STATE OF CALIFORNIA EDMUND G. BROWN JR.

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

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TO PARTIES OF RECORD IN APPLICATION 17-04-016:

This is the proposed decision of Administrative Law Judge Kelly. It will appear on the Commission's December 14, 2017 agenda. The Commission may act then, or it may postpone action until later.

When the Commission acts on the proposed decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Pursuant to Rule 14.6(c)(2), comments on the proposed decision must be filed within 3 days of its mailing and no reply comments will be accepted/or reply comments must be filed within 3 days of its mailing.

Comments must be filed pursuant to Rule 1.13 either electronically or in hard copy. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. Electronic and hard copies of comments should be sent to ALJ Kelly at gk1@cpuc.ca.gov and the assigned Commissioner. The current service list for this proceeding is available on the Commission's website at www.cpuc.ca.gov.

/s/ ANNE E. SIMON
Anne E. Simon
Acting Chief Administrative Law Judge

AES: ek4

Attachment

Decision PROPOSED DECISION OF ALJ KELLY **(Mailed 11/29/2017)**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) for Approval of its 2018 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts.	Application 17-04-016

DECISION ADOPTING SAN DIEGO GAS & ELECTRIC COMPANY'S 2018 ELECTRIC PROCUREMENT COST REVENUE REQUIREMENT FORECAST AND 2018 FORECAST OF GREENHOUSE GAS RELATED FORECASTS

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DECISION ADOPTING SAN DIEGO GAS & ELECTRIC COMPANY'S 2018 ELECTRIC PROCUREMENT COST REVENUE REQUIREMENT FORECAST AND 2018 FORECAST OF GREENHOUSE GAS RELATED FORECASTS

Summary

Today's decision adopts 2018 forecast revenue requirements for San Diego Gas & Electric Company's (SDG&E) Energy Resource Recovery Account (ERRA), Competition Transition Charge (CTC), Local Generation Charge (LGC), and the San Onofre Nuclear Generating Station (SONGS) Unit 1 offsite Spent Fuel Storage Cost revenue requirement. The total 2018 forecasted revenue requirement of $1,356.818 million[1] adopted herein consists of 1) $1,450.598 million for ERRA revenue requirement (includes 2018 forecast greenhouse gas (GHG) costs); 2) $24.307 million for CTC; 3) $160.427 million for LGC; 4) $1.088 million for the SONGS Unit 1 Offsite Spent Fuel Storage Cost revenue requirement; and 5) $98.286 million for GHG allowance proceeds.

In accordance with California Public Utilities Code Section 748.5, Assembly Bill 32,[2] Decision (D.) 12-12-033, D.13-12-041 and D.14-10-033, as corrected by D.14-10-055 and D.15-01-024, this decision also authorizes SDG&E to incorporate forecast GHG cap-and-trade costs and allowance auction proceeds into 2018 customer rates. We authorize the forecast amounts of the California Climate Credit to be returned to residential customers beginning in 2018. All forecasts approved in this proceeding are subject to reconciliation of costs and proceeds in subsequent proceedings. In addition, outreach and administrative

[1] Includes Franchise Fees and Uncollectibles.

[2] Statutes of 2006, Chapter 488.

expenses are subject to further reasonableness review at the time of the reconciliation.

This decision authorizes the following GHG allowance proceeds return allocations: 1) $0.669 million for Emissions-Intensive and Trade-Exposed customers; 2) $3.750 million for small business; and 3) $88.789 million for residential California Climate Credit, resulting in a semi-annual residential climate credit of $33.50 per household. Additionally, this decision directs SDG&E to set aside $10.3 million in 2018 for the Multifamily Affordable Housing Solar Roofs Program. The total 2018 forecasted revenue requirement approved by this decision is $1,450.598 million.

This decision also authorizes SDG&E to recover an undercollected balance recorded to the Local Generating Balancing Account in the amount of $497,000. Additionally, this decision authorizes SDG&E to set aside $10.3 million in 2018 for the Multifamily Affordable Housing Solar Roofs Program.

This proceeding is closed.

1. Background

1.1. Historical Information Concerning the Energy Resource Recovery Account

In Decision (D.) 02-10-062, the Commission established the Energy Resource Recovery Account (ERRA) balancing account – the power procurement balancing account required by Public Utilities (Pub. Util.) Code Section 454.5(d)(3). Pursuant to D.02-10-062 and D.02-12-074, the purpose of the ERRA is to provide recovery of energy procurement costs, including expenses associated with fuel and purchased power, utility retained generation, California Independent System Operator (CAISO) related costs, and costs associated with the residual net short procurement requirements to serve San Diego Gas & Electric Company's (SDG&E's) bundled electric service customers.

The ERRA regulatory process includes: (1) an annual forecast proceeding to adopt a forecast of the utility's electric procurement cost revenue requirement and electricity sales for the upcoming year, and (2) an annual compliance proceeding to review the utility's compliance in the preceding year regarding energy resource contract administration, least cost dispatch, fuel procurement, and the ERRA balancing account.

As set forth in D.02-10-062, the balance of the ERRA is not to exceed five percent of the electric utility's actual recorded generation revenues for the prior calendar year, excluding revenues collected for the California Department of Water Resources (DWR).[3] D.02-10-062 also established a trigger calculation designed to avoid the five percent threshold point that requires SDG&E to file an expedited application for approval to adjust its rates 60 days from when the ERRA balance reaches an under-collection or over-collection of four percent and is projected to exceed the five percent trigger.

The purpose of the Transition Cost Balancing Account (TCBA) is to accrue all ongoing Competition Transition Charge (CTC) revenues and recover all ongoing CTC-eligible generation-related costs. Pursuant to D.02-12-074 and D.02-11-022, payments to Qualifying Facilities (QFs) that are above the market benchmark proxy are charged to the TCBA. Eligible ongoing CTC expenses reflect the difference between the market proxy and the costs associated with the Portland General Electric and QF contracts.

[3] *See* D.02-10-062 at 62.

In D.06-07-030 (as modified by D.07-01-030), we adopted the total portfolio methodology and market benchmark for determining the above-market costs associated with the utility/DWR total portfolio for deferring departing load charges, and we replaced the DWR Power Charge as an element of the Cost Responsibility Surcharge (CRS) with the Power Charge Indifference Adjustment (PCIA). The PCIA applies to departing load customers that are responsible for a share of the DWR power contracts or new generation resource commitments. The PCIA is intended to ensure that the departing load customers pay their share of the above-market portion of the DWR contract or new generation resource costs, and that bundled customers remain indifferent to customer departures.

The purpose of the total portfolio methodology is to reasonably ensure that bundled customers are indifferent with respect to departing load. Rather than focus on each individual resource cost, the total portfolio method recognizes that bundled customers are served from the entire portfolio of commodity resources and that when load departs the utility may, in general, offset a portion of the costs of departing load through additional market sales.

1.2. Historical Information Concerning Greenhouse Gas Allowance Proceeds

Rulemaking (R.) 11-03-012 addresses greenhouse gas (GHG)-related costs and allowance proceeds for all investor-owned electric utilities, including SDG&E. In D.12-12-033, the Commission required utilities to file applications for approval of forecast GHG costs and allowance proceeds, including administrative and customer outreach expenses, sufficient to calculate the amount of GHG allowance proceeds that should be returned to the different customer classes in 2014.

Pursuant to D.12-12-033, five utilities[4] filed 2014 GHG Revenue Forecast Applications and the five applications were consolidated (Consolidated Proceeding, Application (A.) 13-08-002 et al.). The Phase 1 decision in the Consolidated Proceeding, D.13-12-041, was limited to information and approvals necessary to incorporate GHG costs and allowance proceeds into 2014 rates and to issue the first California Climate Credit.[5] D.13-12-041 approved the forecasts with modifications for inclusion in 2014 rates, and concluded that the forecasts "should remain subject to true up against actual amounts in future GHG Revenue and Reconciliation Applications and actual administrative and customer outreach expenses remain subject to reasonableness review."[6]

The Commission adopted D.14-10-033 for Phase 2 of the Consolidated Proceeding on October 16, 2014, and its appendices were corrected by D.14-10-055 on October 30, 2014, and D.15-01-024 on January 21, 2015. D.14-10-033 describes methodologies and conventions to be used in GHG Revenue and Reconciliation Applications filed after 2013.[7] The decision further adopted Confidentiality Protocols for cap-and-trade related data and required the utilities to use a proxy price in their forecasts. Lastly, the decision required the utilities to file GHG Forecast Revenue and Reconciliation Applications annually as part of their ERRA forecast applications. We use the standards

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[4] The five utilities are Southern California Edison Company (SCE), Pacific Gas and Electric Company (PG&E), SDG&E, PacifiCorp, an Oregon Company, and Liberty Utilities (CalPeco Electric) LLC.

[5] The California Climate Credit received its official name in April 2014 by ruling in R.11-03-012. Prior to that time it was referred to as the "Climate Dividend."

[6] D.13-12-041, Conclusion of Law 3.

[7] A.13-08-002, *et al.*, Assigned Commissioner's and Administrative Law Judge's Phase 2 Scoping Memo and Ruling, February 19, 2014.

adopted in D.14-10-033 to review SDG&E's current application, A.17-04-016, to determine the reasonableness of both the recorded and forecasted variables discussed below.

The Commission has reviewed the 2016 and 2017 recorded GHG costs and allowance proceeds. We also review and approve SDG&E's 2018 GHG costs and allowance proceeds forecasts for inclusion in 2018 customer rates. In doing so, we examine the variables necessary to authorize rate changes and determine the proceeds return and California Climate Credits. These variables are:

1. **Recorded and Forecast Allowance Proceeds**. These are the proceeds received by a utility as a result of selling the allowances allocated to ratepayers by the state.
2. **Recorded and Forecast Administrative and Customer Outreach Expenses**. These are the costs incurred by a utility for administrative and customer outreach expenditures that relate to the allowance proceeds return program.
3. **Recorded and Forecast Expenses for Approved Incremental Energy Efficiency (EE) and Clean Energy Programs**. D.12-12-033 allows utilities to use a portion of allowance proceeds to fund EE and clean energy programs that have been approved by the Commission in other proceedings.
4. **Recorded and Forecast Emissions-Intensive and Energy-Intensive Trade-Exposed (EITE) Customer Return**. Using the methodology adopted in D.14-12-037, as modified by D.15-08-066 and D.16-07-007, a portion of allowance proceeds are returned to customers who qualify as EITE. The EITE customer return is based on formulas and made once per year.
5. **Recorded and Forecast Small Business Return**. Using the methodology adopted in D.14-12-037, as modified by D.15-08-006 and D.16-07-007, a portion of allowance proceeds are returned to customers who meet the

definition of small business developed in R.11-03-012.[8] The Forecast Small Business Return is volumetric; it is calculated using the Forecast GHG Cost (*see* Item 7 below) and the volume of electricity used by the customer and is returned as a credit to the delivery component of the customer's monthly bill.

6. **Recorded and Forecast Residential California Climate Credit**. The Climate Credit is distributed to residential households after all the above expenses and customer returns have been made. It appears as a credit on the customer's bill twice per year. The Climate Credit is not related to the volume of electricity used by the household: each household within a utility's territory receives the same Climate Credit.

7. **Recorded and Forecast GHG Costs**. These are the GHG emissions costs incurred directly or indirectly by a utility as a result of the GHG cap-and-trade program. Direct costs include, generally, the costs incurred to purchase compliance instruments[9] for plants run by the utility or the cost of providing physical or financial settlement specifically for GHG emissions from plants not owned or operated by the utility. Indirect costs generally reflect GHG costs embedded in the price of power purchased on the market or through contracts that do not include GHG settlement terms.

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[8] D.12-12-033 sets forth an overview of the methodology sufficient for purposes of forecasting the small business customer return for 2014. D.13-12-002 adopted a specific methodology.

[9] A covered entity must surrender one compliance instrument for each metric ton (MT) of carbon dioxide equivalent of GHG emissions for its compliance obligations. Allowances and offsets are the two types of compliance instruments in the cap-and-trade program. (California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms, Title 17, CCR (Cap-and-Trade Regulations), section 95856.) The regulation also limits the use of offsets to no more than 8 percent of compliance instruments in a compliance period (Title 17 CCR section 95854).

2. Procedural History

On April 14, 2017, SDG&E filed A.17-04-016, its *Application of San Diego Gas & Electric Company (U-902-E) for Approval of its 2018 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts* (Application) and served associated testimony, in which SDG&E requests that the Commission approve its 2018 forecasted revenue requirement.

On April 27, 2017, Resolution ALJ-176-3366 preliminarily determined that this proceeding was ratesetting and that hearings would be necessary. On May 30, 2017, a protest was filed by the Office of Ratepayer Advocates (ORA) and the Alliance for Retail Energy Markets (AReM) and Direct Access Customer Coalition (DACC) filed a response to the application. On June 8, 2017, SDG&E replied to ORA's protest and AReM's and DACC's Response.

On June 23, 2017, a prehearing conference took place in San Francisco to establish the service list for the proceeding, discuss the scope of the proceeding, and develop a procedural timetable for the management of the proceeding.[10] On August 1, 2017, Commissioner Martha Guzman Aceves, the assigned Commissioner, issued her Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo).

SDG&E filed an updated application (November Update) and served associated testimony on November 9, 2017. On November 16, 2017, SDG&E notified the service list that it became aware that the November Update and associated testimony submitted on November 9, 2017, contained several errors

[10] At the prehearing conference, the parties agreed to waive the normal 30-day comment period on the proposed decision and agreed to a shortened comment period.

which required SDG&E to submit a corrected November Update[11] and updated testimony. No party filed comments on the November Update or the corrected updates.

All rulings by the assigned Commissioner and ALJ are affirmed herein.

3. SDG&E'S ERRA, CTC, LG Forecasts, SONGS Unit 1 Offsite Spent Fuel Storage Requirement and LGBA Undercollection

3.1. Overview

In its November Update, SDG&E requests a total 2018 forecast revenue requirement of $1,356.818 million,[12] which consists of: (1) $1,450.598 million for ERRA; (2) $24.307 million for CTC; (3) $160.427 million for LGC; (4) $1.088 million for SONGS Unit 1 Offsite Spent Fuel Storage Cost revenue requirement; and (5) $497,000 for LGBA undercollection.

Based on its corrected November Update, SDG&E projects a combined total increase of $113.534 million (an increase of 0.492 cents per kilowatt-hour, or 2.16 percent to the current system average rate).[13] Based on those numbers, SDG&E projects that a typical non-CARE residential customer in the inland climate zone using 500 kilowatt hours could see a monthly summer bill increase of 2.1 percent or $2.74.

For the first time in 2015, SDG&E requested to recover the San Onefre Generating Station (SONGS) Unit 1 Offsite Spent Fuel Storage Costs in the ERRA

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[11] SDG&E filed a motion on November 20, 2017 for leave to submit the corrected November Update and corrected testimony.

[12] Includes franchise fees and uncollectibles (FF&U) as well as GHG costs and GHG allowance proceeds allocations.

[13] Current rates effective March 1, 2017, per Advice Letter (AL) 3034-E and 3034-E-A.

proceeding rather than in its General Rate Case (GRC)[14]. D.15-12-032 authorized SDG&E to recover SONGS Unit 1 Offsite Spent Fuel Storage Costs in the ERRA proceeding rather than its GRC. Accordingly, SDG&E requests $1.088 million in SONGS Unit 1 Offsite Spent Fuel Storage Costs in this proceeding.

Additionally, in its November Update, SDG&E requests recovery of the undercollected balance of $497,000 recorded to the LGBA.

ORA did not criticize or provide alternatives to SDG&E's proposed forecast ERRA and CTC revenue requirements, LGC, SONGS Unit 1 Offsite Spent Fuel Storage Cost revenue requirement or LGBA undercollection. Furthermore, no party claimed that SDG&E's proposed forecasts were not in compliance with existing applicable Commission decisions, rules, and regulations.

In its protest, ORA stated that it planned to investigate the reasonableness of SDG&E's 2018 ERRA forecast, including but not limited to: (1) SDG&E's analysis of the underlying natural gas prices, load, and other cost inputs to the model used by SDG&E in determining the forecasted revenue requirement; and (2) whether SDG&E's estimates of combined revenue requirement, total ERRA revenue requirement, CTC revenue requirement, LGC revenue requirement, SONGS Unit 1 Offsite Spent Fuel Storage Cost revenue requirement and LGBA undercollection should be adopted. AReM and DACC's primary interest was in the calculation and rate treatment of costs that are charged to Direct Access customers.

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14 SDG&E has a minority ownership in the SONGS facility. SDG&E wishes to mirror the approach used by SCE who owns a majority ownership interest in SONGS and includes the Offsite Spent Fuel Storage Costs in its ERRA proceedings.

3.2. Discussion and Conclusion Concerning ERRA, CTC, LG Forecasts, SONGS Unit 1 Offsite Spent Fuel Storage Requirement and LGBA Undercollection

As neither ORA nor AReM/DACC served testimony on these issues, and all parties agreed that hearings were not necessary, we conclude that the issues presented by the interested parties in their protests have been resolved.

We adopt SDG&E's requested forecast 2018 ERRA, CTC, and LG revenue requirements and market benchmarks. Additionally, we approve the SONGS Unit 1 Offsite Spent Fuel Storage Cost revenue requirement that SDG&E requests in the amount of $1.088 million and the LGBA undercollection of $497,000.

4. Discussion of Recorded and Forecast GHG Allowance Proceeds, Expenses, Credits, and Costs

SDG&E provided a fourth quarter update to its Application on November 9, 2017 and a corrected update on November 20, 2017, to reflect updated information through the third quarter of 2017. This Update was made to both forecast and recorded data. Specifically, SDG&E updated its 2017 recorded costs, allowance proceeds, and expenses using actual data through September 2017 and estimates for October through December of 2017.

The information detailed below includes recorded data for 2016, partially recorded and partially forecast data for 2017, as well as forecasts for 2018. We find that SDG&E has appropriately followed the requirements of D.12-12-033, D.14-10-033 and D.13-12-002 in forecasting its 2018 revenues and costs, reconciling its 2016and 2017 recorded costs, and showing the reasonableness of its 2016 and 2017 administrative and outreach costs. We also approve the proposed 2018 semi-annual residential Climate Credit of $33.50 per household.

Pursuant to D.12-12-033, SDG&E filed AL 2452-E-A to establish a sub-account within the ERRA to record GHG costs. While GHG costs were deferred from rates, SDG&E tracked these costs in a sub-balancing account of ERRA; once recovery in rates began, SDG&E transferred the costs to the main ERRA. The AL also created the GHG Customer Outreach and Education Memorandum Account (GHGCOEMA), the GHG Administrative Costs Memorandum Account (GHGACMA), and the GHG Revenue Balancing Account (GHGRBA). The GHG Revenue Balancing Account is a two-way balancing account that records GHG revenues, less revenue returns and any revenues approved to be set aside for outreach and administrative expenses. Any funds that were set aside for outreach and administrative activities but were unused roll over for use in subsequent years.

4.1. Recorded and Forecast GHG Allowance Proceeds

Each utility forecasts and records the total allowance proceeds it receives each year. To determine the amount of these proceeds that are available to return to customers in that year, the utility adjusts the forecast allowance proceeds to account for: (1) any variance between the forecast and recorded allowance proceeds in previous years that resulted in an over- or under-collection; (2) any applicable interest; (3) any applicable franchise fees and uncollectibles; and (4) authorized outreach and administrative expenses. In accordance with the GHG allocation methodology adopted in D.12-12-033, SDG&E's GHG allowance proceeds returned will be allocated to ratepayers, including direct access and community choice aggregation customers. Currently, SDG&E does not service any community choice aggregation customers.

4.1.1. Recorded Allowance Proceeds

Based on the November 2017 update to SDG&E's Application, the recorded GHG allowance proceeds for 2016 and 2017 are $81,558,628 and $89,584,150 respectively (Template D-1 of the November Update). The recorded 2016 data includes actual recorded data for the 2016 year, while the recorded data for 2017 includes actuals from January to September 2017 plus forecasts for October to December 2017.

SDG&E projects a balance of $4.295 million in its GHG Revenue Balancing Account at the end of 2017. This amount reflects the allowance proceeds from prior years, adjusted for expenses, revenue returns, and any reconciliation between 2017 forecast and recorded values. SDG&E appropriately calculated the allowance proceeds recorded for 2016 and 2017 and correctly amortized its Net GHG Revenues.

4.1.2. Forecast Allowance Proceeds

SDG&E's 2018 forecast GHG allowance proceeds collection is $98.286 million. Including the proceeds from prior years to be returned in 2018 and adjusting for expenses and reconciliation, SDG&E forecasts $92.209 million in proceeds available for customer returns in 2018. These proceeds are forecast to be returned to EITE, small business, and residential customers in 2018 in the amounts shown in Template D-1 of SDG&E's November Update.

SDG&E provided sufficient information for evaluating forecast GHG allowance proceeds. The methodologies used for forecasting GHG costs and proceeds, expenses, and calculating the revenue returns and Climate Credit are consistent with D.14-10-033 (as corrected by D.14-10-055 and D.15-01-024) and the guidance provided in R.11-03-012 to date. Further, the assumptions used by

SDG&E when making its calculations are reasonable and appropriate for purposes of calculating proceeds distribution.

4.2. Recorded and Forecast Administrative and Outreach Expenses

4.2.1. Recorded Administrative and Outreach Expenses

In 2013, the Commission directed the investor-owned utilities (IOUs) to hire a firm with marketing and public relations expertise to evaluate the feasibility and benefit of the use of a third-party administrator for customer outreach and education activities going forward. The IOUs retained Targetbase, to independently assess the Education and Outreach needs.

In 2013, SDG&E's Education and Outreach Effort included an estimated cost of $750,000. This amount was authorized by D.12-12-033. Resolution E-4611 required SDG&E to consign its 2013 outreach and education budget of $750,000 to the Center for Sustainable Energy (CSE) to develop and administer a competitively neutral, statewide outreach and education program. Due to delays in program implementation, CSE's outreach and education effort did not begin until 2014. In 2013, SDG&E did not record any outreach or administrative expenses.

For 2015, SDG&E recorded $88,683 in administrative and outreach expenses (Template D-3 of the November Update). The outreach activities include SDG&E's portion of the payments to CSE for statewide outreach and education, and Targetbase.

For 2016, SDG&E recorded $56,424 in administrative and outreach expenses and for 2017 SDG&E recorded $49,770 in administrative and outreach expenses[15] (Template D-3 of the November Update). The recorded 2017 data includes actuals from January to September 2016, plus forecasts from October to December 2017.

4.2.2. Forecast Administrative and Outreach Expenses

SDG&E's 2018 forecast of GHG administrative expenses is $47,500 for customer e-mails and bill inserts and the direct labor costs associated with basic administrative activities (Template D-3 November Update). SDG&E's 2018 forecast of GHG customer outreach expenses is $140,000 (Template D-3 November Update). SDG&E plans to use the $140,000 to cover its share of the statewide outreach efforts, pending direction from the Commission and $47,500 for other administrative costs such as bill inserts, emails and IT related costs.[16]

SDG&E's total 2018 forecast of administrative and outreach expenses are $187,500.

We find SDG&E's 2016 recorded and 2017 partially recorded expenses to be reasonable. We hereby adopt SDG&E's 2018 administrative and customer outreach forecast.

4.3. Recorded and Forecast Expenses Approved for Incremental Energy Efficiency and Clean Energy Programs

The Air Resources board (ARB) allocates cap-and-trade allowances to SDG&E. SDG&E is required to place all of these allowances for sale in ARB's

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[15] Administrative activities include program management, e-mail and bill inserts.

[16] In 2015, 2016, and 2017 there was no statewide outreach effort. If there is no statewide outreach in 2018, SDG&E will use the funding outlined here to provide additional messaging about GHG allowance revenues in the local market, as directed by and coordinated with the Energy Division and other utilities.

2017 quarterly auctions. SDG&E currently has no approved incremental energy efficiency and clean energy investments in 2018, so the available funds for such projects are equal to 15 percent of the forecasted 2018 allowance auction revenue amount of $14.7 million. (Montanez November Updated Testimony at 23).

4.3.1. 2017 Clean Energy and Energy Efficiency Project Allocation

In accordance with Pub. Util. Code Section 748.5(c), the Commission may allocate up to 15 percent of the revenues received by an electric corporation from its sales of allocated GHG allowances to specific Clean Energy and/or Energy Efficiency Projects that are not funded by another source and are already approved by the Commission. SDG&E currently has no approved incremental energy efficiency and clean energy investments in 2018, so the available funds for such projects are equal to 15 percent of the forecasted 2018 allowance auction revenue amount or $14.7 million. (Montanez November Updated Testimony at 23.)

Senate Bill (SB) 92 (Stats. 2017, Ch. 26) provides that the Commission shall annually authorize the allocation of $100 million or 66.67 percent of available funds, whichever is less, from the revenues described in subdivision (c) of Section 748.5 for the Multifamily Affordable Housing Solar Roofs Program (Multifamily Program), beginning with the fiscal year commencing July 1, 2016, and ending with the fiscal year ending June 30, 2020.

On October 20, 2017, the utilities were directed to file an updated calculation of the amount attributable to AB 693 Multifamily Program.[17]

[17] The Multifamily Program was established by Assembly Bill (AB) 693 and requires financial incentives for installation of solar energy systems on multifamily affordable housing properties.

Template D-1 at Line 14 lists the funding amount is $10.3 million for 2018;[18] which is 10.3 percent of the annually authorized allocation of $100 million or 66.67 percent of available funds. (Montanez November Updated Testimony at 23.) The ruling also required the utilities to provide a before-and-after comparison of the effect on the Climate Credit of the updated calculation of the amount attributable to the Multifamily Program. Before setting aside funding for the Multifamily Program the semi-annual Climate Credit would be $37.43, and $33.50 after setting aside the funding. (Fang November Updated Testimony at 10.)

4.4. Recorded and Forecast Emissions-Intensive and Trade-Exposed Customer Return

Facilities identified as EITE customers are more formally referred to as Industrial Covered Entities that qualify for Industry Assistance in the ARB cap-and-trade Regulation. However, the EITEs may be expanded for purposes of revenue return. In 2016, EITE customers began to receive EITE returns in the amount of $0.715 million. In 2017, EITE returns in the amount of $0.669 million have been provided to EITE customers. Using the methodology set forth in D.15-01-024, once EITE customers have begun receiving an EITE return, the forecasted return is based on the recorded prior-year revenue returned to EITE customers. Accordingly, the forecasted amount of revenue return set aside for EITE customers in 2018, including FF&U is $0.669 million. (Fang November Updated Testimony at 8).

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[18] $10.425 million including FF&U.

4.5. Recorded and Forecast Volumetric Small Business Return

In accordance with D.12-12-033, SDG&E distributes its Small Business Return through monthly volumetric credits. The volumetric returns are designed to partially offset the GHG costs that are embedded in rates. Small businesses are defined as non-residential customers on a general service or agricultural tariff with monthly demand not exceeding 20 kilowatts (kW) for more than three months in a 12-month period. Bundled, Direct Access (DA), and Community Choice Aggregator (CCA) small business customers will be given a volumetric return in dollars per kilowatt hour (kWh). This credit is volumetrically-calculated based on the amount of GHG-related costs that are allocated to the defined bundled small business customers, differentiated by customer class (Fang November Updated Testimony at 8-9).

4.5.1. Recorded and Forecast Small Business California Climate Credit

SDG&E's 2017 recorded Small Business California Volumetric Return is $3.023 million and 2018 forecast for its Small Business Volumetric Return is $3.750 million (Template D-1 November Update). This forecast is reasonable for the purpose of calculating the proceeds available to other customers.

The exact credit per customer will be determined by multiplying the cap-and-trade unit cost for the customer's rate schedule by the customer's monthly usage and then adjusting by the Industry Assistance Factors determined in D.13-12-002.[19] For 2017, the Industry Assistance Factor is 80 percent.

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[19] *See* D.13-12-002, Table 2 of Appendix 2.

4.5.2. Recorded and Forecast Volumetric Residential Return

On July 3, 2015, the Commission issued D.15-07-001 on Residential Rate Design Reform. In this decision, the Commission determined that the residential volumetric GHG rate offset would end and instead residential customers would receive their revenue return only through the residential semi-annual California Climate Credit.

4.6. Recorded and Forecast California Climate Credit

SDG&E distributed a semi-annual, residential Climate Credit in 2017 of $29.62. The 2018 forecast of the residential Climate Credit is $33.50 per household (Template D-1 November Update). As stated in D.13-12-003, all residential households will receive a California Climate Credit distributed as a separate on-bill line item credit twice a year (every April and October billing cycle). To calculate the amount of each climate credit payment, SDG&E will divide the total proceeds remaining among all eligible residential households based on service accounts, including master meter subaccounts. The credit is rounded to the nearest cent and applied to the distribution portion of the bill, but not necessarily applied exclusively to distribution charges. This location on the bill ensures that DA and CCA customers receive their fair portion of allowance proceeds, as is required by D.12-12-003. We approve SDG&E's 2018 semi-annual residential California Climate Credit of $33.50 for each household.

4.7. Summary of GHG Allowance Proceeds

Table 1 below summarizes the approved calculation of the allowance proceeds for 2017.

Allowance Proceeds Balance from Prior Years	$4,334,942
Allowance Proceeds Received in 2017	($89,584,150)
Interest	$65,692
Franchise Fees and Uncollectibles	($1,013,589)
Outreach and Administrative Expenses	$357
Allowance Revenue Approved for Clean Energy or Energy Efficiency Programs	$1,281,995
Net GHG Proceeds Available for Customers in Forecast Year	($84,870,154)
EITE Customer Return	$669,179
Small Business Volumetric Return	$3,750,432
Proceeds Available for Climate Credit	($77,865,655)
Number of Households Eligible for the California Climate Credit	1,325,052
Per-Household Semi-Annual Climate Credit	$33.50

5. Recorded and Forecast GHG Costs

SDG&E's total ERRA revenue requirement includes GHG costs. SDG&E has two categories of GHG costs, direct costs and indirect costs. Direct costs reflect SDG&E's GHG costs from utility-owned generation plants in California, California generators with whom SDG&E has contracts where SDG&E is responsible for GHG costs, and electricity imports. Indirect costs are embedded in market electricity prices, or charged to SDG&E by third parties under contract with SDG&E for energy supply.

SDG&E's authorized GHG costs are collected from bundled customers through the generation component of rates. While SDG&E does have some unbundled customers, it does not pass any of its GHG costs onto these customers; rather, the electricity provider of the unbundled customer will collect GHG costs via the generation component of the customer's bill.

5.1. Recorded GHG Costs

For the purpose of reporting recorded direct GHG costs, D.14-10-033 requires each utility to multiply recorded direct GHG emissions by the weighted average cost of eligible compliance instruments that it holds in inventory. SDG&E provides the confidential calculations of its direct costs in Template D-2 and D-5 of Attachment G in its November Update.[20] To report recorded indirect GHG costs, D.14-10-033 required each utility to multiply the recorded indirect GHG emissions by the annual average of the daily CAISO GHG Allowance Price Index.

SDG&E's recorded GHG costs for 2017 (Template D-2 and D-5 November Update) were calculated appropriately.

A utility's direct GHG emissions are confidential. Because SDG&E is reporting its total emissions publicly, it must also keep its indirect GHG emissions confidential to avoid revealing its direct GHG emissions.

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[20] Confidentiality is discussed in detail in Section 8.3 of this decision.

5.2. Forecast GHG Costs

SDG&E seeks recovery of its forecast 2018 GHG costs in this application as part of the total ERRA revenue requirement. It provides a separate calculation of forecast GHG costs in order to calculate the small business volumetric return. The GHG cost forecast is equal to the expected emissions, both direct and indirect, multiplied by the forecasted proxy GHG price resulting in forecasted GHG costs for 2018 of $51.9 million for ERRA and $7.0 million for Local Generation (Montanez November Updated Testimony at 22). An updated proxy price for the 2017 GHG emissions price of $15.63 per MT was derived using an October 1, 2017 assessment of 2017 GHG market prices based on the average of forward prices on the Intercontinental Exchange over the previous 22-day period, consistent with the period used for forecasting natural gas and electricity prices associated with the forecast of emissions.

Any variance between the forecast of GHG costs incorporated into rates and actual GHG costs incurred will be captured as part of the larger ERRA true-up process. For the purposes of calculating the small business volumetric credit, SDG&E appropriately applies prior years' reconciliation to the 2018 forecast of GHG costs and applies the appropriate 70 percent assistance factor for 2018.[21] The total 2018 forecast GHG costs, including reconciliation (Template D-2 of the November Update), are reasonable for calculating the small business volumetric return.

[21] The Industry Assistance Factors are set forth in D.13-12-002, Appendix 2, Table 2.

5.3. Comparison of 2016 Recorded VS Actual Year-End Balances in GHG Balancing Accounts

Pursuant to D.14-10-033, the IOUs must reconcile forecast amounts with recorded amounts until actuals are available for the forecast year.

In the November update to its application SDG&E provided a comparison of the 2016 year-end recorded/forecasted balances with the 2016 year-end actual balances in the GHG balancing accounts. The GHGRBA is where GHG allowances proceeds are recorded. GHG expenses are recorded in the GHGCOEMA and GHGACMA.

Table four in the Updated November Testimony shows a 2016 year-end recorded balance of $3,775,309 in the GHGRBA. The 2016 year-end recorded balance for the GHGCOEMA is ($140,667) and ($49,896) for the GHGACMA. The actual 2015 year-end balances are ($140,690) for the GHGCOEMA and ($48,474) for the GHGACMA.

5.4. Reconciliation of 2017 GHG Allowance Proceeds and Expenses

Pursuant to OP 11 of D.14-10-033, SDG&E provided a fourth quarter update by presenting its 2017 GHG Allowance Revenue and Expense Reconciliation. This process consists of updating the 2017 recorded amounts to determine the December 31, 2017 true-up balances for the GHGRBA, GHGCOEMA and GHGACMA.

Template D-1 of the November Update Attachment G shows a December 31, 2017 recorded balance of ($4.295) million in the GHGRBA. This reflects activity recorded through September 30, 2017, and forecasted for the last three months of 2017 including amounts of $0.002 million of revenue transferred from the GHGACMA and GHGCOEMA and $1.282 million for multifamily solar (Fang and Miller November Updated Testimony).

In Template D-3, SDG&E presents $0.050 million for total 2017 outreach and administrative expenses. This reflects activity recorded through September 30, 2017, and forecasted for the last three months of 2017 for GHGCOEMA and GHGACMA. Table 2 below shows a summary of all activity recorded in these accounts.

The December 31, 2017 GHGRBA true-up balance is ($4.295) million as shown in Template D-1 and the combined December 31, 2017 GHGCOEMA and GHGACMA expense true-up balance is ($0.149) million as presented in Table 2, line 11. The total prior year true-up for the revenue and expense reconciliation is ($4.434) million.

Table 2 below, provides the GHGCOEMA and GHGACMA recorded under/(over) collection and expense true-up for 2017.

Line	Description	2015 Recorded ($)
1	**Beginning 1/1/2017 GHGCOEMA Balance**	(140,690)
2	Transfer from GHGRBA	667
3	Expenses	-
4	Interest	(1462)
5	**Ending 12/31/2016 GHGCOEMA Balance (Line 1 + Line 2 + Line 3 + Line 4)**	**(141,485)**
6	**Beginning 1/1/2017 GHGACMA Balance**	(48,474)
7	Transfer from GHGRBA	1,396
8	Expenses	49,770
9	Interest	(244)
10	**Ending 12/31/2017 GHGACMA Balance (Line 6 + Line 7 + Line 8 + Line 9)**	**2,448**
11	**12/31/2017 Expense True-Up (Line 5 + Line 10)**	**(139,037)**

We find the reconciliation of 2017 allowance proceeds and expenses to be reasonable and in compliance with applicable decisions.

5.5. Green Tariff Shared Renewables Program and Enhanced Community Renewables Program

In 2013, California enacted the Green Tariff Shared Renewables (GTSR) Program established in SB 43. On January 29, 2015, the Commission issued D.15-01-051, which implements SB 43, by adopting program requirements for the IOUs' GTSR programs. This program has two features administered by the utilities: (1) a Green Tariff component, which allows customers to purchase energy with a greater share of renewables; and (2) an Enhanced Community Renewables (ECR) component, which are recorded in separate subaccounts with the GTSRBA. SDG&E's GTSR program began in 2016 and recorded minimal activity during the year as described in SDG&E's Annual GTSR Program Report filed on March 15, 2017. (Miller November Updated Testimony at 9.) As of the time of the November Update, SDG&E's ECR Program has not yet begun. Therefore, SDG&E is not requesting recovery in this Application. (Miller November Updated Testimony at 9-10.)

6. Safety

The health and safety impacts of GHGs are among the many reasons that the Legislature enacted AB 32. Specifically, the Legislature found and declared that global warming caused by GHG "poses a serious threat to the economic well-being, public health, natural resources, and the environment of California. The potential adverse impacts of global warming include the exacerbation of air quality problems, a reduction in the quality and supply of water to the state from the Sierra snowpack, a rise in sea levels resulting in the displacement of thousands of coastal businesses and residences, damage to marine ecosystems and the natural environment, and an increase in the incidences of infectious diseases, asthma, and other human health-related problems."[22]

This decision implements a key part of the GHG reduction program envisioned by AB 32 and Public Utilities Code Section 748.5 and, as a result, will improve the health and safety of California residents.

7. Implementation of Rates

In order to implement the authority granted herein, SDG&E must file a Tier 1 AL within 30 days of the issuance date of this decision.

8. Other Procedural Matters

8.1. Change in Determination of Need for Hearings

In Resolution ALJ 176-3396, dated April 27, 2017, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were necessary. In the Scoping Memo, the assigned Commissioner stated that evidentiary hearings would be held if necessary. It is determined that hearings are not necessary. Given that no hearings were held in the current proceeding, we change our preliminary and Scoping Memo determination regarding hearings, to no hearings necessary.

8.2. Admittance of Testimony and Exhibits into Record

Since evidentiary hearings were not held in A.17-04-016, there was no opportunity to enter prepared testimony and exhibits into the record. In order to fairly assess the record, it is necessary to include all testimony and exhibits served by SDG&E. In its motion of November 13, 2017, SDG&E requested,

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22 AB 32 Section 38501(a).

pursuant to Rule 13.8 of the Commission's Rules of Practice and Procedure,[23] that the Commission receive the public and confidential version of its Exhibits into the record of A.17-04-016. Therefore, we identify the public and confidential versions of SDG&E's supporting testimony as Exhibits SDG&E-1, -2, -3, -4, -5, 6; and -7[24] and Exhibits SDG&E-1C, -2C, -3C, -4C and -5C.[25] Given the necessity of SDG&E's testimony to our assessment of the proposals put forth, we admit into evidence the public and confidential versions of SDG&E's Exhibits mentioned above[26].

8.3. Motion to Seal

ARB's cap-and-trade regulations prohibit disclosure of auction-related information in most circumstances.[27] ARB's goal is to prevent market collusion. The Commission is interested in ensuring that the public has access to information related to utility rates, but also has its own rules to protect the confidentiality of market sensitive information. D.14-10-033 established

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[23] For the remainder of this decision all reference to Rules refer to the Commission's Rules of Practice and Procedure.

[24] Exhibit SDG&E-1 – Direct Testimony of Jennifer Montanez; Exhibit SDG&E-2 – Direct Testimony of Sherri Miller; Exhibit SDG&E-3 – Direct Testimony of Ana Garza-Beutz; Exhibit SDG&E-4 – Direct Testimony of Monica V. Chihwaro; Exhibit SDG&E-5 – Direct Testimony of Cynthia Fang; and Exhibit SDG&E-6 – Direct Testimony of Rick Janke; and Exhibit SDG&E-7 – SDG&E 2017 ERRA/GHG Updated Prepared Direct Testimony (Montanez, Miller, Garza-Beutz, Chihwaro, Fang, and Janke).

[25] Exhibit SDG&E-1C – Direct Testimony of Jennifer Montanez - Confidential; Exhibit SDG&E-2C – Direct Testimony of Sherri Miller - Confidential; Exhibit SDG&E-3C – Direct Testimony of Anna Garza-Beutz - Confidential; Exhibit SDG&E-4C – Direct Testimony of Monica V. Chihwaro - Confidential; and Exhibit SDG&E-5C – SDG&E 2017 ERRA/GHG Updated Prepared Testimony – Confidential (Montanez, Miller, Garza-Beutz, and Chihwaro).

[26] The November Update submitted on November 2017, will also include the Corrected November Update and updated testimony submitted by SDG&E on November 20, 2017.

[27] 17 CCR § 95914(c).

Confidentiality Protocols to maximize the amount of information that utilities can make publicly available, while ensuring they do not disclose market sensitive information.

SDG&E has submitted public and confidential versions of its testimony. Pursuant to Rule 11.5, D.06-06-066 and D.08-04-023, and the ARB's rules and regulations, SDG&E filed a motion requesting that the confidential supplemental information be filed under seal. Pursuant to Rule 11.5, portions of the record of a proceeding (such as served testimony) may be sealed.

The information referenced in the motion to file under seal and the information contained in the testimony filed under seal constitute commercially sensitive material and include information that falls under the "ARB Confidential" and "Confidential" categories in the Confidentiality Matrix.

We grant confidential treatment of and seal (as detailed in the ordering paragraphs herein) Exhibits SDG&E-1C, -2C, -3C, -4C, -5C, and the confidential portions in Templates D-2 and D-5 contained in Attachment G (GHG Revenue and Reconciliation Form) submitted with SDG&E's Application on April 14, 2017 and updated on November 9, 2017. The documents placed under seal shall remain under seal for the applicable period of time set forth in the Confidentiality Matrix in D.14-10-033.

8.4. Compliance with the Authority Granted Herein

Within 30 days of the effective date of this decision, SDG&E shall submit the necessary AL with the Energy Division under Tier 1 to implement the rate changes authorized by this decision.

9. Reduction of Comment Period

Pursuant to Rule 14.6(b), all parties stipulated to reduce the 30-day public review and comment period required by Section 311 of the Pub. Util. Code to three days. SDG&E filed comments on _______________. Reply comments were filed by __________________.

10. Assignment of Proceeding

Martha Guzman Aceves is the assigned Commissioner and Gerald F. Kelly is the assigned ALJ in this proceeding.

Findings of Fact

1. SDG&E's updated 2018 forecast ERRA revenue requirement is $1,450.598 million, which will be included in 2018 rates.
2. SDG&E's updated 2018 forecast CTC revenue requirement is $24.307 million which will be included in 2018 rates.
3. SDG&E's updated LGC is $160.427 million, which will be included in 2018 rates.
4. SDG&E's SONGS Unit 1 Offsite Spent Fuel Storage Cost revenue requirement of $1.088 million will be included in 2018 rates.
5. SDG&E's undercollected balance in the LGBA is $497,000.
6. The proposed forecast GHG cost and allowance proceeds distribution to customers, including the residential California Climate Credit, for SDG&E are set forth in SDG&E's November Update.
7. Pursuant to D.12-12-033, SDG&E has been tracking GHG costs and allowance proceeds in two-way balancing accounts and tracking administrative and outreach expenditures associated with the program in memorandum accounts.
8. D.12-12-033 allows for a portion of GHG allowance proceeds to be used for energy efficiency and clean energy programs approved in relevant proceedings.
9. The amount attributable to SB 92 MultiFamily Program for 2018 is $10.3 million.

10. SDG&E filed Rule 3.2 Proof of Compliance for rate changes that may result from this proceeding.

11. The 2018 forecast GHG allowance proceeds, GHG costs, returns to Emissions-Intensive and Trade-Exposed customers, and volumetric returns are set forth in Templates D-1 and D-2 of SDG&E's Updated GHG Revenue and Reconciliation Application Form in its November Update.

12. The 2017 recorded GHG administrative and outreach expenses are $56,000.

13. The net forecast GHG administrative and outreach expenses to be set aside for 2018 are $187,500.

14. The 2018 forecast semi-annual residential California Climate Credit is $33.50 per household.

15. In Resolution ALJ 176-3396, dated April 27, 2017, the Commission preliminarily categorized this proceeding as ratesetting, and preliminarily determined that hearings were necessary. In the Scoping Memo, the assigned Commissioner stated that evidentiary hearings would be held if necessary. No hearings were held.

16. SDG&E requested the admittance of its exhibits into evidence pursuant to Rule 13.8.

17. Pursuant to D.06-06-066 and D.08-04-023, as well as Rule 11.5, SDG&E requested the sealing of and confidential treatment of selected exhibits.

18. Rule 11.5 addresses sealing all or part of an evidentiary record; and D.06-06-066 addresses our practices regarding confidential information, such as electric procurement data (that may be market sensitive) submitted to the Commission.

19. D.14-10-033 addresses, in part, the confidentiality of GHG documents and contains the Confidentiality Matrix.

Conclusions of Law

1. The Commission should adopt SDG&E's 2018 forecast as follows: ERRA revenue requirement of $1,450.598 million in 2018 rates; CTC revenue requirement of $24.307 million in 2018 rates; SONGS Unit 1 Offsite Spent Fuel Storage Cost revenue requirement of $1.088 million; and LGC is $160.427 million in 2018 rates.
2. The Commission should authorize SDG&E's request to recover the undercollected balance recorded to the LGBA in the amount of $497,000.
3. SDG&E appropriately forecasted GHG costs and allowance proceeds, and the corresponding returns to customers, consistent with D.12-12-033, D.14-10-033 (as corrected by D.14-10-055 and D.15-01-024), and the other decisions issued in R.11-03-012 to date.
4. The amounts and calculations in SDG&E's November Updated Testimony are appropriate and consistent with the instructions and templates provided in D.14-10-033 as corrected by D.14-10-055 and D.15-01-024.
5. The methodologies used to forecast GHG costs and allowance proceeds and reconcile prior forecasts with recorded amounts are reasonable.
6. The recorded and forecast GHG allowance proceeds are reasonable.
7. The recorded and forecast GHG administrative and outreach costs are reasonable.
8. The recorded and forecast GHG costs are reasonable.
9. $84.870 million of GHG proceeds should be returned to SDG&E customers.

10. SDG&E should be authorized to modify its tariffs to reflect (1) the forecast 2018 GHG allowance proceeds and the reconciled 2016 and (2) 2017 GHG allowance proceeds specified in its November Update.

11. ALs to implement changed tariff sheets in accordance with this Decision should be filed as Tier 1 ALs.

12. SDG&E's request to treat selected versions of its testimony as confidential should be granted, as detailed herein.

13. SDG&E's request to receive testimony into the record, should be granted, as detailed herein.

14. Exhibits SDG&E-1C, -2C, -3C, -4C, -5C, and the confidential portions in Templates D-2 and D-5 contained in Attachment G (GHG Revenue and Reconciliation Form) submitted with SDG&E's Application on April 14, 2017, updated on November 9, 2017 and corrected on November 20, 2017, should be sealed and treated confidentially. The documents placed under seal should remain under seal for the applicable period of time set forth in the Confidentiality Matrix in D.14-10-033.

15. All rulings issued by the assigned Commissioner and ALJ should be affirmed herein; and all motions not specifically addressed herein or previously addressed by the assigned Commissioner or ALJ, should be denied.

16. Given that no hearings were held in the current proceeding, we should change our preliminary and Scoping Memo determination regarding hearings, to no hearings necessary.

O R D E R

IT IS ORDERED that:

1. San Diego Gas & Electric Company's 2018 request for the following ratesetting inputs are adopted as follows: 1) an Energy Resource Recovery Account forecast revenue requirement of an estimated $1,450.598 million; 2) Ongoing Competition Transition Charge forecast revenue requirement of $24,307 million; 3) 2017 Local Generation Charge of $160.427 million; and 4) San Onofre Nuclear Generating Station Unit 1 Offsite Spent Fuel Storage Cost revenue requirement of $1.088 million.

2. San Diego Gas & Electric Company's proposed 2018 Local Generation Charge rates are approved.

3. San Diego Gas & Electric Company's proposed 2018 Power Charge Indifference Adjustment Rates are approved.

4. San Diego Gas & Electric Company's request to recover the undercollected balance recorded to the Local Generating Balance Account in the amount of $497,000 is approved.

5. $84.870 million of Greenhouse Gas allowance proceeds must be returned San Diego Gas & Electric Company customers.

6. San Diego Gas & Electric Company's rate component for the Green Tariff Shared Renewables Program is approved.

7. San Diego Gas & Electric Company's (SDG&E) request to treat as confidential and seal portions of the evidentiary record, in particular, Exhibits SDG&E-1C, -2C, -3C, -4C, -5C, and the confidential portions in Templates D-2 and D-5 contained in Attachment G (Greenhouse Gas Revenue and Reconciliation Form) submitted with SDG&E's Application on

April 14, 2017, updated on November 9, 2017, and corrected on November 20, 2017, is approved. The documents placed under seal shall remain under seal for the applicable period of time set forth in the Confidentiality Matrix in Decision 14-10-033. During this period, this information will remain under seal and confidential, and shall not be made accessible or disclosed to anyone other than the Commission staff or on the further order or ruling of the Commission, assigned Commissioner, the assigned Administrative Law Judge (ALJ), the Law and Motion ALJ, the Chief ALJ, or the Assistant Chief ALJ, or as ordered by a court of competent jurisdiction. If SDG&E believes that it is necessary for this information to remain under seal for longer than three years, SDG&E may file a new motion stating the justification of further withholding of the information from public inspection. This motion shall be filed at least 30 days before the expiration of today's limited protective order.

8. Within 30 days of the effective date of this decision, San Diego Gas & Electric Company shall submit the necessary Advice Letters (ALs) with the Energy Division under Tier 1 to implement the authority and rate changes authorized by this decision. The AL shall include changed tariff sheets and supporting documentation for:

   a. Residential rate schedules (including master-metered rate schedules) to include the authorized 2018 Climate Credit Amount;

   b. Small business rate schedules to include the volumetric dollars per kilowatt hour greenhouse gas rate offset for small business customers; and

   c. The amounts approved in Ordering Paragraph 1.

9. All rulings issued by the assigned Commissioner and Administrative Law Judge (ALJ) are affirmed herein; and all motions not specifically addressed

herein or previously addressed by the assigned Commissioner or ALJ, are denied.

10. The prepared testimony of San Diego Gas & Electric Company, consisting of the public and confidential versions of Exhibits SDG&E-1 through -7 is received into evidence.

11. The determination made in the assigned Commissioner's Scoping Memo and Ruling that hearings were necessary is changed to no hearings necessary.

12. Today's decision is effective immediately.

13. Application 17-04-016 is closed.

This order is effective today.

Dated ____________________________, at San Francisco, California.