Application and accompanying testimony,

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<sup>6</sup> D.13-10-040 authorized procurement flexibility among the transmission and distribution domains, and allows up to 80% of the target to be shifted between the two domains. See D.13-10-040, Appendix A at 3.

SDG&E is in compliance with the 2016 procurement target for the transmission and customer domains and is in compliance for the distribution domain if it elects to transfer between buckets and/or takes advantage of deferment.<sup>7</sup> While SDG&E is in compliance with its various Commission-established 2016 procurement targets in each domain, SDG&E believes there are near-term opportunities to address local capacity and preferred resource requirements with storage – and SDG&E is moving on an accelerated timeline to address those requirements. Similarly, there are opportunities to address evolving needs on the distribution system with storage technologies. Accordingly, for the 2016 storage procurement cycles and as described in detail in direct testimonies of Patrick Charles and Joshua Gerber, SDG&E is currently pursuing or will pursue energy storage in the following solicitations:

1. **2016 Preferred Resources Local Capacity Requirement (“LCR”) Request for Offers (“RFO”)** soliciting **up to 140 MW** from five different product types<sup>8</sup> including energy storage. Energy storage solicited in this RFO may come from any of the three grid domains: transmission, distribution, and / or customer.<sup>9</sup>
2. **2016 Distribution Reliability/Power Quality Request for Proposals** soliciting **up to 4 MW** of utility owned energy storage systems via a competitive Request for Proposal (“RFP”) process to potentially enable: a) some measure of distribution capacity deferral, or b) address reliability and/or provide outage management support.

However, as articulated in Mr. Gerber and Mr. Charles’s testimony, SDG&E will conduct

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<sup>7</sup> D.13-10-040 authorized procurement flexibility among the transmission and distribution domains, and allows up to 80% of the target to be shifted between the two domains. *Id.* SDG&E meets its 2016 procurement cycle targets if it elects to transfer between buckets and/or take advantage of deferment. Therefore SDG&E is not required to procure storage in the 2016 cycle, but recognizes that there may be real opportunities to procure storage now and is looking at all timing and quantity options.

<sup>8</sup> The five product types included in SDG&E’s 2016 Preferred Resources LCR RFO are: energy efficiency, demand response, renewables, energy storage and distributed generation.

<sup>9</sup> SDG&E issued this solicitation on February 26, 2016. As described in the testimony of Mr. Gerber and Mr. Charles, this solicitation is being issued under authority granted by D.14-03-004 and to give storage projects procured through this solicitation a realistic opportunity to meet a required Q3 2021 on-line date for local capacity resources. SDG&E deemed it necessary to issue this preferred resources solicitation ahead of the December 1, 2016 date anticipated in the Energy Storage Decision. Though issued on an accelerated timeline, SDG&E nevertheless expects that any storage procured through this solicitation would count towards SDG&E’s remaining storage procurement requirements.

the two solicitations in the 2016 cycle in order to capture any cost-effective, viable storage that may be available. While this Application and testimony indicate target quantities of storage SDG&E is seeking, the actual quantity procured may be less depending on cost, viability and other factors.

## **V. PROCUREMENT METHODOLOGY FOR PROPOSED 2016 PROCUREMENT**

SDG&E is working toward procuring energy storage systems from the 2014 procurement cycle via established procurement methodologies. For the 2016 Preferred Resources LCR RFO, SDG&E will use a methodology significantly similar to SDG&E's Long Term Procurement Plan ("LTPP") methodology. This process is described in Mr. Charles' testimony. For the 2016 Distribution Reliability RFO SDG&E will use a methodology similar to solicitations for distribution system infrastructure. This methodology is described in Mr. Charles' testimony.

The 2016 Distribution Reliability/Power Quality Solicitation will utilize the standard process that SDG&E has in place for the procurement of distribution reliability assets.

## **VI. EVALUATION PROTOCOL**

Energy storage is a nascent technology and therefore, evaluation of storage presents new and unique challenges. When evaluating energy storage SDG&E will look at quantitative and qualitative factors. The factors examined for each proposed program is detailed in the testimony of SDG&E witness Mr. Randy Nicholson.

## **VII. COST RECOVERY**

SDG&E does not propose any new recovery mechanisms as part of this proceeding; rather SDG&E proposes to utilize existing cost recovery mechanisms. The appropriate cost recovery mechanism to be applied to any given storage project should be determined by the service/function provided by the project. SDG&E's proposal follows Commission precedent that costs should be



recovered from all benefitting customers, which in this instance would tie cost recovery to the type of function and not necessarily domain.

## **VIII. OTHER ISSUES**

SDG&E will comply with the reporting requirements defined in D.13-10-040. This application also includes the following information which is incorporated by reference.

- Attachment B – Report on All Storage Resources Procured to Date in All Commission Proceedings
- Attachment C – List of Applicable Statutes and Rules That May Impact Energy Storage Procurement

## **IX. SUMMARY OF TESTIMONY**

This Application is supported by the testimonies of four witnesses, which are being separately served, concurrently with the filing of this Application.

- The Prepared Direct Testimony of Joshua M. Gerber provides information concerning SDG&E's policy and SDG&E's existing projects and plan.
- The Prepared Direct Testimony of Patrick K. Charles provides information concerning SDG&E's proposed Procurement Methodology.
- The Prepared Direct Testimony of Randy Nicholson provides information concerning SDG&E's proposed Evaluation Protocol.
- The Prepared Direct Testimony of Cynthia Fang provides information concerning SDG&E's cost recovery/memorandum account proposal.

## **X. STATUTORY AND PROCEDURAL REQUIREMENTS**

### **A. Compliance with Rule 2.1**

In accordance with Rule 2.1 of the Commission's Rules of Practice and Procedure, SDG&E provides the following information concerning the proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule.

**1. Proposed Category of Proceeding**

SDG&E proposes to categorize this Application as a “ratesetting” proceeding within the meaning of Commission Rules 1.3(e) and 7.1.

**2. Need for Hearing and Proposed Schedule**

SDG&E does not believe that approval of this Application will require hearings and respectfully requests that the Commission find that no hearing is necessary. If, however, the Commission finds that an evidentiary hearing is necessary, SDG&E requests that such hearing be conducted as soon as practicable. SDG&E proposes the following procedural schedule, which includes hearings in the event hearings are deemed to be necessary.

| <u><b>ACTION</b></u>             | <u><b>DATE</b></u>   |
|----------------------------------|--|
| Application filed                | March 1, 2016  |
| Responses/Protests filed, if any | 30 days after notice of filing in Daily Calendar (estimated April 4, 2016) |
| Reply to Responses/Protests      | April 14, 2016   |
| Prehearing Conference            | May 17, 2016   |
| Scoping Memo Issues              | June 6, 2016   |
| Hearings                         | (if needed)  |
| Concurrent Opening Briefs        | July 11, 2016  |
| Concurrent Reply Briefs          | July 25, 2016  |
| ALJ Proposed Decision            | September 2016   |
| Comments on Proposed Decision    | 20 Days After Proposed Decision  |
| Final Commission Decision        | October 2016   |

The issues in this proceeding are: whether SDG&E’s Energy Storage Procurement Framework

should be authorized, pursuant to and consistent with D.13-10-040, with the features described in this Application and supporting documents; and whether SDG&E's cost recovery proposals should be authorized. SDG&E is unaware of any specific objections any party might raise to any of these issues.

**B. Statutory Authority - Rule 2.1**

This Application is filed pursuant to D.13-10-040 and statutes and authorities identified in Attachment C to this Application, and complies with the applicable orders of the Commission and the Commission's Rules of Practice and Procedure.

**C. Legal Name and Correspondence – Rule 2.1(a)**

San Diego Gas & Electric Company is a public utility organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. SDG&E's principal place of business is 8330 Century Park Court, San Diego, California 92123.

The attorney representing SDG&E in this matter is Paul A. Szymanski. Correspondence or communications regarding this Application should be addressed to:

Will Fuller  
Regulatory Case Administrator  
San Diego Gas & Electric Company  
8330 Century Park Court, CP32D  
San Diego, CA 92123-1530  
Telephone: (858) 654-1885  
Facsimile: (619) 699-5027  
Email: WFuller@semprautilities.com

with copies to:

Paul A. Szymanski  
Senior Counsel  
8330 Century Park Court, CP32D  
San Diego, CA 92123  
Telephone: (858) 654-1732  
Facsimile: (619) 699-5027  
Email: PSzymanski@semprautilities.com  
Attorney for  
SAN DIEGO GAS & ELECTRIC COMPANY

**D. Articles of Incorporation - Rule 2.2**

A certified copy of SDG&E's Restated Articles of Incorporation, as last amended, presently in effect and certified by the California Secretary of State, was previously filed with the Commission on September 10, 2014, in connection with SDG&E's Application No. A.14-09-008, and is incorporated herein by reference.

**E. Balance Sheet, Income Statement, Financial Statement and Summary of Earnings**

Although SDG&E is not seeking a rate change in this Application, and therefore Commission Rule 3.2 is not applicable, SDG&E provides a copy of its Balance Sheet, Income Statement, Financial Statement and Summary of Earnings for the nine-month period ending September 30, 2015 in Attachment A, for informational purposes only.

**F. Service**

This is a new application and no service list has been established. Accordingly, SDG&E will serve this Application on the parties to the service list for R.15-03-011. Hard copies will be sent by overnight mail to the Assigned Commissioner in R.15-03-011, Carla Peterman, the Assigned Administrative Law Judge in R.15-03-011, Regina DeAngelis and Chief Administrative Law Judge, Karen V. Clopton.

**XI. ATTACHMENTS**

Attachments A through C, described below, are a part of, and incorporated into, this Application:

Attachment A – SDG&E's Balance Sheet, Income Statement, Financial Statement and Summary of Earnings

Attachment B – Report on All Storage Resources Procured to Date in All Commission Proceedings

Attachment C – List of Applicable Statutes and Rules That May Impact Energy  
Storage Procurement

**XII. CONCLUSION**

WHEREFORE, SDG&E respectfully requests that the Commission issue its Order herein, approve SDG&E's storage procurement plan and proposals as set forth in this Application and supporting documents (including testimony, and attachments) and take all necessary and related actions, including granting such additional authorizations as this Commission may deem appropriate.

DATED at San Diego, California, this 1st day of March 2016

Respectfully submitted,

/s/ Paul A. Szymanski

Paul A. Szymanski  
Senior Counsel  
8330 Century Park Court, CP32D  
San Diego, CA 92123  
Telephone: (858) 654-1732  
Facsimile: (619) 699-5027  
Email: Pszymanski@semprautilities.com

Attorney for  
San Diego Gas & Electric Company

/s/ Scott Drury

Scott Drury  
Chief Energy Supply Officer  
San Diego Gas & Electric Company

**VERIFICATION**

I am Scott Drury, Chief Energy Supply Officer for San Diego Gas & Electric Company (“SDG&E”). I am an officer of SDG&E and am authorized to make this verification for and on behalf of said corporation. The content of this document is true, except as to matters that are stated on information and belief. As to those matters, I believe them to be true.

Copies were sent via Federal Express to the Assigned Commissioner Carla J. Peterman, the Assigned Administrative Law Judge in R.15-03-011, Regina DeAngelis and Chief Administrative Law Judge, Karen V. Clopton

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

Executed this 1st day of March, 2016 in San Diego, California.

By:  /s/ Scott Drury \_\_\_\_\_

Scott Drury  
Chief Energy Supply Officer  
San Diego Gas & Electric Company

# Attachment A

(Balance Sheet, Income Statement,  
Financial Statement and  
Summary of Earnings)

**SAN DIEGO GAS & ELECTRIC COMPANY  
BALANCE SHEET  
ASSETS AND OTHER DEBITS  
SEPTEMBER 30, 2015**

|     | <b>1. UTILITY PLANT</b>   | <u>2015</u>           |
|-----|---|-----------------------|
| 101 | UTILITY PLANT IN SERVICE  | \$14,367,101,567      |
| 102 | UTILITY PLANT PURCHASED OR SOLD   | -                     |
| 104 | UTILITY PLANT LEASED TO OTHERS  | 85,194,000            |
| 105 | PLANT HELD FOR FUTURE USE   | 11,307,728            |
| 106 | COMPLETED CONSTRUCTION NOT CLASSIFIED   | -                     |
| 107 | CONSTRUCTION WORK IN PROGRESS   | 711,880,011           |
| 108 | ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT                           | (4,492,473,352)       |
| 111 | ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT                           | (510,032,224)         |
| 114 | ELEC PLANT ACQUISITION ADJ  | 3,750,722             |
| 115 | ACCUM PROVISION FOR AMORT OF ELECTRIC PLANT ACQUIS ADJ                            | (937,680)             |
| 118 | OTHER UTILITY PLANT   | 1,002,944,475         |
| 119 | ACCUMULATED PROVISION FOR DEPRECIATION AND<br>AMORTIZATION OF OTHER UTILITY PLANT | (249,922,068)         |
| 120 | NUCLEAR FUEL - NET  | -                     |
|     | <b>TOTAL NET UTILITY PLANT</b>  | <u>10,928,813,179</u> |
|     | <b>2. OTHER PROPERTY AND INVESTMENTS</b>  |                       |
| 121 | NONUTILITY PROPERTY   | 5,946,616             |
| 122 | ACCUMULATED PROVISION FOR DEPRECIATION AND<br>0                                   | (364,300)             |
| 123 | INVESTMENTS IN SUBSIDIARY COMPANIES   | -                     |
| 124 | OTHER INVESTMENTS   | -                     |
| 125 | SINKING FUNDS   | -                     |
| 128 | OTHER SPECIAL FUNDS   | <u>1,060,280,100</u>  |
|     | <b>TOTAL OTHER PROPERTY AND INVESTMENTS</b>                                       | <u>1,065,862,416</u>  |

Data from SPL as of September 30, 2015



**SAN DIEGO GAS & ELECTRIC COMPANY  
BALANCE SHEET  
ASSETS AND OTHER DEBITS  
SEPTEMBER 30, 2015**

| <b>3. CURRENT AND ACCRUED ASSETS</b> |  | 2015           |
|--------------------------------------|--|----------------|
| 131                                  | CASH   | 3,030,462      |
| 132                                  | INTEREST SPECIAL DEPOSITS                        | -              |
| 134                                  | OTHER SPECIAL DEPOSITS                           | -              |
| 135                                  | WORKING FUNDS                                    | 500            |
| 136                                  | TEMPORARY CASH INVESTMENTS                       | -              |
| 141                                  | NOTES RECEIVABLE                                 | -              |
| 142                                  | CUSTOMER ACCOUNTS RECEIVABLE                     | 346,797,616    |
| 143                                  | OTHER ACCOUNTS RECEIVABLE                        | 26,817,735     |
| 144                                  | ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS | (3,707,704)    |
| 145                                  | NOTES RECEIVABLE FROM ASSOCIATED COMPANIES       | 1,040          |
| 146                                  | ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES    | 1,408,885      |
| 151                                  | FUEL STOCK                                       | 3,260,510      |
| 152                                  | FUEL STOCK EXPENSE UNDISTRIBUTED                 | -              |
| 154                                  | PLANT MATERIALS AND OPERATING SUPPLIES           | 102,483,040    |
| 156                                  | OTHER MATERIALS AND SUPPLIES                     | -              |
| 158                                  | ALLOWANCES                                       | 211,964,533    |
| 163                                  | STORES EXPENSE UNDISTRIBUTED                     | -              |
| 164                                  | GAS STORED                                       | 363,740        |
| 165                                  | PREPAYMENTS                                      | 213,745,858    |
| 171                                  | INTEREST AND DIVIDENDS RECEIVABLE                | 30,284,804     |
| 173                                  | ACCRUED UTILITY REVENUES                         | 68,396,000     |
| 174                                  | MISCELLANEOUS CURRENT AND ACCRUED ASSETS         | 2,294,000      |
| 175                                  | DERIVATIVE INSTRUMENT ASSETS                     | 110,421,434    |
| TOTAL CURRENT AND ACCRUED ASSETS     |  | 1,117,562,453  |
| <b>4. DEFERRED DEBITS</b>            |  |                |
| 181                                  | UNAMORTIZED DEBT EXPENSE                         | 32,258,871     |
| 182                                  | UNRECOVERED PLANT AND OTHER REGULATORY ASSETS    | 3,459,221,656  |
| 183                                  | PRELIMINARY SURVEY & INVESTIGATION CHARGES       | 4,935,394      |
| 184                                  | CLEARING ACCOUNTS                                | 87,898         |
| 185                                  | TEMPORARY FACILITIES                             | -              |
| 186                                  | MISCELLANEOUS DEFERRED DEBITS                    | 38,117,572     |
| 188                                  | RESEARCH AND DEVELOPMENT                         | -              |
| 189                                  | UNAMORTIZED LOSS ON REACQUIRED DEBT              | 12,970,940     |
| 190                                  | ACCUMULATED DEFERRED INCOME TAXES                | 622,871,848    |
| TOTAL DEFERRED DEBITS                |  | 4,170,464,179  |
| TOTAL ASSETS AND OTHER DEBITS        |  | 17,282,702,227 |

Data from SPL as of September 30, 2015

**SAN DIEGO GAS & ELECTRIC COMPANY  
BALANCE SHEET  
LIABILITIES AND OTHER CREDITS  
SEPTEMBER 30, 2015**

**5. PROPRIETARY CAPITAL**

|  | 2015            |
|--|-----------------|
| 201 COMMON STOCK ISSUED                    | (\$291,458,395) |
| 204 PREFERRED STOCK ISSUED                 | -               |
| 207 PREMIUM ON CAPITAL STOCK               | (591,282,978)   |
| 210 GAIN ON RETIRED CAPITAL STOCK          | -               |
| 211 MISCELLANEOUS PAID-IN CAPITAL          | (479,665,368)   |
| 214 CAPITAL STOCK EXPENSE                  | 24,605,640      |
| 216 UNAPPROPRIATED RETAINED EARNINGS       | (3,901,431,394) |
| 219 ACCUMULATED OTHER COMPREHENSIVE INCOME | 11,616,701      |
| TOTAL PROPRIETARY CAPITAL                  | (5,227,615,794) |

**6. LONG-TERM DEBT**

|  |                 |
|--|-----------------|
| 221 BONDS                                  | (4,239,648,000) |
| 223 ADVANCES FROM ASSOCIATED COMPANIES     | -               |
| 224 OTHER LONG-TERM DEBT                   | -               |
| 225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT  | -               |
| 226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT | 9,859,819       |
| TOTAL LONG-TERM DEBT                       | (4,229,788,181) |

**7. OTHER NONCURRENT LIABILITIES**

|   |                 |
|---|-----------------|
| 227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT     | (626,930,962)   |
| 228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES  | (28,972,084)    |
| 228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS | (231,530,674)   |
| 228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS  | -               |
| 230 ASSET RETIREMENT OBLIGATIONS                      | (846,331,644)   |
| TOTAL OTHER NONCURRENT LIABILITIES                    | (1,733,765,364) |

Data from SPL as of September 30, 2015

**SAN DIEGO GAS & ELECTRIC COMPANY  
BALANCE SHEET  
LIABILITIES AND OTHER CREDITS  
SEPTEMBER 30, 2015**

| <b>8. CURRENT AND ACCRUED LIABILITES</b> |   | 2015               |
|--|---|--------------------|
| 231                                      | NOTES PAYABLE                                   | (44,200,000)       |
| 232                                      | ACCOUNTS PAYABLE                                | (443,436,444)      |
| 233                                      | NOTES PAYABLE TO ASSOCIATED COMPANIES           | -                  |
| 234                                      | ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES        | (21,881,544)       |
| 235                                      | CUSTOMER DEPOSITS                               | (70,845,796)       |
| 236                                      | TAXES ACCRUED                                   | (195,083,388)      |
| 237                                      | INTEREST ACCRUED                                | (54,123,252)       |
| 238                                      | DIVIDENDS DECLARED                              | -                  |
| 241                                      | TAX COLLECTIONS PAYABLE                         | (8,891,671)        |
| 242                                      | MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES   | (264,593,044)      |
| 243                                      | OBLIGATIONS UNDER CAPITAL LEASES - CURRENT      | (39,463,611)       |
| 244                                      | DERIVATIVE INSTRUMENT LIABILITIES               | (188,147,705)      |
| 245                                      | DERIVATIVE INSTRUMENT LIABILITIES - HEDGES      | -                  |
|  |   |                    |
| TOTAL CURRENT AND ACCRUED LIABILITIES    |   | (1,330,666,455)    |
| <b>9. DEFERRED CREDITS</b>               |   |                    |
| 252                                      | CUSTOMER ADVANCES FOR CONSTRUCTION              | (38,572,657)       |
| 253                                      | OTHER DEFERRED CREDITS                          | (348,878,514)      |
| 254                                      | OTHER REGULATORY LIABILITIES                    | (1,361,255,774)    |
| 255                                      | ACCUMULATED DEFERRED INVESTMENT TAX CREDITS     | (19,477,103)       |
| 257                                      | UNAMORTIZED GAIN ON REACQUIRED DEBT             | -                  |
| 281                                      | ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED | -                  |
| 282                                      | ACCUMULATED DEFERRED INCOME TAXES - PROPERTY    | (1,848,041,128)    |
| 283                                      | ACCUMULATED DEFERRED INCOME TAXES - OTHER       | (1,144,641,257)    |
|  |   |                    |
| TOTAL DEFERRED CREDITS                   |   | (4,760,866,433)    |
| TOTAL LIABILITIES AND OTHER CREDITS      |   | (\$17,282,702,227) |

Data from SPL as of September 30, 2015

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**FINANCIAL STATEMENT**  
**Sep 30, 2015**

|   |  |             |        |  |                   |
|---|--|-------------|--------|--|-------------------|
| <b>(a) Amounts and Kinds of Stock Authorized:</b> |  |             |        |  |                   |
| Common Stock                                      |  | 255,000,000 | shares |  | Without Par Value |
| <b>Amounts and Kinds of Stock Outstanding:</b>    |  |             |        |  |                   |
| Common Stock                                      |  | 116,583,358 | shares |  | 291,458,395       |

**(b) Brief Description of Mortgage:**

Full information as to this item is given in Application Nos. 08-07-029,10-10-023 and 12-03-005 to which references are hereby made.

**(c) Number and Amount of Bonds Authorized and Issued:**

|                                   | Nominal Date of Issue |  | Par Value Authorized and Issued | Outstanding |  | Interest Paid in 2014 |
|-----------------------------------|-----------------------|--|---------------------------------|-------------|--|-----------------------|
| <b>First Mortgage Bonds:</b>      |                       |  |                                 |             |  |                       |
| 6.80% Series KK, due 2013         | 12-01-91              |  | 14,400,000                      | 0           |  | 0                     |
| Var% Series OO, due 2027          | 12-01-92              |  | 250,000,000                     | 150,000,000 |  | 7,612,500             |
| 5.85% Series RR, due 2021         | 06-29-93              |  | 60,000,000                      | 0           |  | 0                     |
| 5.875% Series VV, due 2034        | 06-17-04              |  | 43,615,000                      | 43,615,000  |  | 2,562,373             |
| 5.875% Series WW, due 2034        | 06-17-04              |  | 40,000,000                      | 40,000,000  |  | 2,350,000             |
| 5.875% Series XX, due 2034        | 06-17-04              |  | 35,000,000                      | 35,000,000  |  | 2,056,250             |
| 5.875% Series YY, due 2034        | 06-17-04              |  | 24,000,000                      | 24,000,000  |  | 1,410,000             |
| 5.875% Series ZZ, due 2034        | 06-17-04              |  | 33,650,000                      | 33,650,000  |  | 1,976,938             |
| 4.00% Series AAA, due 2039        | 06-17-04              |  | 75,000,000                      | 75,000,000  |  | 3,000,000             |
| 5.35% Series BBB, due 2035        | 05-19-05              |  | 250,000,000                     | 250,000,000 |  | 13,375,000            |
| 5.30% Series CCC, due 2015        | 11-15-05              |  | 250,000,000                     | 250,000,000 |  | 13,250,000            |
| 6.00% Series DDD, due 2026        | 06-08-06              |  | 250,000,000                     | 250,000,000 |  | 15,000,000            |
| 1.65% Series EEE, due 2018        | 09-21-06              |  | 161,240,000                     | 161,240,000 |  | 2,660,460             |
| 6.125% Series FFF, due 2037       | 09-20-07              |  | 250,000,000                     | 250,000,000 |  | 15,312,500            |
| 6.00% Series GGG, due 2039        | 05-14-09              |  | 300,000,000                     | 300,000,000 |  | 18,000,000            |
| 5.35% Series HHH, due 2040        | 05-13-10              |  | 250,000,000                     | 250,000,000 |  | 13,375,000            |
| 4.50% Series III, due 2040        | 08-26-10              |  | 500,000,000                     | 500,000,000 |  | 22,500,000            |
| 3.00% Series JJJ, due 2021        | 08-18-11              |  | 350,000,000                     | 350,000,000 |  | 10,500,000            |
| 3.95% Series LLL, due 2041        | 11-17-11              |  | 250,000,000                     | 250,000,000 |  | 9,875,000             |
| 4.30% Series MMM, due 2042        | 03-22-12              |  | 250,000,000                     | 250,000,000 |  | 10,750,000            |
| 3.60% Series NNN, due 2023        | 09-09-13              |  | 450,000,000                     | 450,000,000 |  | 16,200,000            |
| .4677% Series OOO, due 2017       | 03-12-15              |  | 140,000,000                     | 140,000,000 |  | -                     |
| 1.9140% Series PPP, due 2022      | 03-12-15              |  | 39,112,892                      | 48,490,631  |  | -                     |
| <b>Total 1st. Mortgage Bonds:</b> |                       |  |                                 |             |  | <b>181,766,020</b>    |
| <b>Unsecured Bonds:</b>           |                       |  |                                 |             |  |                       |
| 5.30% CV96A, due 2021             | 08-02-96              |  | 38,900,000                      | 38,900,000  |  | 2,061,700             |
| 5.50% CV96B, due 2021             | 11-21-96              |  | 60,000,000                      | 60,000,000  |  | 3,300,000             |
| 4.90% CV97A, due 2023             | 10-31-97              |  | 25,000,000                      | 25,000,000  |  | 1,225,000             |
| <b>Total Unsecured Bonds</b>      |                       |  |                                 |             |  | <b>6,586,700</b>      |
| <b>Total Bonds:</b>               |                       |  |                                 |             |  | <b>188,352,720</b>    |

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**FINANCIAL STATEMENT**  
 Sep 30, 2015

| Other Indebtedness:              | Date of Issue | Date of Maturity | Interest Rate | Outstanding | Interest Paid 2015 |
|----------------------------------|---------------|------------------|---------------|-------------|--------------------|
| Commercial Paper & ST Bank Loans | Various       | Various          | Various       | 44,200,000  | \$157,004          |

**Amounts and Rates of Dividends Declared:**

The amounts and rates of dividends during the past five fiscal years are as follows:

| Preferred Stock | Shares Outstanding 12-31-14 |                    |                    |                    |      |      |
|-----------------|-----------------------------|--------------------|--------------------|--------------------|------|------|
|                 |                             | 2011               | 2012               | 2013               | 2014 | 2015 |
| 5.0%            | -                           | \$375,000          | \$375,000          | \$281,250          | -    | -    |
| 4.50%           | -                           | 270,000            | 270,000            | 202,500            | -    | -    |
| 4.40%           | -                           | 286,000            | 286,000            | 214,500            | -    | -    |
| 4.60%           | -                           | 343,868            | 343,868            | 257,901            | -    | -    |
| \$ 1.70         | -                           | 2,380,000          | 2,380,000          | 1,785,000          | -    | -    |
| \$ 1.82         | -                           | 1,164,800          | 1,164,800          | 873,600            | -    | -    |
| <b>Total</b>    | -                           | <b>\$4,819,668</b> | <b>\$4,819,668</b> | <b>\$3,614,751</b> | -    | -    |

| Common Stock           | 2011 | 2012 | 2013 | 2014          | 2015        |
|------------------------|------|------|------|---------------|-------------|
| Dividend to Parent [1] | -    | -    | -    | \$200,000,000 | 150,000,000 |

**NOTE 11 PREFERRED STOCK 10K:**

On October 15, 2013, SDG&E redeemed all six series of its outstanding shares of contingently redeemable preferred stock for \$82 million, including a \$3 million early call premium (pg 9.1).

A balance sheet and a statement of income and retained earnings of applicant for the nine months ended Sep 30, 2015 are attached hereto.

[1] San Diego Gas & Electric Company dividend to parent.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2015**

**1. UTILITY OPERATING INCOME**

|       |  |                 |                      |
|-------|--|-----------------|----------------------|
| 400   | OPERATING REVENUES                           |                 | \$3,613,174,322      |
| 401   | OPERATING EXPENSES                           | \$2,237,186,073 |                      |
| 402   | MAINTENANCE EXPENSES                         | 100,481,589     |                      |
| 403-7 | DEPRECIATION AND AMORTIZATION EXPENSES       | 426,951,749     |                      |
| 408.1 | TAXES OTHER THAN INCOME TAXES                | 93,356,007      |                      |
| 409.1 | INCOME TAXES                                 | 73,433,119      |                      |
| 410.1 | PROVISION FOR DEFERRED INCOME TAXES          | 348,097,607     |                      |
| 411.1 | PROVISION FOR DEFERRED INCOME TAXES - CREDIT | (204,682,441)   |                      |
| 411.4 | INVESTMENT TAX CREDIT ADJUSTMENTS            | (2,138,062)     |                      |
| 411.6 | GAIN FROM DISPOSITION OF UTILITY PLANT       | -               |                      |
|       | TOTAL OPERATING REVENUE DEDUCTIONS           |                 | <u>3,072,685,641</u> |
|       | NET OPERATING INCOME                         |                 | 540,488,681          |

**2. OTHER INCOME AND DEDUCTIONS**

|       |   |                   |                             |
|-------|---|-------------------|-----------------------------|
| 415   | REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK | -                 |                             |
| 417   | REVENUES OF NONUTILITY OPERATIONS                     | 4,707             |                             |
| 417.1 | EXPENSES OF NONUTILITY OPERATIONS                     | -                 |                             |
| 418   | NONOPERATING RENTAL INCOME                            | 60,372            |                             |
| 418.1 | EQUITY IN EARNINGS OF SUBSIDIARIES                    | -                 |                             |
| 419   | INTEREST AND DIVIDEND INCOME                          | 33,332,508        |                             |
| 419.1 | ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION    | 26,911,290        |                             |
| 421   | MISCELLANEOUS NONOPERATING INCOME                     | 288,227           |                             |
| 421.1 | GAIN ON DISPOSITION OF PROPERTY                       | -                 |                             |
|       | TOTAL OTHER INCOME                                    | <u>60,597,104</u> |                             |
| 421.2 | LOSS ON DISPOSITION OF PROPERTY                       | -                 |                             |
| 425   | MISCELLANEOUS AMORTIZATION                            | 187,536           |                             |
| 426   | MISCELLANEOUS OTHER INCOME DEDUCTIONS                 | 3,744,872         |                             |
|       | TOTAL OTHER INCOME DEDUCTIONS                         | <u>3,932,408</u>  |                             |
| 408.2 | TAXES OTHER THAN INCOME TAXES                         | 468,992           |                             |
| 409.2 | INCOME TAXES  | 1,577,334         |                             |
| 410.2 | PROVISION FOR DEFERRED INCOME TAXES                   | 43,664,994        |                             |
| 411.2 | PROVISION FOR DEFERRED INCOME TAXES - CREDIT          | (21,961,887)      |                             |
|       | TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS            | <u>23,749,433</u> |                             |
|       | TOTAL OTHER INCOME AND DEDUCTIONS                     |                   | <u>32,915,263</u>           |
|       | INCOME BEFORE INTEREST CHARGES                        |                   | 573,403,944                 |
|       | EXTRAORDINARY ITEMS AFTER TAXES                       |                   | 12,557,074                  |
|       | NET INTEREST CHARGES*                                 |                   | <u>142,704,795</u>          |
|       | NET INCOME  |                   | <u><u>\$443,256,223</u></u> |

*\*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION, (\$10,183,597)*

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2015**

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**3. RETAINED EARNINGS**

|  |                        |
|--|------------------------|
| RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED | \$3,608,175,171        |
| NET INCOME (FROM PRECEDING PAGE)                                 | 443,256,223            |
| DIVIDEND TO PARENT COMPANY                                       | (150,000,000)          |
| DIVIDENDS DECLARED - PREFERRED STOCK                             | 0                      |
| OTHER RETAINED EARNINGS ADJUSTMENTS                              | 0                      |
| RETAINED EARNINGS AT END OF PERIOD                               | <u>\$3,901,431,394</u> |

**SAN DIEGO GAS & ELECTRIC COMPANY  
SUMMARY OF EARNINGS  
NINE MONTHS ENDED SEPTEMBER 30, 2015  
(DOLLARS IN MILLIONS)**

| <u>Line No.</u> | <u>Item</u>                | <u>Amount</u>       |
|-----------------|----------------------------|---------------------|
| 1               | Operating Revenue          | \$3,613             |
| 2               | Operating Expenses         | <u>3,073</u>        |
| 3               | Net Operating Income       | <u><u>\$540</u></u> |
| 4               | Weighted Average Rate Base | \$4,471             |
| 5               | Rate of Return*            | 7.79%               |

\*Authorized Cost of Capital



## Attachment B

(Report on All Storage Resources Procured to  
Date in All Commission Proceedings)

Existing Storage Projects

| Project name                      | Internal Name                 | Eligible biennial procurement cycle | Online date (expected or actual) | Project type     | Point of interconnection | Capacity (MW) | Energy content (MWh) | Location (city)        | Location (zip code) | Procurement proceeding | Procurement mechanism | Status of project | Expected operational life (years) | Primary application of project | Secondary application of project | Technology manufacturer     | Project owner | Project operator |
|-----------------------------------|-------------------------------|-------------------------------------|----------------------------------|------------------|--------------------------|---------------|----------------------|------------------------|---------------------|------------------------|-----------------------|-------------------|-----------------------------------|--------------------------------|----------------------------------|-----------------------------|---------------|------------------|
| Lake Hodges Pumped Hydro          | Lake Hodges PPA               | 2014 Cycle                          | Q3 2011                          | Pumped Hydro     | Transmission             | 40,000        | 240,000              | Escondido              | 92025               | D 04-08-028            | Bilateral             | Installed         | 25                                | Grid Optimization              |                                  |                             | SDWCA         | SD&E             |
| Borrego Springs Unit 1            | Miraflores SES                | 2014 Cycle                          | Q3 2012                          | Battery - Li Ion | Distribution             | 0.500         | 1,500                | Borrego Springs        | 92004               | D 13-05-010            | RFP                   | Installed         | 15                                | Islanding                      | Power Quality                    | S&C, Boker Hamfin           | SD&E          | SD&E             |
| Borrego Springs Unit 2            | Borrego CES                   | 2014 Cycle                          | Q2 2013                          | Battery - Li Ion | Distribution             | 0.025         | 0.050                | Borrego Springs        | 92004               | D 13-05-010            | RFP                   | Installed         | 15                                | Power Quality                  | Islanding                        | S&C, Kokam                  | SD&E          | SD&E             |
| Borrego Springs Unit 3            | Borrego CES                   | 2014 Cycle                          | Q2 2013                          | Battery - Li Ion | Distribution             | 0.025         | 0.050                | Borrego Springs        | 92004               | D 13-05-010            | RFP                   | Installed         | 15                                | Power Quality                  | Islanding                        | S&C, Kokam                  | SD&E          | SD&E             |
| Borrego Springs Unit 4            | Borrego CES                   | 2014 Cycle                          | Q2 2013                          | Battery - Li Ion | Distribution             | 0.025         | 0.050                | Borrego Springs        | 92004               | D 13-05-010            | RFP                   | Installed         | 15                                | Power Quality                  | Islanding                        | S&C, Kokam                  | SD&E          | SD&E             |
| GRC Energy Storage Program Unit 1 | Pala SES                      | 2014 Cycle                          | Q3 2012                          | Battery - Li Ion | Distribution             | 0.500         | 1,500                | Pala                   | 92059               | D 13-05-010            | RFP                   | Installed         | 15                                | Power Quality                  | Islanding                        | Governments, Saicom, Wilson | SD&E          | SD&E             |
| GRC Energy Storage Program Unit 2 | Charmont CES                  | 2014 Cycle                          | Q4 2012                          | Battery - Li Ion | Distribution             | 0.025         | 0.072                | Poway                  | 92111               | D 13-05-010            | RFP                   | In Progress       | 15                                | Power Quality                  | Islanding                        | S&C, PowerHub               | SD&E          | SD&E             |
| GRC Energy Storage Program Unit 3 | Poway CES                     | 2014 Cycle                          | Q4 2012                          | Battery - Li Ion | Distribution             | 0.025         | 0.072                | Poway                  | 92111               | D 13-05-010            | RFP                   | In Progress       | 15                                | Power Quality                  | Islanding                        | S&C, PowerHub               | SD&E          | SD&E             |
| GRC Energy Storage Program Unit 4 | Borrego SES                   | 2014 Cycle                          | Q2 2014                          | Battery - Li Ion | Distribution             | 1,000         | 3,000                | Borrego Springs        | 92004               | D 13-05-010            | RFP                   | In Progress       | 15                                | Power Quality                  | Capacity/Infrastructure Deficit  | S&C, ABB                    | SD&E          | SD&E             |
| GRC Energy Storage Program Unit 5 | C124 Ortega Hwy               | 2014 Cycle                          | Q2 2014                          | Battery - Li Ion | Distribution             | 1,000         | 3,000                | San Juan Capistrano    | 92675               | D 13-05-010            | RFP                   | In Progress       | 15                                | Power Quality                  | Capacity/Infrastructure Deficit  | Governments, ABB, Samsung   | SD&E          | SD&E             |
| GRC Energy Storage Program Unit 6 | San Miguel                    | 2014 Cycle                          | Q3 2014                          | Battery - Li Ion | Distribution             | 1,000         | 3,000                | Julian                 | 92036               | D 13-05-010            | RFP                   | In Progress       | 15                                | Power Quality                  | Capacity/Infrastructure Deficit  | Governments, ABB, Samsung   | SD&E          | SD&E             |
| GRC Energy Storage Program Unit 7 | Julian                        | 2014 Cycle                          | Q3 2014                          | Battery - Li Ion | Distribution             | 1,000         | 3,000                | Julian                 | 92036               | D 13-05-010            | RFP                   | In Progress       | 15                                | Power Quality                  | Capacity/Infrastructure Deficit  | Governments, ABB, Samsung   | SD&E          | SD&E             |
| GRC Energy Storage Program Unit 8 | Julian                        | 2014 Cycle                          | Q3 2014                          | Battery - Li Ion | Distribution             | 1,000         | 3,000                | Julian                 | 92036               | D 13-05-010            | RFP                   | In Progress       | 15                                | Power Quality                  | Capacity/Infrastructure Deficit  | Governments, ABB, Samsung   | SD&E          | SD&E             |
| GRC Energy Storage Program Unit 9 | Canyon Crest Academy          | 2014 Cycle                          | Q3 2014                          | Battery - Li Ion | Distribution             | 6,150         | 3,000                | San Diego              | 92130               | D 13-05-010            | RFP                   | In Progress       | 15                                | Power Quality                  | Capacity/Infrastructure Deficit  | S&C, ABB                    | SD&E          | SD&E             |
| SGIP - In Service                 | SGIP - In Service             | 2014 Cycle                          | Various                          | Various          | Customer Sited           | 0.065         | Various              | SD&E Service Territory | Various             | D 11-12-030            | SGIP Rules            | Installed         | Various                           | Demand Side Management         |                                  | Various                     | Various       | Various          |
| SGIP - Proposed                   | SGIP - Proposed               | 2014 Cycle                          | Various                          | Various          | Customer Sited           | 3,652         | 7,000                | SD&E Service Territory | Various             | D 11-12-030            | SGIP Rules            | In Progress       | Various                           | Demand Side Management         |                                  | Various                     | Various       | Various          |
| PLS - Proposed                    | PLS - Proposed                | 2014 Cycle                          | Various                          | Thermal          | Customer Sited           | 4,656         | 7,000                | SD&E Service Territory | Various             | D 12-04-045            | RFP                   | In Progress       | Various                           | Demand Side Management         |                                  | Various                     | Various       | Various          |
| Customer - In Service             | SGIP/Prison/SGIP - In-Service | 2016 Cycle                          | Various                          | Various          | Customer Sited           | 3,000         | Various              | SD&E Service Territory | Various             | D 11-12-030            | SGIP Rule 21          | Installed         | Various                           | Demand Side Management         |                                  | Various                     | Various       | Various          |
| Customer - Proposed               | SGIP/Prison/SGIP - In-Service | 2016 Cycle                          | Various                          | Various          | Customer Sited           | 5,250         | Various              | SD&E Service Territory | Various             | D 11-12-030            | SGIP Rule 21          | In Progress       | Various                           | Demand Side Management         |                                  | Various                     | Various       | Various          |

59.00

## Attachment C

(List of Applicable Statutes and Rules That May  
Impact Energy Storage Procurement)

**Attachment C**  
**List of Applicable Statutes and Rules That May Impact Energy Storage Procurement**

| Subject   | Reference   | Key Provision  |
|---|---|--|
| Energy Storage  | Assembly Bill (“AB”) 2514, codified at Public Utilities Code (“Pub. Util. Code”) § 2835 | Requires California Public Utilities Commission (“CPUC”) to determine targets for load-serving entity procurement of energy storage resources                |
| Energy Storage  | CPUC Rulemaking (“R.”)15-03-011   | Rulemaking to consider policy and implementation refinements to Energy Storage Procurement Framework and Design Program                                      |
| Energy Storage  | CPUC Decision (“D.”) 13-10-040  | Requires Investor-Owned Utility (“IOU”) procurement of energy storage pursuant to biennial CPUC-approval Plan  |
| Energy Storage  | D.14-10-045   | Approves IOU procurement applications for the 2014 biennial procurement period   |
| Energy Storage  | D.16-01-032   | Addresses energy storage policy and program issues that must be resolved prior to the 2016 procurement solicitations   |
| Greenhouse Gas (“GHG”) Emissions Performance Standard | Senate Bill (“SB”) 1368, codified at Pub.Util. Code § 8340 D.07-01-039                  | Prohibits “covered procurement” from exceeding CO2 emissions standard of 1100 lb./MWh  |
| Renewables Portfolio Standard                         | SB 350, codified at Pub.Util. Code § 399.11 <i>et seq.</i>                              | Requires retail sellers and local publicly owned electric utilities to procure 50% of energy from renewable resources by December 31, 2030                   |
| Renewables Portfolio Standard Target                  | Pub.Util. Code § 399.15(b)(5)(B)(ii)  | Retail sellers’ efforts to develop energy storage to integrate eligible RPS resources are among the factors underlying a CPUC waiver of an RPS target        |
| Clean Energy  | Pub.Util. Code § 400  | The CPUC and California Energy Commission shall, where feasible, increase the use of energy storage, among other strategies, to meet clean energy objectives |
| GHG   | AB 32, codified at Health &   | Requires California to reduce  |

|  |   |  |
|--|---|--|
|  | Safety Code § 38500 et seq.   | GHG emissions to 1990 levels by 2020   |
| Self-Generation Incentive Plan (“SGIP”)  | Pub.Util. Code §§ 379.5 and 379.6<br>D.01-03-073; D.08-11-044;<br>D.11-09-015 | Establish SGIP to provide incentives for investing in distributed generation   |
| Permanent Load Shifting (“PLS”)  | D.12-04-045<br>Resolution E-4586  | Adopts PLS programs and budgets.   |
| Demand Response  | D.08-04-050<br>D.10-12-036  | Load Impacts of Demand Response and Demand Response Participation in CAISO Market  |
| Resource Adequacy  | D.13-06-024   | Energy Storage may be procured as a form of flexible capacity used to provide resource adequacy  |
| Resource Adequacy  | R.14-10-010   | Continued refinements to Resource Adequacy Program and establish flexible capacity requirements  |
| Resource Adequacy  | D.15-06-063   | Decision refining Resource Adequacy Program adopting modification to flexible RA rules for storage   |
| Alternative-Fueled Vehicle Programs  | R.13-11-007   | Evaluation of electric vehicle batteries for energy storage  |
| Integrated Resource Plan   | SB 350, codified at Pub. Util. Code §§ 454.51-454.52<br>R.16-02-007           | Need determinations may tie to procurement of energy storage   |
| Long-Term Procurement for Local Capacity Requirements                                    | D.14-03-004   | Authorizes procurement of preferred resources and energy storage   |
| Distribution Resource Planning and Sourcing using Distributed Energy Resources (“DERs”)  | Pub.Util. Code § 769(g); R. 14-08-013 (“DRP”); 14-10-003 (“IDER”)             | Proceedings in process to develop plan and pilot programs for DER integration and to develop potential sourcing mechanisms for DER grid services |
| Local Capacity Requirement Application for Approval of Contracts in the Western LA Basin | D.15-11-041   | Decision approving Energy Storage contracts resulting from SCE’s LCR RFO   |

|                                    |  |  |
|------------------------------------|--|--|
| Local Generation Charge (“LGC”)    | D.13-03-029  | Authorized SDG&E to establish an LGC rate component which is designed to recover new generation costs for local reliability that are deemed to be subject to Cost Allocation Mechanism (“CAM”) policy. |
| Procurement Rules                  | D.07-12-052  | Utility procurement outside of competitive solicitations; development of utility-owned resource  |
| Transmission Interconnection Rules | California Independent System Operator Corporation (“CAISO”) Large Generator Interconnection Agreement | Requirements for generator interconnection to grid at transmission level   |
| Distribution Interconnection Rules | Wholesale Distribution Access Tariff   | Requirements for generator interconnection with IOU-owned distribution system  |
| Distribution Interconnection Rules | Rule 21  | Interconnection at distribution level by Qualifying Facilities (“QFs”) under Public Utility Regulatory Policies Act of 1978 (“PURPA”), net metering, and SGIP  |
| Net Energy Metering                | D.14-05-033  | Customer-sited systems interconnecting with storage are treated the same as systems interconnecting without storage  |
| Net Energy Metering                | D.16-01-044  | The “storage mandate charge” is collected through the PCIA and should not be part of the non-bypassable charge in the NEM successor tariff   |
| Confidentiality                    | Pub. Util. Code § 454.5(g); D.06-06-066, D.08-04-023, D.11-07-028                                      | Confidentiality of energy procurement information submitted to CPUC  |
| Confidentiality                    | CPUC General Order 66-C  | Exceptions to Public Records Act   |
| Cost Recovery                      | D.04-12-048  | 10-year limit on recovery of procurement costs   |
| Cost Recovery                      | D.06-07-029  | Cost Allocation Methodology (“CAM”) for long-term procurement of new generation  |
| Cost Recovery                      | D.08-09-012  | Responsibility for non-bypassable charges  |
| CAM                                | D.11-05-005  | Modifies new generation and  |

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|                      |  | long-term contract CAM   |
| Cost Recovery        | Pub. Util. Code § 454.51(c)  | Net costs of resources used to integrate renewable energy resources are allocated on a fully nonbypassable basis consistent with CAM |
| Standards of Conduct | D.02-10-062, as modified by D.02-12-074; D.03-06-067; D.03-06-076. | CPUC Standards of Conduct for energy procurement   |