

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



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In the Matter of the Application of San Diego Gas & Electric Company (U 902 E) for Approval of its Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation.

Application 10-07-009
(Filed July 6, 2010)

Application of San Diego Gas & Electric Company (U 902 E) for Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design

Application 19-03-002
(Filed March 4, 2019)

**JOINT MOTION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E),
THE PUBLIC ADVOCATES OFFICE, UTILITY CONSUMERS' ACTION NETWORK,
FEDERAL EXECUTIVE AGENCIES, CALIFORNIA FARM BUREAU FEDERATION,
SAN DIEGO AIRPORT PARKING COMPANY, SMALL BUSINESS UTILITY
ADVOCATES, SOLAR ENERGY INDUSTRIES ASSOCIATION, ENERGY
PRODUCERS AND USERS COALITION, CALIFORNIA LARGE ENERGY
CONSUMERS ASSOCIATION, CALIFORNIA CITY COUNTY STREET LIGHT
ASSOCIATION, THE UTILITY REFORM NETWORK, AND THE CITY OF SAN
DIEGO FOR APPROVAL OF THE GENERAL RATE CASE PHASE 2
SETTLEMENT AGREEMENT**

Laura Earl

8330 Century Park Court
San Diego, CA 92123
Telephone: (858) 654-1541
Facsimile: (619) 699-5027
Email: learl@sdge.com

Counsel for
SAN DIEGO GAS & ELECTRIC COMPANY

Noel Obiora

505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-5987
Facsimile: (415) 703-2262
Email: noel.obiora@cpuc.ca.gov

Attorney for
**THE PUBLIC ADVOCATES OFFICE AT THE
CALIFORNIA PUBLIC UTILITIES
COMMISSION**

<p>Lee Biddle</p> <p>3405 Kenyon St., Suite 401 San Diego, CA 92110 Telephone: (619) 696-6966 Email: lee@ucan.org</p> <p><i>Attorney for</i> UTILITY CONSUMERS' ACTION NETWORK</p>	<p>Rita M. Liotta</p> <p>1 Ave of the Palms, Suite 161 San Francisco, CA 94130 Telephone: (415) 743-4718 Cell: (415) 671-9187 Facsimile: (415) 743-4700 Email: rita.liotta@navy.mil</p> <p><i>Counsel for</i> FEDERAL EXECUTIVE AGENCIES</p>
<p>Karen Norene Mills</p> <p>2600 River Plaza Drive Sacramento, CA 95833 Telephone: (916) 561-5655 Email: kmills@cbbf.com</p> <p><i>Director of Legal Services for</i> CALIFORNIA FARM BUREAU FEDERATION</p>	<p>Lisa McGhee</p> <p>2771 Kurtz St. San Diego, CA 92110 Telephone: (714) 881-4856 SDAPParking@gmail.com, lisamcghee@aol.com</p> <p><i>Representative for</i> SAN DIEGO AIRPORT PARKING COMPANY</p>
<p>Jennifer L. Weberski</p> <p>548 Market Street, Suite 11200 San Francisco, CA 94104 Telephone: (703) 489-2924 Email: jennifer@utilityadvocates.org</p> <p><i>Litigation Supervisor for</i> SMALL BUSINESS UTILITY ADVOCATES</p>	<p>Jeanne B. Armstrong</p> <p>Goodin, MacBride, Squeri & Day, LLP 505 Sansome Street, Suite 900 San Francisco, CA 94111 Telephone: (415) 392-7900 Email: jarmstrong@goodinmacbride.com</p> <p><i>Attorney for</i> SOLAR ENERGY INDUSTRIES ASSOCIATION</p>
<p>Michael Alcantar</p> <p>Alcantar Law Group 1 Blackfield Drive, #135 Tiburon, CA 94920 Telephone: (503) 708-8400 Email: mpa@alcantar-law.com</p> <p><i>Counsel for</i> ENERGY PRODUCERS AND USERS COALITION</p>	<p>Nora Sheriff</p> <p>Buchalter, A Professional Corporation 55 Second Street, Suite 1700 San Francisco, CA 94105 Telephone: (415) 227-3551 Facsimile: (415) 227-0900 nsheriff@buchalter.com</p> <p><i>Counsel for</i> CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION</p>

<p>Daniel M. Denebeim</p> <p>825 San Antonio Road, Suite 109 Palo Alto, CA 94303-4620 Telephone: (650) 336-7614 Facsimile: (650) 584-3223 daniel@denebeimlaw.com</p> <p><i>Attorney for</i> CALIFORNIA CITY COUNTY STREET LIGHT ASSOCIATION</p>	<p>David Cheng</p> <p>1620 5th Avenue, Suite 810 San Diego, CA 92101 Telephone: (619) 398-3680 x103 dcheng@turn.org</p> <p><i>Attorney for</i> THE UTILITY REFORM NETWORK</p>
<p>Frederick M. Ortlieb</p> <p>1200 Third Avenue, 11th Floor San Diego, CA 92101 Telephone: (619) 236-6318 Email: fortlieb@sandiego.gov</p> <p><i>Attorney for</i> CITY OF SAN DIEGO</p>	

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SETTLEMENT AGREEMENT**

I. INTRODUCTION

Pursuant to Rules 1.8, 11.1, and 12.1 of the California Public Utilities Commission's ("CPUC" or "Commission") Rules of Practice and Procedure ("Rules"), San Diego Gas & Electric Company ("SDG&E"), the Public Advocates Office at the Commission ("Cal Advocates"), Utility Consumers' Action Network ("UCAN"), Federal Executive Agencies ("FEA"), California Farm Bureau Federation ("Farm Bureau"), San Diego Airport Parking Company ("SDAP"), Small Business Utility Advocates ("SBUA"), Solar Energy Industries Association ("SEIA"), Energy Producers and Users Coalition ("EPUC"), California Large Energy Consumers Association ("CLECA"), California City County Street Light Association ("CalSLA"), The Utility Reform Network ("TURN"), and the City of San Diego (collectively,

the “Settling Parties”) respectfully request that the Commission adopt and find reasonable the comprehensive “Settlement Agreement” (or “Agreement”) appended to this Joint Motion as Attachment A.

The Settling Parties arrived at this Agreement through several months of negotiations, beginning on May 21, 2020, which included exchanges of proposed terms, counterproposals, and detailed comments. The Settlement Agreement is joined by a large majority of parties in this proceeding and is timely filed in accordance with Rule 12.1(a).¹ In summary terms, the Settlement Agreement adopts the majority of proposals in SDG&E’s Application (except for the proposal to adopt a new Schools-only rate class),² with specific adjustments to SDG&E’s proposed timing and rate structure that are amenable to the Settling Parties. SDG&E has also agreed to perform various studies and other commitments to resolve the Settling Parties’ interests.

This Settlement Agreement represents a compromise from the litigation positions of the various parties to the Settlement Agreement, resulting from the fully developed evidentiary record and extensive negotiations among the parties. The Settling Parties have evaluated the impacts of the various proposals in this proceeding and desire to resolve all issues (except as set forth herein), beginning with a Commission decision adopting the Settlement Agreement, in accordance with the terms of the Agreement. The Settling Parties submit that the Agreement adequately resolves the specific contested issues of interest to each signatory and serves as a complete and final resolution of all issues among them in this proceeding, except for three

¹ Rule 12.1(a) states that a written motion to propose settlement on a mutually agreeable outcome to the proceeding can be filed “any time after the first prehearing conference and within 30 days after the last day of hearing.” A prehearing conference was held in this proceeding on June 12, 2019, and the last day of evidentiary hearings has not yet occurred, as of the date of this filing.

² See A.19-03-002.

identified issues, as described below. Attachment B provides a comparison of the Settling Parties' positions related to the issues that have been resolved by this Settlement Agreement, consistent with Assigned Commissioner Shiroma's July 11, 2019, Scoping Memo and Ruling.

The Settlement Agreement is consistent with the Commission's policy favoring settlements and negotiated resolution of issues. By settling, the Settling Parties were able to resolve most issues between them in this case, without further burdening the Administrative Law Judges, the Assigned Commissioner, Commission Staff, and stakeholders with further litigation. The Settlement Agreement aids the cause of judicial economy and efficiency and is reasonable in light of the whole record, consistent with law, and in the public interest.³ Accordingly, the Settling Parties respectfully request that the Commission approve the Settlement Agreement, appended hereto, in a final decision.

II. PROCEDURAL HISTORY

On March 4, 2019, SDG&E filed its GRC Phase 2 Application for Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design, Application ("A.") 19-03-002.⁴ The Application continued most, but not all, aspects of SDG&E's then-existing rate structures and proposed a new and separate Schools-only rate class (in accordance with Decision ("D.") 17-08-030).

Protests were filed by UCAN, TURN, Farm Bureau, Cal Advocates, SBUA, the City of San Diego, SEIA, and the San Diego Public Schools Coalition.⁵ SDG&E timely filed a reply to all filed protests on April 8, 2019.

³ See Rule 12.1(d).

⁴ A.19-03-002.

⁵ Borrego Springs Unified School District, Escondido Union School District, Solana Beach School District, Julian Union High School District, San Pasqual Union School District, San Diego Unified School District, Bonsall Unified School District, Coronado Unified School District, Dehesa School

Separately, on April 26, 2019, SDG&E filed a petition for modification (“PFM”) in A.10-07-009, to modify D.12-12-004. The PFM requested approval to change SDG&E’s default rate for small commercial customers from time-of-use (“TOU”) with critical peak pricing (“CPP”) to TOU without CPP. On May 28, 2019, Cal Advocates and SBUA filed responses to the petition. On June 24, 2019, Administrative Law Judge (“ALJ”) Valerie Kao consolidated A.10-07-009 with A.19-03-002.

Pursuant to ALJ Kao’s March 25, 2019, ruling, a prehearing conference was held on Wednesday, June 12, 2019, to determine parties, discuss the scope, the schedule, and other procedural matters.

On May 3, 2019, SDG&E filed supplemental testimony on demand charge studies, pursuant to D.17-08-030 and Resolution E-4951.

On July 11, 2019, Assigned Commissioner Genevieve Shiroma issued a scoping memo and ruling defining broad issue areas of the proceeding as:

- 1) Marginal costs including refinements to calculating and distributing generation, distribution and customer marginal costs
- 2) Revenue allocation
- 3) Rate design including, but not limited to the following:
 - a) Residential: seasonal baseline adjustment, default and optional rates
 - b) Non-residential: customer cost recovery, distribution demand cost

District, Sweetwater Union High School District, Fallbrook Union High School District, National School District, Alpine Union School District, San Diego County Office Of Education, San Ysidro School District, Cardiff School District, Del Mar Union School District, Encinitas Union School District, Spencer Valley School District, Lakeside Union School District, Lemon Grove School District, Mountain Empire Unified School District, Oceanside Unified School District, Santee School District, South Bay Union School District, Vista Unified School District, Escondido Union High School District, Fallbrook Union Elementary School District, Grossmont Union High School District, Julian Union School District, La Mesa-Spring Valley School District, Ramona Unified School District, Jamul-Dulzura Union School District, Cajon Valley Union School District, Carlsbad Unified School District, Chula Vista Elementary School District, Valley Center-Pauma Unified School District, San Marcos Unified School District, and San Dieguito Union High School District.

recovery (via demand charges or alternative mechanisms), commodity cost recovery, default and optional rates, SDG&E's proposed schools-only classes and rate design, streetlighting rate options

- c) All customer classes: real-time pricing or other dynamic pricing rate options
- d) Implementation details for any proposed rate structures

On April 30, 2020, ALJ McKinney issued an e-mail ruling clarifying that the scope of the proceeding included consideration of the PFM of D.12-12-004 and dynamic rates and inviting comment on the changes to the Commission's Rate Case Plan that were ordered in D.20-01-002. ("April 30, 2020, E-mail Ruling").

On May 3, 2019,⁶ July 2, 2019, August 12, 2019,⁷ and August 30, 2019,⁸ SDG&E filed and served supplemental testimony. The Commission held three workshops in this proceeding: (1) a July 29, 2019 workshop on marginal costs, revenue allocation and workpapers;⁹ (2) an August 27, 2019 workshop on demand charges;¹⁰ and (3) an October 15, 2019 workshop on real time pricing and dynamic rates.¹¹

On February 13, 2020, Cal Advocates served prepared direct testimony, one month in advance of other intervenor direct testimony. On March 3, 2020, this proceeding was reassigned to ALJ Jeanne M. McKinney. On March 20, 2020, ALJ McKinney issued a ruling changing the procedural schedule in this matter.

On April 6, 2020, the following parties served prepared direct testimony: TURN, the San Diego Public Schools Coalition, the Joint Advanced Rate Parties, Farm Bureau, FEA, SEIA,

⁶ Served pursuant to D.17-08-030 and Resolution E-4951.

⁷ Served and filed pursuant to ALJ Kao's July 26, 2019 Ruling Directing San Diego Gas & Electric Company to File/Serve Supplemental Information ("July 26, 2019 Ruling").

⁸ Served and filed pursuant to the July 26, 2019 Ruling.

⁹ The July 29, 2019 Workshop was held pursuant to ALJ Kao's July 17, 2019, E-mail Ruling.

¹⁰ The August 27, 2019 Workshop was held pursuant to ALJ Kao's August 19, 2019 E-mail Ruling.

¹¹ The October 15, 2019 Workshop was held pursuant to ALJ Kao's October 2, 2019, E-mail Ruling.

CLECA, EPUC, SDAP, the City of San Diego, and SBUA. Cal Advocates filed revised prepared direct testimony on April 6, 2020.

On May 4, 2020, SDG&E and the following parties served concurrent prepared rebuttal testimony: Cal Advocates, TURN, UCAN, FEA, SBUA, CALSLA, SDAP, and the San Diego Public Schools Coalition. On May 11, 2020, SDG&E served a notice on all parties of an initial all-party settlement meeting pursuant to Rule 12.1(b), which was held on May 21, 2020. Parties thereafter engaged in extensive settlement negotiations over the next several months.

On June 30, 2020, ALJ McKinney issued a ruling changing the procedural schedule in this matter. On July 17, 2020, ALJ McKinney issued a ruling allowing for supplemental testimony regarding dynamic rates. On August 7, 2020, ALJ McKinney issued a ruling changing the procedural schedule in this matter. On August 31, 2020, certain parties filed supplemental testimony on dynamic rates. On September 15, 2020, SDG&E and other parties filed supplemental rebuttal testimony on dynamic rates.

As discussed above, the Settling Parties arrived at a written settlement-in-principle after arm's length negotiations and after exchanging written products, including proposed terms and operative language, and related comments. Once the Settling Parties agreed to initial terms, the Settling Parties exchanged comments and changes to drafts of the formal Settlement Agreement. The Settlement Agreement has been executed by the Settling Parties. The Settling Parties agree that the record in this proceeding has been fully developed to allow the Commission to determine that the Settlement Agreement is reasonable and should be adopted.

III. SUMMARY OF THE SETTLEMENT AGREEMENT¹²

The Settlement Agreement represents a negotiated compromise between the Settling Parties to avoid the risks, burdens, and expense of further litigation. The Settling Parties agreed to the terms of the Settlement Agreement solely for purposes of arriving at the compromises set forth in the Settlement Agreement. Under Rule 12.5, the Settlement Agreement should not be considered as precedent in any future proceeding.

Below, the Settling Parties summarize the basic terms of the Settlement Agreement. For the sake of brevity, the subsection below represents a distillation of the more complex language found in the actual Settlement Agreement signed by the Settling Parties.

A. Summary of the Terms of Settlement

1. General

Unless specified in the Agreement, all proposals in SDG&E's application and supporting testimony shall be adopted.

2. Sales Forecasting

The Settlement Agreement adopts SDG&E's updated 2021 sales forecast and recommends implementation no sooner than November 1, 2021. Further, the parties agree that changes to revenue allocations due to sales forecast changes will be based on the system average percent change ("SAPC") approach where identified rate components for each customer class will experience the same average rate change based on the variation in system sales. Parties support the use of the SAPC approach to implementing sales changes during SDG&E's 2019

¹² This section provides summaries of the provisions of the Settlement Agreement. The Settling Parties do not intend these summaries to in any way replace or modify any of the provisions of the Settlement Agreement and emphasize that no inferences or interpretations should be made based on the summaries in this motion.

GRC Phase 2 term because this approach will smooth out volatility in class average rate changes due to changes in sales caused by the economic and other impacts of the COVID-19 pandemic.

The Settlement Agreement further requires SDG&E to file a standalone application to update its sales forecast for 2022, with a request for implementation to be made effective January 1, 2022. Also, SDG&E will update its sales forecast on an annual basis via a separate application.

3. Non-Coincident and Peak Demand Charge Allocation

The Settling Parties agree to terms resulting in a 35% non-coincident and a 65% peak-related allocation. This allocation is based on the average of the proposals of SDG&E, Cal Advocates, and SEIA. The Settling Parties also agree that SDG&E will conduct a study to examine the reasonableness of recovering a portion of distribution costs through volumetric TOU rates for both Medium and Large Commercial and Industrial (“M/L C&I”) and Agricultural customers up to the 100 kW and 200 kW demand levels. SDG&E will present the results of this study to parties prior to filing its next GRC Phase 2 application.

4. Monthly Service Fees

The Settling Parties agree to support monthly service fees as follows: 1) +7% each year for two years for non-substation rates, and 2) +3% each year for two years for substation rates.

5. Medium and Large Commercial and Industrial (“M/L C&I”) Class

SDG&E will analyze subdividing this class into two or more separate classes. SDG&E will hold a workshop to share the data used and results of the study with parties and receive feedback before filing its next GRC Phase 2 application.

6. Revenue Allocations

Parties agree to use SDG&E’s proposed May 4, 2020 revenue allocations for distribution, commodity, competition transition charge (“CTC”), local generation charge (“LGC”), demand

response, and vehicle-grid integration (“VGI”) components, which were the revenue allocations adopted in SDG&E’s 2016 GRC Phase 2, D.17-08-030. These revenue allocations will be in place until SDG&E’s next GRC Phase 2 decision. For public purpose program rate (“PPP”) revenue allocations, parties agree that revenue allocations not directly tied to sales will be updated as proposed by SDG&E as part of the annual PPP advice letter filing. Parties also agree that revenue allocations tied to sales will reflect SDG&E’s 2019 authorized sales until the Commission adopts a new sales forecast for SDG&E.

7. Marginal Costs of Solar Customers

SDG&E agrees to hold at least one workshop to present an analysis and discuss solar customers’ effects on marginal costs before the filing of SDG&E’s next GRC Phase 2 application. This analysis will look at various related cost factors and would quantify delivered and received energy. Other distributed generation resources or advanced technologies will be discussed. SDG&E agrees to include the analysis as part of its next GRC Phase 2 application.

8. EV-TOU-5 Distribution Rates

Parties agree to support Cal Advocates’ proposal to adjust SDG&E’s current residential Schedule EV-TOU-5 distribution rates by annually increasing its super off-peak distribution rate by \$0.00748/kWh for two years and reducing the on-peak and off-peak rates to maintain the revenue neutrality of the rate, occurring with SDG&E’s annual consolidated January 1 rate change following a decision in this proceeding. SDG&E will make no other modifications to EV-TOU-5 at this time. However, SDG&E will conduct workshops and subsequently propose an untiered residential time-of-use rate in a rate design application to be filed no later than September 1, 2021.

9. Schedule DG-R

SDG&E agrees to expand the eligibility of M/L C&I Schedule DG-R (“DG-R”) to non-residential customers who adopt a behind-the-meter storage device that has a minimum discharge capacity equal to or greater than 20% of the customer’s annual peak demand and whose peak annual load is equal to or less than 2 MW. Parties agree that any DG-R revenue under-collection or over-collection calculated for customers with a behind-the-meter storage device but without renewable distributed generation that qualify to take service on DG-R after a final decision is issued in this proceeding (Storage Only DG-R Customers) will be allocated annually to only DG-R customers. The DG-R revenue under-collection or over-collection resulting from these Storage Only DG-R Customers will be calculated consistent with how DG-R revenue under-collections and over-collections are calculated today, pursuant to D.08-02-034, by calculating the annual revenue difference of the customer being billed on DG-R rates compared to the customer being billed on their otherwise applicable rates, which would be Schedule AL-TOU for customers taking service on DG-R. Due to the implementation of a new billing system, SDG&E is not able to implement this change until late 2021 or early 2022.

10. SDG&E’s Petition to Modify D.12-12-004

Parties support adopting SDG&E’s petition to modify Decision 12-12-004. Adoption of this Petition for Modification (“PFM”) would make the “CPP” dynamic rate offering optional for those small businesses who believe they can participate, rather than the current default rate for new small commercial customers starting service with SDG&E.

11. Streetlighting Schedules

SDG&E agrees to hold at least one workshop before the start of the next GRC Phase 2 on Schedules LS-2 DS and LS-2 AD, also known as the Streetlighting Schedules. The workshop(s) will discuss possible means to increase the attractiveness of these tariffs to customers, among

other things. Further, the Settling Parties agree that, because no customers currently utilize these tariffs, no changes to the rate design should be made at this time.

12. Battery/Energy Storage and Battery/Renewable Hybrid

SDG&E agrees that a battery/energy storage resource and battery/renewable hybrid should be evaluated, and if reasonable, be considered as the Marginal Resource in the next GRC Phase 2 Marginal Generation Capacity Cost Study.

13. Flexible Capacity

SDG&E agrees to evaluate flexible capacity as a marginal cost component in the next GRC Phase 2 Marginal Commodity Cost Study.

14. Marginal Energy Cost Study Methodology

SDG&E agrees to consider using Production Cost Modeling (“PCM”) to generate marginal energy costs in the next GRC Phase 2 Marginal Energy Cost Study and will make the results of a production cost modeling run available to all parties in the proceeding on a confidential basis.

15. Marginal Generation Capacity Cost Methodology

SDG&E agrees to consider the mixed short-run and long-run marginal generation capacity cost methodology in the next GRC Phase 2.

16. LED Lamp Conversion

SDG&E agrees to propose in its next GRC Phase 2 application the conversion of Schedule OL-1 lamps to Light Emitting Diode (LED) technology, as suggested by San Diego Airport Parking Company (“SDAP”) and supported by California Street Lighting Association (“CALSLA”).

17. Marginal Distribution Customer Costs - Shared Service Drops

In its next GRC Phase 2 application, SDG&E agrees to present marginal distribution customer costs for customers sharing service drops.

18. Recovery of Wildfire Costs

The Settling Parties agree to support continuing to recover the wildfire costs identified in this proceeding through distribution costs, as currently recovered. This provision only applies to wildfire costs identified in this proceeding and does not constrain parties from making future recommendations.

19. Tariff Simplification

SDG&E agrees to make available total rates for all M/L C&I and agricultural customers tariff combinations on its web-based Total Rate Link, to simplify the process by which a customer can determine its total rate. Further, SDG&E agrees to provide illustrative tariffs for a limited number of different rate schedules as part of its next GRC Phase 2 Application or Rate Design Window (“RDW”) proceeding, whichever comes first, showing how it envisions a new simplified tariff structure would look as proposed by the City of San Diego.

20. Analysis of Base TOU Periods

SDG&E agrees to provide an analysis of Base TOU periods in its next GRC Phase 2 application. The Settlement Agreement also outlines a methodology for conducting future Base TOU forecasting.

21. Contribution to Margin (“CTM”)

Parties agree to adopt marginal distribution demand costs only for purposes of being used in CTM calculations for Commercial electric vehicle (“EV”) Rates adopted by the Commission in A.19-07-006 until the final decision in SDG&E’s next GRC Phase 2 proceeding. These

marginal distribution demand costs will be used for the distribution portion of the CTM calculations only and for no other rate setting or cost allocation evaluation or consideration.

B. Issues Remaining for Litigation – Statement of Contested Facts

This Settlement Agreement settles all matters between the parties as identified in the July 11, 2019, Scoping Memo and Ruling by Assigned Commissioner Genevieve Shiroma and ALJ McKinney’s April 30, 2020, E-mail Ruling clarifying the scope of the proceeding, except as otherwise identified in the Settlement Agreement and herein.

The Settling Parties agree that the following two issues have not been settled and are subject to further litigation:

- 1) SDG&E’s Schools-only rate class (proposed in accordance with Decision (“D.”) 17-08-030); and
- 2) Dynamic pricing rate (e.g., real-time-pricing) options.

The Settling Parties also agree that the following issue has not been settled, but agree to pursue further litigation through briefing only:

- 3) SDAP’s proposal to reinstate the waiver granted in D.17-08-030, Ordering Paragraph #37.

C. Comparison Exhibit

In accordance with the Scoping Memo and Ruling, the Settling Parties have prepared and submitted a Comparison Exhibit for each settled issue showing SDG&E’s current policy, SDG&E’s proposal, the position of each Settling Party on the issue, and the final settlement position. The Settling Parties do not intend the Comparison Exhibit to, in any way, replace or modify any of the provisions of the Settlement Agreement. The Comparison Exhibit is appended hereto as Attachment B.

IV. THE SETTLEMENT AGREEMENT IS REASONABLE IN LIGHT OF THE WHOLE RECORD, CONSISTENT WITH THE LAW, AND IN THE PUBLIC INTEREST

Under Commission Rule 12.1(d), the Commission may approve a settlement that is “reasonable in light of the whole record, consistent with law, and in the public interest.”

Numerous Commission decisions have endorsed settlements as an “appropriate method of alternative ratemaking” and express a strong public policy favoring settlement of disputes if they are fair and reasonable in light of the whole record.¹³ This policy supports many worthwhile goals, including not only reducing the expense of litigation and conserving scarce Commission resources, but also allowing parties to reduce the risk that litigation will produce unacceptable results.¹⁴

In assessing settlements, the Commission evaluates the *entire* agreement as a whole, and not just its components:

In assessing settlements, we consider individual settlement provisions but, in light of strong public policy favoring settlements, we do not base our conclusion on whether any single provision is the optimal result. Rather, we determine whether the settlement as a whole produces a just and reasonable outcome.¹⁵

As further explained below, the Settling Parties submit that the settlement as a whole produces a just and reasonable outcome that satisfies the requirements of Rule 12.1(d).

A. The Settlement Agreement is Reasonable and in the Public Interest

The Settling Parties agree that the Settlement Agreement, the provisions of which are described in detail above, is reasonable and in the public interest. The Settlement Agreement is a product of substantial negotiation efforts and compromise on behalf of the Settling Parties. The

¹³ See, e.g., D.05-10-041, 2005 Cal. PUC LEXIS 484 at *70, D.15-03-006, 2015 Cal. PUC LEXIS 132 at *8 and D.15-04-006, 2015 Cal. PUC LEXIS 212 at *12-13.

¹⁴ D.14-12-040, 2014 Cal. PUC LEXIS 617 at *50-51.

¹⁵ D.10-04-033, p. 9.

Settling Parties are knowledgeable and experienced regarding the issues in this proceeding and have a well-documented history of strongly-held positions, leading to different conclusions in many areas. In agreeing to the Settlement Agreement, the Settling Parties have used their collective experience to produce appropriate, well-founded recommendations.

The Commission has determined that a settlement that “commands broad support among participants fairly reflective of the affected interests” and “does not contain terms which contravene statutory provisions or prior Commission decisions” meets the “public interest” criterion.¹⁶ Further, the Commission has recognized that “There is a strong public policy favoring the settlement of disputes to avoid costly and protracted litigation.”¹⁷

The Settling Parties have ardently negotiated and succeeded in achieving settlements that they believe balance the various interests affected in this proceeding. The negotiation process itself lends credence to the fact that the settlement is in the public interest and is the preferred outcome, as the Commission has recognized: “A very important potential advantage of settlements is that the parties themselves may be better able than the trier of fact to craft the optimal resolution of a dispute.”¹⁸ During negotiations discussions, the Settling Parties weighed and determined a reasonable, mutually acceptable outcome. The terms of the Settlement Agreement and the process used to arrive at the mutually acceptable terms demonstrate that the requirements of Rule 12 and Public Utilities Code Section 451 have been met.¹⁹

¹⁶ D.10-06-015, pp. 11-12, citing D.92-12-019, p. 7.

¹⁷ *Re Pacific Gas and Electric Co.*, D.88-12-083, 1988 Cal. PUC LEXIS 886, 30 CPUC2d 189, 99 P.U.R. 4th 141, citing, *Datatronic Systems Corp. v. Speron, Inc.*, (1986) 176 Cal. App. 3d 1168, 1173-74.

¹⁸ D.92-08-036, 1992 Cal. PUC LEXIS 561, Finding of Fact 9. *See also*, D.95-12-051, 1995 Cal. PUC LEXIS 963 at *14 (“[t]he advantages of the settlement outweigh the risks of ratepayer harm.”).

¹⁹ Public Utilities Code Section 451 provides, in pertinent part: “All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable.”

The Settlement Agreement, if adopted by the Commission, avoids the cost of further litigation, and frees up Commission and Settling Parties' time and resources to focus on other proceedings. For all of these reasons, the Settlement Agreement is clearly in the public interest.

B. The Settlement Agreement is Reasonable in Light of the Whole Record

During this proceeding, the parties have submitted multiple filings, including testimony and supplemental information, supporting their positions. Further, the parties have engaged in discovery and workshops, ensuring that the parties are fully informed about the bases of the terms of this Agreement. Beginning on or about May 21, 2020, and through the execution of the Settlement Agreement, the Settling Parties have undergone a careful analysis of the issues, engaged in extensive discussions and negotiations, and have arrived at these mutually agreed-upon terms. Throughout these negotiations, the parties devoted substantial time and effort to developing several compromise positions that would resolve the disputed issues. The Settlement Agreement is a product of those efforts.

The Settlement Agreement represents the collective best efforts of the Settling Parties. Consistent with Rule 12.1, the Settling Parties agree that the Settlement Agreement results in a mutually agreeable outcome to the proceeding. Therefore, the Commission should find the Settlement Agreement reasonable in light of the record.

C. The Settlement Agreement is Consistent with Law

The Settling Parties are represented by experienced counsel and believe that the terms of the Settlement Agreement comply with all applicable statutes and prior Commission decisions, and reasonable interpretations thereof. In agreeing to the terms of the Settlement Agreement, the Settling Parties considered relevant statutes and Commission decisions and believe that the Settlement Agreement is fully consistent with those statutes and prior Commission decisions.

V. THE SETTLEMENT AGREEMENT SHOULD BE ADOPTED WITHOUT MODIFICATION

Though various terms of the Settlement Agreement are discussed separately in the summary above, the Settlement Agreement is presented as a whole, and Settling Parties request that it be reviewed and adopted as a whole. Each provision of the Agreement is dependent on the other provisions of the Agreement; thus, modification of any one part of the Settlement Agreement would harm the balancing of interests and compromises achieved in the Agreement. The various provisions reflect specific compromises between litigation positions and differing interests; in some instances, the proposed outcome reflects a party's concession on one issue in consideration for the outcome provided on a different issue. The proposed outcome on each issue is reasonable in light of the entire record.

The Settlement Agreement (Section 5.4) provides, in relevant part:

This Settlement Agreement embodies compromises of the Settling Parties' positions in this proceeding. No individual term of this Settlement Agreement is assented to by any Settling Party, except in consideration of the other Settling Parties' assents to all other terms. Thus, the Settlement Agreement is indivisible and each part is interdependent on each and all other parts. Any party may withdraw from this Settlement Agreement if the Commission, or any court of competent jurisdiction, modifies, deletes from, or adds to the disposition of the matters settled herein.

Thus, adoption of a portion of the Settlement Agreement would necessarily upset the balance of interests that led to the settlement's execution, and would free parties from their settlement obligations. The Commission thus should consider the entire Settlement Agreement, and not just its individual parts, consistent with Commission precedent:

In assessing settlements, we consider individual settlement provisions but, in light of strong public policy favoring settlements, we do not base our conclusion on whether any single provision is the optimal result. Rather, we determine whether the settlement as a whole produces a just and reasonable outcome.²⁰

²⁰ D.11-05-018, 2011 Cal. PUC LEXIS 275 at *23.

Accordingly, the Settling Parties request that the Commission consider and approve the Settlement Agreement as a whole, with no modification.

VI. THE SETTLING PARTIES HAVE COMPLIED WITH THE REQUIREMENTS OF RULE 12.1(B)

Commission Rule 12.1(b) requires parties to provide a notice of a settlement conference at least seven days in advance of the settlement conference, and then conduct the settlement conference before a settlement is signed. On May 11, 2020, SDG&E notified all the parties on the service list in the proceeding of a settlement conference to be held May 21, 2020. The settlement conference was held as scheduled, to describe and discuss the terms of the proposed Settlement Agreement. Representatives of each of the Settling Parties participated in the settlement conference. After the settlement conference was concluded, the Settlement Agreement was finalized and executed.

VII. REQUESTED FINDINGS

Based on this Joint Motion, the Settlement Agreement attached hereto, and the record in this proceeding, the Commission should make the following findings:

- 1) The Settlement Agreement is reasonable in light of the whole record, consistent with the law, and in the public interest.
- 2) The Settlement Agreement should be adopted in its entirety with no modifications by the Commission and should be expeditiously approved.

VIII. CONCLUSION

The Settlement Agreement is reasonable in light of the whole record and positions of the parties, consistent with the law, and in the public interest. Further, the Settlement Agreement represents a mutually acceptable outcome in a pending regulatory proceeding. It thereby avoids the time, expense, uncertainty, and burden of litigating numerous issues. Accordingly, the Settling Parties respectfully request that the Commission grant this motion, approve the

Settlement Agreement without modification, and make the findings outlined in Section VII of this Joint Motion.

Respectfully submitted this 8th day of October, 2020.

By: /s/ Laura M. Earl²¹
Laura M. Earl
8330 Century Park Court, CP32D
San Diego, CA 92123-1530
Telephone: (858) 654-1541
Facsimile: (619) 699-5027
Email: learl@sdge.com
Counsel for
SAN DIEGO GAS & ELECTRIC COMPANY

²¹ In accordance with Rule 1.8(d), counsel for SDG&E has been authorized by the other Settling Parties to sign this Joint Motion on their behalf.

ATTACHMENT A

General Rate Case Phase 2 Settlement Agreement

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

In the Matter of the Application of San Diego
Gas & Electric Company (U 902 E) for
Approval of its Proposals for Dynamic Pricing
and Recovery of Incremental Expenditures
Required for Implementation.

Application of San Diego Gas & Electric
Company (U 902 E) for Authority to Update
Marginal Costs, Cost Allocation, and Electric
Rate Design

Application 10-07-009
(Filed July 6, 2010)

Application 19-03-002
(Filed March 4, 2019)

**SETTLEMENT AGREEMENT OF SAN DIEGO GAS & ELECTRIC COMPANY
(U 902 E), THE PUBLIC ADVOCATES OFFICE, UTILITY CONSUMERS' ACTION
NETWORK, FEDERAL EXECUTIVE AGENCIES, CALIFORNIA FARM BUREAU
FEDERATION, SAN DIEGO AIRPORT PARKING COMPANY, SMALL BUSINESS
UTILITY ADVOCATES, SOLAR ENERGY INDUSTRIES ASSOCIATION, ENERGY
PRODUCERS AND USERS COALITION, CALIFORNIA LARGE ENERGY
CONSUMERS ASSOCIATION, CALIFORNIA CITY COUNTY STREET LIGHT
ASSOCIATION, THE UTILITY REFORM NETWORK, AND THE CITY OF SAN
DIEGO REGARDING SAN DIEGO GAS AND ELECTRIC COMPANY'S
APPLICATION FOR AUTHORITY TO UPDATE MARGINAL COSTS, COST
ALLOCATION, AND ELECTRIC RATE DESIGN**

Laura M. Earl
Counsel for
SAN DIEGO GAS & ELECTRIC
COMPANY
8330 Century Park Court, CP32D
San Diego, California 92123-1530
Telephone: (858) 654-1541
Facsimile: (619) 699-5027
Email: learl@sdge.com

October 8, 2020

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

In the Matter of the Application of San Diego Gas & Electric Company (U 902 E) for Approval of its Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation.

Application of San Diego Gas & Electric Company (U 902 E) for Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design

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(U 902 E), THE PUBLIC ADVOCATES OFFICE, UTILITY CONSUMERS' ACTION
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PRODUCERS AND USERS COALITION, CALIFORNIA LARGE ENERGY
CONSUMERS ASSOCIATION, CALIFORNIA CITY COUNTY STREET LIGHT
ASSOCIATION, THE UTILITY REFORM NETWORK, AND THE CITY OF SAN
DIEGO REGARDING SAN DIEGO GAS AND ELECTRIC COMPANY'S
APPLICATION FOR AUTHORITY TO UPDATE MARGINAL COSTS, COST
ALLOCATION, AND ELECTRIC RATE DESIGN**

Pursuant to the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, Rule 12.1, San Diego Gas and Electric Company ("SDG&E"), the Public Advocates Office at the Commission ("Cal Advocates"), Utility Consumers' Action Network ("UCAN"), Federal Executive Agencies ("FEA"), California Farm Bureau Federation ("Farm Bureau"), San Diego Airport Parking Company ("SDAP"), Small Business Utility Advocates ("SBUA"), Solar Energy Industries Association ("SEIA"), Energy Producers and Users Coalition ("EPUC"), California Large Energy Consumers Association ("CLECA"), California City County Street Light Association ("CalSLA"), The Utility Reform Network ("TURN"), and the City of San Diego (collectively, the "Settling Parties") enter into this Settlement Agreement (or "Agreement") regarding SDG&E's Application for Authority to

Update Marginal Costs, Cost Allocation, and Electric Rate Design proceeding (“Application”).

1. GENERAL RECITALS

1.1. The Settling Parties believe that the Settlement is reasonable in light of the whole record, consistent with law, and in the public interest.

1.2. On March 4, 2019, SDG&E filed its GRC Phase 2 Application for Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design (Application (“A.”) 19-03-002). The Application continued most, but not all, aspects of SDG&E’s then-existing rate structures and proposed a new and separate Schools-only rate class (in accordance with Decision (“D.”) 17-08-030).

1.3. Protests were filed by UCAN, TURN, Farm Bureau, Cal Advocates, SBUA, the City of San Diego, SEIA, and the San Diego Public Schools Coalition.¹

1.4. SDG&E timely filed a reply to all filed protests on April 18, 2019.

1.5. On April 26, 2019, SDG&E filed a petition for modification (“PFM”) in A.10-07-009, to modify D.12-12-004. The PFM requested approval to change SDG&E’s default rate for Small Commercial Class customers from time-of-use (“TOU”) rates with critical peak pricing (“CPP”) to TOU without CPP.

¹ San Diego Public Schools Coalition is Alpine Union School District, Bonsall Unified School District, Borrego Springs Unified School District, Cajon Valley Union School District, Cardiff School District, Carlsbad Unified School District, Chula Vista Elementary School District, Coronado Unified School District, Dehesa School District, Del Mar Union School District, Encinitas Union School District, Escondido Union School District, Escondido Union High School District, Fallbrook Union Elementary School District, Fallbrook Union High School District, Grossmont Union High School District, Jamul-Dulzura Union School District, Julian Union School District, Julian Union High School District, La Mesa-Spring Valley School District, Lakeside Union School District, Lemon Grove School District, Mountain Empire Unified School District, National School District, Oceanside Unified School District, Ramona Unified School District, San Diego County Office of Education, San Diego Unified School District, San Dieguito Union High School District, San Marcos Unified School District, San Pasqual Union School District, San Ysidro School District, Santee School District, Solana Beach School District, South Bay Union School District, Spencer Valley School District, Sweetwater Union High School District, Valley Center-Pauma Unified School District, and Vista Unified School District.

1.6. On May 28, 2019, Cal Advocates and SBUA filed responses to the PFM.

1.7. On June 24, 2019, the assigned Administrative Law Judge (“ALJ”) Valerie Kao consolidated A.10-07-009 with A.19-03-002, to allow for consideration of the PFM in this consolidated proceeding.

1.8. The ALJ held a prehearing conference on Wednesday, June 12, 2019, to determine parties, discuss the scope, the schedule, and other procedural matters.

1.9. On July 11, 2019, Assigned Commissioner Genevieve Shiroma issued a scoping memo that identified the “broad issue areas” of the proceeding as: 1) Marginal costs including refinements to calculating and distributing generation, distribution and customer marginal costs; 2) Revenue allocation; and 3) Rate design. The rate design issue category includes, but is not limited to: (a) Residential - seasonal baseline adjustment, default and optional rates; (b) Non-residential - customer cost recovery, distribution demand cost recovery (via demand charges or alternative mechanisms), commodity cost recovery, default and optional rates, SDG&E’s proposed Schools-only class and rate design, and streetlighting rate options; (c) for all customer classes, real-time pricing or other dynamic pricing rate options; and (d) implementation details for any proposed rate structures.

1.10. The Commission held three workshops in this proceeding: (1) a July 29, 2019 workshop on marginal costs, revenue allocation, and workpapers;² (2) an August 27, 2019 workshop on demand charges;³ and (3) an October 15, 2019 workshop on real time pricing and dynamic rates.⁴

² The July 29, 2019 Workshop was held pursuant to ALJ Kao’s July 17, 2019, E-mail Ruling.

³ The August 27, 2019 Workshop was held pursuant to ALJ Kao’s August 19, 2019 E-mail Ruling.

⁴ The October 15, 2019 Workshop was held pursuant to ALJ Kao’s October 2, 2019, E-mail Ruling.

1.11. On May 3, 2019,⁵ July 2, 2019,⁶ August 12, 2019,⁷ and August 30, 2019,⁸ SDG&E filed and served supplemental testimony. On February 13, 2020, Cal Advocates served prepared direct testimony, one month in advance of other intervenor direct testimony.

1.12. On March 3, 2020, this proceeding was reassigned to ALJ Jeanne M. McKinney. On March 20, 2020, ALJ McKinney issued a ruling changing the procedural schedule in this matter.

1.13. On April 6, 2020, the following parties served prepared direct testimony: TURN, the San Diego Public Schools Coalition, the Joint Advanced Rate Parties,⁹ Farm Bureau, FEA, SEIA, CLECA, EPUC, SDAP, the City of San Diego, and SBUA. Cal Advocates filed revised prepared direct testimony on April 6, 2020.

1.14. On May 4, 2020, SDG&E and the following parties served concurrent prepared rebuttal testimony: Cal Advocates, TURN, UCAN, FEA, SBUA, CALSLA, SDAP, and the San Diego Public Schools Coalition.

1.15. On May 11, 2020, Applicants served a notice on all parties of an initial all-party settlement meeting pursuant to Rule 12.1(b), which was held on May 21, 2020. Parties thereafter engaged in extensive settlement negotiations over the next several months.

1.16. On June 30, 2020, ALJ McKinney issued a ruling changing the procedural schedule in this matter. On July 17, 2020, ALJ McKinney issued a ruling allowing for

⁵ Served pursuant to D.17-08-030 and Resolution E-4951.

⁶ Served testimony supporting authorization to establish a process to update SDG&E's electric sales forecasts between GRC Phase 2 proceedings.

⁷ Served and filed pursuant to ALJ Kao's July 26, 2019, Ruling Directing San Diego Gas & Electric Company to File/Serve Supplemental Information (the "July 26, 2019 Ruling").

⁸ Served and filed pursuant to ALJ Kao's July 26, 2019 Ruling.

⁹ The Joint Advanced Rate Parties are the California Solar and Storage Association, OHMConnect, Inc., and the California Energy Storage Alliance.

supplemental testimony regarding dynamic rates. On August 7, 2020, ALJ McKinney issued a ruling changing the procedural schedule in this matter. On August 31, 2020, parties filed supplemental testimony on dynamic rates. On September 15, 2020, SDG&E and other parties filed supplemental rebuttal testimony on dynamic rates.

1.17. This Settlement Agreement represents a compromise from the litigation positions of the various parties to the Settlement Agreement, resulting from the fully developed evidentiary record and extensive negotiations among the parties. The Settling Parties have evaluated the impacts of the various proposals in this proceeding and desire to resolve all issues (except as set forth herein), beginning with a Commission decision adopting the Settlement Agreement, in accordance with the terms of the Agreement.

1.18. The Settling Parties agree that the record in this proceeding has been fully developed to allow the Commission to determine that this Agreement is just and reasonable, consistent with the law, in the public interest, and should be adopted.

2. SETTLEMENT AGREEMENT PROVISIONS

2.1. General

2.1.1. Unless otherwise specified below, all proposals in SDG&E's Application and supporting testimony shall be adopted. This term includes coverage of the details of SDG&E's proposals for implementation purposes with Energy Division.

2.2. Timing and Rate Structure

2.2.1. Sales Forecasting

2.2.1.1. Parties agree that SDG&E's updated 2021 sales forecast, based on SDG&E's as-filed 2021 sales forecast (filed on March 4, 2019), should be implemented no sooner than November 1, 2021. Parties agree that the 2021 sales forecast change and any future Commission-adopted sales forecast changes implemented for the distribution, commodity

revenue requirement (excluding over- and under-collections, ongoing competition transition charges (“CTC”), the local generation charge (“LGC”), the vehicle grid integration (“VGI”) charge, and the demand response (“DR”) charge during SDG&E’s 2019 GRC Phase 2 term (sales changes implemented through 12/31/23)) should be based on the system average percent change (“SAPC”) approach, where rate components identified above for each customer class will experience the same average rate change based on the change in system sales. Parties support the use of the SAPC approach to implement sales changes during SDG&E’s 2019 GRC Phase 2 term to smooth out volatility in class average rate changes due to changes in sales that are caused by the economic and other impacts of COVID-19. Class average rate impacts as a result of implementing SDG&E’s proposed 2021 sales forecast and revenue allocations detailed in subsection 2.2.5 are shown below:

	Current Effective Rates as of January 1, 2020			2019 GRC Phase 2				
	Current Total UDC Rate (¢/kWh)	Current Avg. Commodity + DWR Credit (¢/kWh)	Current Total Rate (¢/kWh)	Proposed Total UDC Rate (¢/kWh)	Proposed Avg. Commodity + DWR Credit (¢/kWh)	Proposed Total Rate (¢/kWh)	Total Rate Change (¢/kWh)	Total Rate Change (%)
Residential	17.308	9.872	27.180	17.414	10.272	27.686	0.506	1.86%
Small Commercial	16.138	8.947	25.085	16.808	9.309	26.117	1.032	4.11%
M/L C&I	11.793	10.485	22.278	12.119	10.972	23.091	0.813	3.65%
Agricultural	9.831	7.148	16.979	10.419	7.432	17.851	0.872	5.14%
Street Lighting	15.623	6.475	22.098	15.972	6.703	22.675	0.577	2.61%
Schools	0.000	0.000	0.000	17.792	9.204	26.996	26.996	0.00%
System	14.166	9.906	24.072	14.459	10.306	24.765	0.693	2.88%

2.2.1.2. Parties agree that SDG&E shall file a timely standalone application to update its sales forecast for 2022, with a request to update effective January 1, 2022. Additionally, Parties agree that SDG&E's proposal to update its sales forecast through a separate application on an annual basis going forward, subsequent to its 2022 sales forecast application, should be adopted.

2.2.2. Non-Coincident and Peak Demand Charge Allocation

2.2.2.1. Parties agree to support adoption of a distribution demand charge allocation to Non-coincident and Peak (coincident) that is the average of the proposals of SDG&E, Cal Advocates, and SEIA, resulting in a 35% non-coincident, 65% peak-related allocation.

	SDG&E Proposed	Cal Advocates Proposed	SEIA Proposed	SDAP Proposed	Settlement*
On-Peak	61%	68%	67.4%	37.5%	65%
Non-Coincident	39%	32%	32.6%	25%	35%
Volumetric TOU	N/A	N/A	N/A	37.5%	N/A

2.2.2.2. Parties agree that SDG&E will conduct a study to examine the reasonableness of recovering all or any portion of distribution costs through volumetric TOU rates for all or any portion of Medium and Large Commercial and Industrial (“M/L C&I”) and Agricultural customers with maximum demands under 100 kW or 200 kW. SDG&E’s analysis will include the assessment of formulating potential volumetric rates related to cost of service and cost-causation principles. SDG&E will consult with parties to this proceeding and reflect said input in the analysis. The TOU analysis results will be presented by SDG&E in conjunction with the workshop referenced in section 2.2.4., to be held before SDG&E files its next GRC Phase 2 application. The TOU analysis will include a presentation of “Strawman” distribution volumetric TOU rates for M/L C&I and Agricultural customers with maximum demands under 100 kW and 200 kW. Parties agree that the undertaking and inclusion of this analysis in a future workshop is not a pre-determination in any way of whether distribution volumetric TOU rates for M/L C&I and Agricultural customers are appropriate or should be implemented.

2.2.3. Monthly Service Fees

2.2.3.1. Parties agree to support monthly service fees that are:

- Non-substation rates: +7% each year for 2 years.
- Substation rates: +3% each year for 2 years.

2.2.4. Medium and Large Commercial and Industrial Class (“M/L C&I”)

2.2.4.1. SDG&E agrees to conduct analysis on whether and/or how it should propose to subdivide its M&L/C&I class into two or more separate customer classes in its next GRC Phase 2 application. SDG&E will hold a workshop to share the data used and results of the study with parties and receive feedback prior to filing its next GRC Phase 2 application, including whether a proposal would be included as part of that filing.

2.2.5. Revenue Allocations

2.2.5.1. Parties agree to use SDG&E’s proposed May 4, 2020 revenue allocations for distribution, commodity, CTC, LGC, demand response, VGI components, which will be implemented when SDG&E’s Billing System Upgrade (“Customer Information System” or “CIS”) is complete, no sooner than November 1, 2021, which allows the necessary stabilization period after the implementation of the new CIS in early 2021 and avoids implementing the resulting rate change during the summer period. These revenue allocations will be in place until SDG&E’s next GRC Phase 2. For Public Purpose Program (“PPP”) revenue allocations, parties agree that revenue allocations not directly tied to sales will be updated as proposed by SDG&E as part of the annual PPP advice letter filing. PPP revenue allocations that are tied to sales (Electric Program Investment Charge (“EPIC”), California Alternate Rates for Energy (“CARE”), Energy Savings Assistance Program (“ESAP”), Food Bank, and Family Electric Rate Assistance (“FERA”)) will be updated to reflect recovery on an equal cents per kWh basis using SDG&E’s 2019 authorized sales, until the Commission adopts

new sales for SDG&E. Following the adoption by the Commission of new sales for SDG&E, SDG&E will update the PPP equal cents per kWh revenue allocations for EPIC, CARE, ESAP, Food Bank, and FERA in SDG&E's next PPP advice letter filing to reflect the change in SDG&E's authorized sales. The table below presents the PPP revenue allocations agreed to in the Settlement:

PPP REVENUE ALLOCATIONS		
PPP Rate Components	SDG&E Proposal	Settlement Position
Low Income Programs (CARE/FERA/Food Bank/ESAP)	Equal cent per kWh based on 2020 sales with appropriate exemptions.	Equal cent per kWh based on 2019 sales with appropriate exemptions, and the revenue allocations will be updated whenever the Commission adopts new sales.
Energy Efficiency	2019 forecasted program spending.	2019 forecasted program spending.
Electric Program Investment Charge (EPIC)	Equal cent per kWh based on 2020 sales.	Equal cent per kWh based on 2019 sales, and the revenue allocations will be updated whenever the Commission adopts new sales.
Self-Generation Incentive Program (SGIP)	Updated on a rolling basis annually to reflect the actual benefits resulting from the disbursement of program incentives over the previous three years.	Updated on a rolling basis annually to reflect the actual benefits resulting from the disbursement of program incentives over the previous three years.
Tree Mortality Non-Bypassable Charge	12-month coincident peak (12-CP) demand used for CAM, updated annually to reflect 12-CP changes.	12-month coincident peak (12-CP) demand used for CAM, updated annually to reflect changes in the 12-CP.
California Solar Initiative	No change to current allocation	No change to current allocation

The following tables illustrate the revenue allocation factors for each of these categories of costs agreed to by the Settling Parties:

Table 1: Distribution Revenue Allocation Update

	Current	SDG&E Rebuttal	Settlement 2021
Residential	44.20%	44.20%	44.20%
Small Commercial	15.78%	15.68%	15.68%
M/L C&I	38.06%	36.68%	36.68%
Agricultural	1.31%	1.30%	1.30%
Streetlighting	0.65%	0.64%	0.64%
Schools	n/a	1.49%	1.49%
Total	100.00%	100.00%	100.00%

Table 2: Commodity Revenue Allocation Update

	Current	SDG&E Rebuttal	Settlement 2021
Residential	42.83%	42.83%	42.83%
Small Commercial	13.27%	13.20%	13.20%
M/L C&I	42.03%	40.33%	40.33%
Agricultural	1.50%	1.50%	1.50%
Streetlighting	0.37%	0.37%	0.37%
Schools	n/a	1.77%	1.77%
Total	100.00%	100.00%	100.00%

Table 3: CTC Revenue Allocation Update

	Current	SDG&E Rebuttal	Settlement 2021
Residential	38.55%	38.55%	38.55%
Small Commercial	12.56%	12.49%	12.49%
M/L C&I	47.79%	45.87%	45.87%
Agricultural	1.06%	1.06%	1.06%
Streetlighting	0.03%	0.03%	0.03%
Schools	n/a	1.99%	1.99%
Total	100.00%	100.00%	100.00%

Table 4: LGC Revenue Allocation Update

	Current	SDG&E Rebuttal	Settlement 2021
Residential	41.76%	41.76%	41.76%
Small Commercial	10.83%	10.83%	10.83%
M/L C&I	46.15%	46.15%	46.15%
Agricultural	0.90%	0.90%	0.90%
Streetlighting	0.37%	0.37%	0.37%
Schools	n/a	n/a	n/a
Total	100.00%	100.00%	0.00%

Table 5: PPP Component Revenue Allocation Update			
Energy Efficiency ("PPP-EE") Revenue Allocation Factors			
	Current	SDG&E Rebuttal	Settlement 2021
Residential	46.05%	25.85%	25.85%
Small Commercial	11.30%	15.50%	15.50%
M/L C&I	41.45%	56.83%	56.83%
Agricultural	1.12%	1.83%	1.83%
Streetlighting	0.08%	0.00%	0.00%
Schools	n/a	n/a	n/a
Total	100.00%	100.00%	100.00%
Electric Program Investment Charge ("PPP-EPIC") Revenue Allocation Factors			
	Current	SDG&E Rebuttal	Settlement 2021
Residential	35.99%	35.20%	35.79%
Small Commercial	11.21%	11.64%	11.96%
M/L C&I	50.81%	50.96%	50.07%
Agricultural	1.55%	1.74%	1.76%
Streetlighting	0.44%	0.45%	0.42%
Schools	n/a	n/a	n/a
Total	100.00%	100.00%	100.00%
California Alternate Rates for Energy ("PPP-CARE") Revenue Allocation Factors			
	Current	SDG&E Rebuttal	Settlement 2021
Residential	32.47%	31.70%	32.34%
Small Commercial	11.91%	12.36%	12.69%
M/L C&I	53.97%	54.09%	53.09%
Agricultural	1.65%	1.85%	1.87%
Streetlighting	0.00%	0.00%	0.00%
Schools	n/a	n/a	n/a
Total	100.00%	100.00%	100.00%
Energy Savings Assistance Program ("PPP-ESAP") Revenue Allocation Factors			
	Current	SDG&E Rebuttal	Settlement 2021
Residential	36.15%	35.36%	35.94%
Small Commercial	11.26%	11.69%	12.02%
M/L C&I	51.03%	51.20%	50.28%
Agricultural	1.55%	1.75%	1.77%

Streetlighting	0.00%	0.00%	0.00%
Schools	n/a	n/a	n/a
Total	100.00%	100.00%	100.00%
California Solar Initiative ("PPP-CSI") Revenue Allocation Factors			
	Current	SDG&E Rebuttal	Settlement 2021
Residential	41.55%	41.55%	41.55%
Small Commercial	11.37%	11.37%	11.37%
M/L C&I	44.96%	44.96%	44.96%
Agricultural	1.59%	1.59%	1.59%
Streetlighting	0.53%	0.53%	0.53%
Schools	n/a	n/a	n/a
Total	100.00%	100.00%	100.00%
Self-Generation Incentive Program ("PPP-SGIP") Revenue Allocation Factors			
	Current	SDG&E Rebuttal	Settlement 2021
Residential	35.99%	8.42%	8.42%
Small Commercial	11.21%	0.00%	0.00%
M/L C&I	50.81%	87.71%	87.71%
Agricultural	1.55%	3.87%	3.87%
Streetlighting	0.44%	0.00%	0.00%
Schools	n/a	n/a	n/a
Total	100.00%	100.00%	100.00%
Food Bank Discount ("PPP-FB") Revenue Allocation Factors			
	Current	SDG&E Rebuttal	Settlement 2021
Residential	32.47%	31.70%	32.34%
Small Commercial	11.91%	12.36%	12.69%
M/L C&I	53.97%	54.09%	53.09%
Agricultural	1.65%	1.85%	1.87%
Streetlighting	0.00%	0.00%	0.00%
Schools	n/a	n/a	n/a
Total	100.00%	100.00%	100.00%
("PPP-FERA") Revenue Allocation Factors			
	Current	SDG&E Rebuttal	Settlement 2021
Residential	32.47%	31.70%	32.34%
Small Commercial	11.91%	12.36%	12.69%
M/L C&I	53.97%	54.09%	53.09%
Agricultural	1.65%	1.85%	1.87%
Streetlighting	0.00%	0.00%	0.00%
Schools	n/a	n/a	n/a

Total	100.00%	100.00%	100.00%
Tree Mortality ("PPP-TMNB") Revenue Allocation Factors			
	Current	SDG&E Rebuttal	Settlement 2021
Residential	43.13%	43.39%	43.13%
Small Commercial	10.53%	10.65%	10.53%
M/L C&I	44.99%	44.61%	44.99%
Agricultural	1.06%	1.07%	1.06%
Streetlighting	0.29%	0.28%	0.29%
Schools	n/a	n/a	n/a
Total	100.00%	100.00%	100.00%

2.2.6. Marginal Costs of Solar Customers

2.2.6.1. SDG&E agrees to hold at least one workshop to present an analysis and discuss the effects of solar customers' usage and generation profiles on SDG&E's marginal costs prior to the filing of SDG&E's next GRC Phase 2 application. At a minimum, a marginal cost analysis of solar customers would likely include the assessment of solar customers' marginal distribution customer costs, marginal distribution demand costs, marginal generation capacity costs, and marginal energy costs. The study would quantify both delivered (energy imported by a customer from the grid) and received (exported energy that the customer generates on site) energy. Other distributed generation resources or advanced technologies will be discussed. Parties acknowledge that because there may be limited data available for technologies other than rooftop solar, it is possible that no meaningful conclusions may be drawn regarding these other technologies. SDG&E agrees to include the analysis as part of its next GRC Phase 2 application.

2.2.7. EV TOU-5 Distribution Rates

2.2.7.1. Parties agree that Cal Advocates' proposal to adjust SDG&E's current EV-TOU-5 distribution rates should be adopted (as of the date the Commission issues a final decision in A.10-07-009/A.19-03-002 (cons.)) by annually increasing

SDG&E's super off-peak distribution rate by \$0.00748/kWh for two years. This increase would begin at the time of SDG&E's annual consolidated January 1 rate change (after the Commission issues a final decision in A.10-07-009/A.19-03-002 (cons.) and would be offset by decreases in the on-peak and off-peak distribution rates.

2.2.7.2. Parties also agree that no other modification to EV-TOU-5 will be made at this time. SDG&E will propose an untiered residential time-of-use rate in a rate design application in 2021. SDG&E agrees to hold two additional workshops with interested parties prior to filing this application to receive feedback on the structure of the untiered residential time-of-use rate. The two workshops will be held irrespective of a final Commission decision in A.10-07-009/A.19-03-002 (cons.), in the fourth quarter of 2020 and the first quarter of 2021. SDG&E will file its untiered residential time-of-use application by September 1, 2021. SDG&E agrees to consider workshop discussions in determining its application proposal.

2.2.8. Schedule DG-R

2.2.8.1. SDG&E agrees to expand the eligibility of Schedule DG-R ("DG-R") to non-residential customers who adopt a behind-the-meter storage device that has a minimum discharge capacity equal to or greater than 20% of the customer's annual peak demand, as recorded over the previous 12 months, and whose peak annual load is equal to or less than 2 MW. Any DG-R revenue under-collection or over-collection calculated for customers with a behind-the-meter device but without renewable distributed generation who qualify to take service on DG-R after a final decision is issued in this proceeding ("Storage-Only DG-R Customers") will be allocated annually, only to DG-R customers (including Storage-Only DG-R Customers and non-Storage-Only DG-R Customers). The DG-R revenue under-collections or over-collections resulting from these Storage-Only DG-R Customers will be calculated

consistent with how DG-R revenue under-collections and over-collections are calculated today, pursuant to D.08-02-034, by calculating the annual revenue difference of the customer being billed on DG-R rates compared to the customer being billed on their otherwise applicable rates, which would be Schedule AL-TOU for customers taking service on DG-R. The recovery of the DG-R revenue under-/over-collections calculated for customers eligible to take service on DG-R (customers with qualifying renewable distributed generation) as of the date of the Agreement will not be changed and will continue to be recovered from all M/L C&I customers. Parties agree that expanding the eligibility of DG-R in accordance with this term cannot begin until an SDG&E project to update its billing system is complete and fully stabilized; at which time, SDG&E agrees to begin implementation of this term. Parties expect that SDG&E could begin to implement the agreed-upon expansion of DG-R in late 2021 or early 2022, at the earliest. Storage-Only DG-R Customers will be required to sign an interconnection agreement, in accordance with SDG&E's Rule 21.

2.2.9. SDG&E's Petition to Modify D.12-12-004

2.2.9.1. Parties support adoption (without modification) of SDG&E's PFM of D.12-12-004 (filed in A.10-07-009).

2.2.10. Streetlighting Schedules

2.2.10.1. SDG&E agrees to hold at least one workshop prior to the start of the next GRC Phase 2 on schedules LS-2 DS and LS-2 AD (Streetlighting Schedules). The workshop(s) will discuss the potential means to increase the attractiveness of these tariffs to customers, among other things. Because no customers currently take service on these rate schedules (as of September 25, 2020), parties agree that no changes to the rate design structure of these schedules should be made at this time.

2.2.11. Generation Commodity Cost Study Marginal Resource

2.2.11.1. SDG&E agrees that a battery/energy storage resource and battery/renewable hybrid should be evaluated, and if reasonable, should be considered as the Marginal Resource in the next GRC Phase 2 Marginal Generation Capacity Cost Study.

2.2.12. Generation Commodity Cost Study Flexible Capacity

2.2.12.1. SDG&E agrees to evaluate flexible capacity as a marginal cost component in the next GRC Phase 2 Marginal Commodity Cost Study.

2.2.13. Marginal Energy Cost Study Methodology

2.2.13.1. SDG&E agrees to consider the use of Production Cost Modeling (“PCM”) to generate marginal energy costs in the next GRC Phase 2 Marginal Energy Cost Study and will make the results of a production cost modeling run available to all parties in the proceeding on a confidential basis.

2.2.14. Marginal Generation Capacity Cost Study Methodology

2.2.14.1. SDG&E agrees to consider the mixed short-run and long-run marginal generation capacity cost methodology in the next GRC Phase 2.

2.2.15. LED Lamp Conversion

2.2.15.1. SDG&E agrees to propose in its next GRC Phase 2 application the conversion of Schedule OL-1 lamps to Light Emitting Diode (“LED”) technology, as proposed by SDAP and supported by CALSLA.

2.2.16. Marginal Distribution Customer Costs – Shared Service Drops

2.2.16.1. In its next GRC Phase 2 application, SDG&E agrees to present marginal distribution customer costs for customers sharing service drops.

2.2.17. Recovery of Wildfire Costs

2.2.17.1. Parties agree to support continuing to recover the wildfire costs identified in this proceeding through distribution costs, as it is currently recovered, and not moved to the PPP rate component recovered and through a volumetric kWh charge, as Cal Advocates proposed. Parties agree that this allocation treatment only applies to the wildfire costs identified in this proceeding and does not constrain parties from recommending future wildfire cost treatments beyond the wildfire-related costs addressed in this proceeding, consistent with section 5.3, *infra*.

2.2.18. Tariff Simplification

2.2.18.1. SDG&E agrees to make available total rates for all M/L C&I and agricultural customers tariff combinations on its web-based Total Rate Link (at <https://www.sdge.com/total-electric-rates>), to simplify the process by which the customer can determine its total rate.

2.2.18.2. SDG&E agrees to provide an illustrative tariff example for each rate class as part of its next GRC Phase 2 Application or Rate Design Window (“RDW”) proceeding, whichever comes first, showing how a new simplified tariff structure would look as proposed by the City of San Diego in A.19-03-002. This simplified structure would show both the distribution and commodity portion of the rate together in the tariff. Once a Commission decision is issued in the next GRC Phase 2 or RDW, SDG&E will make the necessary adopted changes to all relevant tariffs and effectuate them through the advice letter process.

2.2.19. Analysis of Base TOU Periods

2.2.19.1. Consistent with the requirements of D.17-01-006 (at p. 84, Appendix 1), SDG&E will include in its next GRC Phase 2 an analysis of base TOU periods. If

warranted, SDG&E will propose new base TOU periods as required at least every two GRC cycles, with base TOU periods developed using a forecast year that is at least three years after the base TOU periods will go into effect.

2.2.20. Contribution to Margin

2.2.20.1. This proposal would affect the distribution portion of the Contribution to Margin (“CTM”) calculation only and for no other rate setting or cost allocation evaluation or consideration.

2.2.20.2. Parties agree to the following marginal distribution demand costs (“MDDC”) listed below in CTM Calculations for Commercial electric vehicle (“EV”) Rates adopted by the Commission in A.19-07-006, until the final decision in the next GRC Phase 2 proceeding:

Table 6-A:

MDDCs if Customer's On-Peak/Off-Peak Monthly Maximum Demand Higher Than Its Super Off-Peak Monthly Maximum Demand		
Settlement MDDCs for CTM Calculation (\$ per kW)		
	<u>Secondary</u>	<u>Primary</u>
Non-Coincident Demand Charge	\$3.16	\$3.14
Peak Demand Charge	\$14.40	\$14.32

Table 6-B:

MDDCs if Customer's Super Off-Peak Monthly Maximum Demand Higher Than Its On-Peak/Off-Peak Monthly Maximum Demand		
Settlement MDDCs for CTM Calculation (\$ per kW)		
	<u>Secondary</u>	<u>Primary</u>
Non-Coincident Demand Charge (Except Super Off-Peak)	\$2.844	\$2.826
Non-Coincident Demand Charge (Super Off-Peak Only)	\$0.316	\$0.314
Peak Demand Charge	\$14.40	\$14.32

3. UNRESOLVED ISSUES REMAINING TO BE BRIEFED

3.1. This agreement does not address SDAP's proposal to reinstate the waiver granted in D.17-08-030, Ordering Paragraph #37. Parties agree to address this issue through briefs in A.10-07-009/A.19-03-002 (cons.).

4. UNRESOLVED ISSUES REMAINING TO BE LITIGATED

4.1. This agreement does not address the following matters: 1) whether there should be a Schools-only customer class (not related to Settling Parties' agreement to the revenue allocations set forth in section 2.2.5, *supra*), and 2) dynamic rate proposals (not related to Settling Parties' agreement in section 2.2.9, *supra*, to support adoption without modification of SDG&E's PFM of D.12-12-004, filed in A.10-07-009).

5. ADDITIONAL TERMS AND CONDITIONS

5.1. Performance. The Settling Parties agree to perform diligently, and in good faith, all actions required or implied hereunder, including, but not necessarily limited to, the execution of any other documents required to effectuate the terms of this Settlement Agreement, and the preparation of exhibits for, and presentation of witnesses at, any required hearings to obtain the approval and adoption of this Settlement Agreement by the Commission. No Settling Party will contest this Settlement Agreement in any proceeding, or in any other forum, or in any manner before this Commission, the recommendations contained in this Settlement Agreement. It is understood by the Settling Parties that time is of the essence in obtaining the Commission's approval of this Settlement Agreement and that all Settling Parties will extend their best efforts to ensure its adoption by the Commission.

5.2. Signature Date. This Agreement shall become binding as of the last signature date of the Settling Parties.

5.3. Binding, Non-Precedential Effect. This Settlement Agreement is not intended by the Settling Parties to be precedent for any other proceeding, whether pending or instituted in the future. The Settling Parties have assented to the terms of this Settlement Agreement only to arrive at the Settlement embodied in this Settlement Agreement. Each Settling Party expressly reserves its right to advocate, in current and future proceedings, positions, principles, assumptions, arguments, and methodologies that may be different than those underlying this Settlement Agreement. The Settling Parties expressly declare that, as provided in Rule 12.5 of the Commission's Rules of Practice and Procedure, this Settlement Agreement is intended to be binding on all parties to the proceeding, but should not be considered as a precedent for or against them.

5.4. Indivisibility. This Settlement Agreement embodies compromises of the Settling Parties' positions in this proceeding. No individual term of this Settlement Agreement is assented to by any Settling Party, except in consideration of the other Settling Parties' assents to all other terms. Thus, the Settlement Agreement is indivisible and each part is interdependent on each and all other parts. Any party may withdraw from this Settlement Agreement if the Commission, or any court of competent jurisdiction, modifies, deletes from, or adds to the disposition of the matters settled herein. The Settling Parties agree, however, to negotiate in good faith regarding any Commission-ordered changes to restore the balance of benefits and burdens, and to exercise the right to withdraw only if such negotiations are unsuccessful.

5.5. Reservation of Rights. Since this Settlement Agreement represents a compromise by them, the Settling Parties have entered into each stipulation contained in this Settlement Agreement on the basis that the stipulation not be construed as an admission or concession by any Settling Party regarding any fact or matter of law at issue in this proceeding. Should this

Settlement Agreement not be approved in its entirety by the Commission, the Settling Parties reserve all rights to take any position whatsoever with respect to any fact or matter of law at issue in this proceeding.

5.6. Conflict of Terms. The Settling Parties agree to support adoption of SDG&E's proposal, as described in SDG&E's Application and supporting testimony, with the modifications described in the Settlement Agreement. In the event of a conflict between the terms of the Settlement Agreement and SDG&E's Application and supporting testimony, the terms of the Settlement Agreement shall control.

5.7. Entire Agreement. The Settling Parties acknowledge that the positions expressed in the Settlement Agreement were reached after consideration of all positions advanced in all the testimony sponsored in the proceeding by all parties. This document sets forth the entire agreement of the Settling Parties on all issues in this proceeding. The Settlement Agreement supersedes all prior agreements, commitments, representations, and discussions between the Settling Parties. The terms and conditions of this Settlement Agreement may only be modified in writing subscribed by all Settling Parties.

5.8. Compromise of Disputed Claims. This Agreement represents a compromise of disputed claims between the Settling Parties. The Settling Parties have reached this Agreement after considering the possibility that each Party may or may not prevail on any given issue. The Settling Parties assert that this Agreement is reasonable, consistent with the law, and in the public interest.

5.9. Non-Waiver. None of the provisions of this Settlement Agreement shall be considered waived by any Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this

Settlement Agreement or to take advantage of any of their rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

5.10. Effect of Subject Headings. Subject headings in this Settlement Agreement are inserted for convenience only, and shall not be construed as interpretations of the text.

5.11. Governing Law. This Agreement shall be interpreted, governed and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

5.12. Counterparts. This Settlement Agreement may be executed in counterparts by the different Settling Parties hereto with the same effect as if all Settling Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Settlement Agreement. The undersigned represent that they are authorized to sign on behalf of the party represented.

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this Settlement Agreement.

SAN DIEGO GAS & ELECTRIC COMPANY

By: /s/ Scott Crider
Scott Crider

Title: Chief Customer Officer
Date: October 7, 2020

THE PUBLIC ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC UTILITIES COMMISSION

By: /s/ Linda Serizawa
Linda Serizawa

Title: Deputy Director of Energy
Date: October 8, 2020

UTILITY CONSUMERS' ACTION NETWORK

By: /s/ W. Lee Biddle
W. Lee Biddle

Title: Attorney

Date: October 8, 2020

FEDERAL EXECUTIVE AGENCIES

By: /s/ Rita M. Liotta
Rita M. Liotta

Title: Counsel for the Federal Executive Agencies

Date: October 7, 2020

CALIFORNIA FARM BUREAU FEDERATION

By: /s/ Karen Norene Mills
Karen Norene Mills

Title: Director of Legal Services

Date: October 7, 2020

SAN DIEGO AIRPORT PARKING COMPANY

By: /s/ Lisa McGhee
Lisa McGhee

Title: On behalf of San Diego Airport Parking Company

Date: October 7, 2020

SMALL BUSINESS UTILITY ADVOCATES

By: /s/ James Birkelund
James Birkelund

Title: President and General Counsel

Date: October 7, 2020

SOLAR ENERGY INDUSTRIES ASSOCIATION

By: /s/ Rick Umoff
Rick Umoff

Title: Senior Director & Counsel, California

Date: October 8, 2020

ENERGY PRODUCERS AND USERS COALITION

By: /s/ Michael Alcantar
Michael Alcantar

Title: Counsel to Energy Producers and Users Coalition

Date: October 7, 2020

CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION

By: /s/ Nora Sheriff
Nora Sheriff

Title: Counsel to California Large Energy Consumers Association

Date: October 8, 2020

CALIFORNIA CITY COUNTY STREET LIGHT ASSOCIATION

By: /s/ Daniel M. Denebeim
Daniel M. Denebeim

Title: Attorney

Date: October 8, 2020

THE UTILITY REFORM NETWORK

By: /s/ David Cheng
David Cheng

Title: Attorney

Date: October 8, 2020

CITY OF SAN DIEGO

By: /s/ Frederick M. Ortlieb
Frederick M. Ortlieb

Title: Senior Deputy City Attorney

Date: October 7, 2020

ATTACHMENT B

Comparison Exhibit

Party	2021 Sales Forecast	Sales Forecast Between GRCP2s
Settlement Position	2021 Sales Forecast will be implemented as filed no sooner than November 1, 2021, and implemented using the system average percent change methodology, applied to the following rate components: distribution, commodity, local generation charge (LGC), competition transition charge (CTC), vehicle-grid integration charge (VGI), and demand response charge (DR).	<p>SDG&E will timely file a separate standalone application for the 2022 sales forecast, with proposed implementation date of January 1, 2022.</p> <p>Parties agree that after forecast year 2022, SDG&E's proposal to update its sales forecast through a separate application on an annual basis going forward, should be adopted.</p> <p>Parties agree that any future Commission adopted sales forecast changes implemented for distribution, commodity revenue requirement excluding over- and under-collections, ongoing competition transition charges (CTC), local generation charge (LGC), vehicle grid integration (VGI) charge, and demand response (DR) charge rate changes during SDG&E's 2019 GRC Phase 2 term (sales changes implemented through 12/31/2023) should be based on the system average percent change (SAPC) approach where rate components identified above for each customer class will experience the same average rate change based on the change in system sales. Parties support the use of the SAPC approach to implement sales changes during SDG&E's 2019 GRC Phase 2 term because this approach will smooth out volatility in class average rate changes due to changes in sales that are caused by economic and other impacts of COVID-19.</p>
SDG&E Current Policy	2019 Sales Forecast is currently in place, adopted by D.18-11-035.	Sales Forecasts are typically adopted in GRC Phase 2 proceedings, with the 2019 Sales Forecast being an exception which was ordered in D.17-08-030.
SDG&E Application Position	Implement in 2021 after Envision is complete; acknowledged in rebuttal there are issues related to declining sales and uncertainty around load departure	Oppose applying system average percent change (SAPC) methodology to sales forecasts in rebuttal.
Public Advocates Position	No position taken	no position taken
CALSLA	No position taken	no position taken
City of San Diego Position	No position taken	no position taken
CLECA Position	No position taken	no position taken
EPUC Position	No position taken	No position taken
Farm Bureau Position	No position taken.	No position taken.
FEA Position	No position taken.	No position taken.
SBUA Position	No position taken.	No position taken.
SDAP Position	No position taken.	No position taken.
SEIA Position	No position taken.	No position taken.
TURN Position	No position taken.	No position taken.
UCAN Position	Supports revisiting 2021 load forecast because of uncertainties over new and departing load.	Use SAPC to implement sales forecast changes in between GRC Phase 2 proceedings to maximize rate stability and prevent rate inequality.

Party	TOU Periods	Demand Charge Allocations	Contribution to Margin (CTM)
Settlement Position	SDG&E will include in its next GRC Phase 2 an analysis of Base TOU periods consistent with the requirements of D.17-01-006. If warranted, SDG&E will propose new Base TOU periods as required at least every two general rate case cycles, with Base TOU periods developed using a forecast that is at least three years after the Base TOU periods will go into effect.	Distribution On-peak demand: 65% Distribution Non-coincident demand: 35%	Parties agree to specific values for CTM calculations for Commercial electric vehicles (EV) rates adopted by the Commission in A.19-07-006, until the next GRC Phase 2 decision. These values are only applicable to the distribution portion of the CTM calculation.
SDG&E Current Policy	SDG&E's TOU periods are those adopted in D.17-08-030, including a 4-9pm On-Peak period for all TOU rate schedules.	SDG&E current distribution cost split: 39/61% is Noncoincident / peak.	CTM calculations should be based on the Distribution and Commodity Marginal Costs filed in the most recent GRC Phase 2.
SDG&E Application Position	TOU periods should remain unchanged.	SDG&E current distribution cost split: 39/61% is Noncoincident / peak. Demand charge study shows 95%/5% NCD / peak. SDG&E proposes to maintain current allocation.	No position taken.
Public Advocates Position	No position taken.	Modify to 32 / 68% NCD/Peak Demand split. Commission should order SDG&E to perform a study (and present in next GRC) on whether it would be fairer to recover some of the peak demand costs through volumetric TOU rates.	Recommends EV-HP specific issues, such as the CTM to use to evaluate EV-HP rates, be addressed in the EV-HP proceeding (A.19-07-006).
CALSLA	No position taken.	no position taken	No position taken.
City of San Diego Position	No position taken.	Recommends SDG&E file an application that uses the demand study for the basis of its rate proposal.	No position taken.
CLECA Position	No position taken.	No position taken	No position taken.
EPUC Position	No position taken.	No position taken	No position taken.
Farm Bureau Position	No position taken - emphasize there was a recent TOU period change from the 2016 GRC Phase 2.	No position taken.	No position taken.
FEA Position	No position taken.	No position taken.	No position taken.
SBUA Position	SBUA takes issue with the current on-peak TOU period. The deadband tolerance analysis shows that the peak loads have shifted to later in the day. The peak period should be shifted to 5PM-10PM. Agrees with SDAP regarding the lowest carbon emission rates have shifted to midday, meaning super off-peak TOU period should shift to those hours.	Demand charges do not reflect cost-causation. Recommends shifting demand-related costs from demand charges to TOU energy rates. TOU rates would consist of generation and distribution.	No position taken.
SDAP Position	SDG&E should investigate whether and how to transition super off-peak TOU period from overnight to daytime (mid-day 9:00am - 2:00pm) hours.	Reduce distribution demand charges below levels established in D.17-08-030 and to set a course to phase out most demand charges over the next two rate case cycles. If SDAP's proposal is not adopted, then SDAP agrees with Cal Advocates' proposal that NCD be reduced from 39% to 32%. For customers under 1MW, SDG&E should reduce the proportion of distribution demand costs recovered in noncoincident demand charges from the current 39% to 25% as a first step toward phasing out NCD charges over the next two rate case cycles. SDG&E should reduce the proportion of generation capacity costs recovered in peak-related demand charges from 50% to 30% as a first step toward phasing out peak-related demand charges over the next two rate case cycles.	SDG&E should develop/submit time-dependent volumetric distribution and commodity marginal costs by TOU period for CTM analyses within 90 days of a final decision in this proceeding.
SEIA Position	No position taken.	Distribution On-peak demand: 67% Distribution Non-coincident demand: 33%	No position taken.
TURN Position	No position taken.	Agrees with Cal Advocates' position that SDG&E is double counting distribution demand. SDG&E should use average customer demand instead of aggregated individual demand as a determinant for cost allocation.	No position taken.
UCAN Position	No position taken.	No position taken.	No position taken.

Party	Monthly Service Fees	M/L C&I Class Split
Settlement Position	<p>Non-substation MSFs will increase 7% per year for two years.</p> <p>Substation MSFs will increase 3% per year for two years.</p>	<p>SDG&E will conduct an analysis on whether and/or how it should propose to subdivide its M/L C&I class into two or more separate customer classes in the next GRC Phase 2 application (whether a "Medium" C&I class should be created). SDG&E will hold a workshop to share the data used and results of the studies with parties and receive feedback prior to filing its next GRC Phase 2 application, including whether a proposal would be included as part of that filing.</p>
SDG&E Current Policy	<p>Monthly services fees exist at levels adopted in D.17-08-030, specifically those identified as part of Year 3 implementation, which was put into effect January 1, 2019.</p>	<p>M/L C&I class includes all Commercial and Industrial customers with max. demands over 20kW.</p>
SDG&E Application Position	<p>20% increase to MSFs for years 1 and 2 not to exceed cost-basis.</p> <p>Substation MSFs to increase 20% YOY</p>	<p>Did not propose within the scope of this proceeding</p> <p>Rebuttal testimony - SDG&E agrees to explore in next GRC phase 2. SDG&E is willing to conduct a workshop to gather parties' input, as SDG&E needs to carefully analyze if and where a split could potentially occur for the M/L C&I.</p>
Public Advocates Position	<p>Commission should reject SDG&E's use of EPMC scalar in calculation of cost basis for monthly service fees.</p> <p>Non-scaled Marginal Customer Access Costs should be the basis for small commercial MSFs. Current small commercial MSFs recover more than MCAC values and thus should not be increased.</p>	<p>Commission should order SDG&E to provide information in next GRC P2 on whether the M/L C&I class should be subdivided into smaller classes.</p>
CALSLA	<p>Schedule A-TC MSFs should remain at current levels.</p>	<p>No position taken</p>
City of San Diego Position	<p>no position taken</p>	<p>SDG&E should divide its M/L C&I customer class into parts that more accurately reflect the costs of service for each sub-group.</p>
CLECA Position	<p>no position taken</p>	<p>No position taken</p>
EPUC Position	<p>No position taken</p>	<p>No position taken</p>
Farm Bureau Position	<p>Disagrees with SDG&E's proposal to increase MSFs over two years. If any increase is adopted, it should be limited to a single increase.</p>	<p>No position taken.</p>
FEA Position	<p>Substation MSFs should be based on actual revenues, not customer costs.</p>	<p>Disagrees with SDAP's assumption that small commercial customers are overcharged by being lumped with large customers. Comprehensive cost of service study is needed.</p>
SBUA Position	<p>Agrees with UCAN and SEIA that small commercial MSFs should be reduced. Agrees with Cal Advocates that MSFs should be non-EPMC scaled.</p> <p>Disagrees with FEA that customers who happen to be located at/near substations should be charged less than customers located along the feeders. Arbitrarily rewards/penalizes customers/classes for decisions that SDG&E makes regarding the location of substations.</p>	<p>No position taken.</p>
SDAP Position	<p>For "medium" commercial customers, MSFs should be set at the level adopted for SDG&E's TOU-M rate (currently \$101.56/month).</p>	<p>SDG&E should split the current M/L C&I class into two or three commercial classes by size (as is the practice of PG&E and SCE) in its next GRC Phase 2.</p> <p>SDG&E should also present revenue allocations, marginal costs, and rate design with the current customer classes in its next Phase 2.</p>
SEIA Position	<p>Opposes SDG&E's proposed increases. Agrees with Cal Advocates' position that MSFs for small commercial customers should not recover more than marginal costs and EPMC should not be applied.</p>	<p>No position taken</p>
TURN Position	<p>No position taken.</p>	<p>No position taken.</p>
UCAN Position	<p>Oppose SDG&E's proposal until SDG&E has performed a marginal cost study that UCAN deems reliable. No way to currently assess the reasonableness of SDG&E's proposed increases.</p> <p>Until SDG&E prepares a study UCAN deems reasonable, recommends SDG&E apply the functional class average percent change to all rate components of the small commercial rate designs to provide an equal bill impact to all customers within the class.</p>	<p>No position taken.</p>

Party	Revenue Allocations	Tariff Simplification
Settlement Position	<p>SDG&E's proposed revenue allocations will remain implemented for the following rate components: distribution, commodity, LGC, CTC, VGI, and Demand Response.</p> <p>Parties agree to the PPP revenue allocations proposed by the Consumer Advocates.</p>	<p>SDG&E agrees to make available total rates for all M/L C&I and agricultural customers tariff combinations in its web-based Total Rate Link.</p> <p>SDG&E agrees to provide illustrative tariffs for a limited number of different rate schedules as part of its next GRC Phase 2 application or Rate Design Window proceeding, whichever comes first, showing how it envisions a new simplified tariff structure would look. Once a Commission decision is issued in the next GRC Phase 2 or RDW, SDG&E will make the necessary adopted changes to all relevant tariffs and effectuate them through the advice letter process.</p>
SDG&E Current Policy	Revenue allocations in place are those settled upon and adopted in D.17-08-030.	SDG&E does not currently display total rates for all M/L C&I and agricultural tariffs combinations on its Total Electric Rates web page.
SDG&E Application Position	Maintain current revenue allocations except update customer class designation for distribution, commodity, and CTC to accommodate the addition of the proposed schools-only customer class.	Disagree with this proposal as combining the tariffs would require multiple iterations of the same rate schedules, which in turn could be even more confusing for customers.
Public Advocates Position	Proposed marginal cost inputs to allocate revenue responsibility. Proposed marginal generation capacity cost allocation using a loss of load expectation for all hours in which loss of load is greater than zero. Recommends a cap of plus or minus 3% over system average rate change for bundled and plus or minus 6% for DA/CCA customers.	No position taken.
CALSLA	Supports Public Advocates' cost-based revenue allocation proposal.	No position taken.
City of San Diego Position	No position taken.	Commission should require SDG&E to restructure its tariffs to consolidate all charges for a single rate option into a single tariff.
CLECA Position	SDG&E correctly builds marginal cost revenues for allocating the distribution revenue requirement	No position taken.
EPUC Position	No position taken.	No position taken.
Farm Bureau Position	SDG&E's proposal is reasonable, in the interest of rate stability.	No position taken.
FEA Position	Adjust allocations to remove 50% of difference between SDG&E's proposed allocation and cost-based allocation.	No position taken.
SBUA Position	No position taken.	No position taken.
SDAP Position	No position taken	<p>Agrees with the City of San Diego that SDG&E's tariffs should be simplified.</p> <p>In addition, SDGE believes that SDG&E should also develop a bill comparison tool for small commercial customers.</p>
SEIA Position	No position taken.	No position taken.
TURN Position	<p>SDG&E should use load, not net load, to determine commodity revenue allocations.</p> <p>Supports Public Advocates proposal that rate changes should be limited to +/- .3% over system average rate changes.</p> <p>The schools and residential customer classes should have a combined distribution revenue allocation due to proximity and complementary load shape.</p>	No position taken.
UCAN Position	<p>SDG&E should not use the revenue allocations from the prior GRC P2 because they are based on an old load forecast and do not reflect the sales declines due to NEM solar. If SDG&E does not use a new marginal cost study to set new revenue allocation fractions in this or any future proceedings, it should use a system average percent change (SAPC) method to set new rates for the distribution, commodity, CTC, and LGC rate components.</p> <p>Use SAPC for all rate changes in between GRC Phase 2 proceedings.</p>	No position taken.

Party	Wildfire Cost Recovery	Schedule EV-TOU-5
Settlement Position	Parties agree to support continuing to recover the wildfire costs identified in this proceeding through distribution costs, as it is currently recovered, and not moved to the PPP rate component and recovered through a volumetric kWh charge. Parties agree this allocation treatment only applies to the wildfire costs identified in this proceeding and this agreement does not constrain parties from making whatever recommendations they wish in the future regarding wildfire costs beyond the wildfire-related costs addressed in this proceeding.	SDG&E will increase the super off-peak distribution rate by \$0.00748/kWh each year, for two years, occurring on January 1 each year, the first year after a final decision. The increase will be offset by decreases to the on-peak and off-peak volumetric distribution kWh rates. No other modifications to EV-TOU-5 will be made at this time. SDG&E agrees to file its required untiered residential TOU rate in a rate design application by September 1, 2021. SDG&E agrees to hold two additional workshops with interested parties prior to filing the application to receive feedback on the structure of the rate. The first and second workshops will be held irrespective of a final Commission decision, in the fourth quarter of 2020 and the first quarter of 2021. SDG&E agrees to consider workshop discussions in determining its application proposal.
SDG&E Current Policy	SDG&E current recovers costs associated with its Wildfire Mitigation Plan through the distribution rate component.	Rate design remains unchanged from what was originally proposed and adopted in D.17-08-030.
SDG&E Application Position	No position taken	no changes to current rate design
Public Advocates Position	Wildfire costs should be separate from the distribution revenue requirement and allocated based on equal cents per kWh across all classes.	Schedule EV-TOU-5's super off-peak rate is too low to ensure recovery of marginal costs. Should be corrected by increasing super off-peak transmission rate by \$.02/kWh annually for two years or until the full transmission rate is reached. Further movement should be evaluated in the next GRC or RDW.
CALSLA	Supports Public Advocates proposal to allocate wildfire costs on an equal cents/kWh basis.	No position taken.
City of San Diego Position	No position taken.	No position taken.
CLECA Position	SDG&E correctly includes wildfire mitigation costs in distribution revenue requirement, disagrees with Public Advocates that it should be allocated as a public good.	No position taken.
EPUC Position	Disagree with Cal Advocates' wildfire mitigation proposal, as this is dictated by the Commission (not mandated by state law - DWR & CARE).	No position taken.
Farm Bureau Position	No position taken.	No position taken.
FEA Position	Disagree with Cal Advocates' wildfire mitigation proposal, as this is dictated by the Commission (not mandated by state law - DWR & CARE). Disagree with TURN, as it is inconsistent with cost causation and the Commission's general framework for assigning cost responsibility to customer classes and no analytical support was provided.	No position taken.
SBUA Position	Agree with Cal Advocates, as costs required to deal with external conditions should be broadly distributed.	No position taken.
SDAP Position	No position taken.	SDG&E should open eligibility for this residential rate to small commercial customers with EV's at up to 60 kW and include small commercial sites where the EV charging is sub-metered. SDAP offered this as a solution to the TOU-A waiver that expired on 8-24-20. Consistent with the waiver, EV-TOU-5 would be available when EV load makes up 50% of the load. Smaller commercial customers between 20 kW and 60 kW have no rate option that is applicable and suitable for EV charging when load is non-separately metered. The default rate for such customers, AL TOU, is not suitable for EV charging per SDGE's testimony (A.19-07-006 of B. Syz, July 3, 2019, p. BS-4, lines 1-5).
SEIA Position	No position taken.	Modify residential schedule EV-TOU-5 to fulfill the commission's requirement from d.20-03-003 (fixed charge decision).
TURN Position	Agrees with Cal Advocate's proposal in rebuttal to recover the identified wildfire-related costs in a cents/kWh volumetric mechanism.	No position taken.
UCAN Position	In rebuttal agrees with Cal Advocates that WMC should be treated differently from other distribution costs. If the Commission adopts UCAN's SAPC recommendation, then UCAN does not recommend specific carve out for WMC. If the commission does not adopt SAPC, Cal Advocates' WMC proposal is reasonable.	No position taken.

Party	Schedule DG-R
Settlement Position	<p>SDG&E will expand eligibility for Schedule DG-R to M/L C&I customers with standalone storage whose BTM storage device has a minimum discharge capacity equal to or greater than 20% of the customer's annual peak demand, as recorded over the previous 12 months, and whose peak annual load is less than or equal to 2 MW. Any DG-R revenue undercollection or overcollection calculated for customers with a BTM device but without renewable distributed generation that qualify to take service on DG-R after a final decision is issued in this proceeding (Storage Only DG-R customers) will be allocated annually to only DG-R customers, both current and Storage Only DG-R Customers. The DG-R revenue under- or over-collections resulting from these Storage Only DG-R Customers will be calculated consistent with how DG-R revenue under- or over-collections are calculated today, pursuant to Commission Decision 08-02-034.</p> <p>The recovery of the DG-R revenue under- or over-collections calculated for customers currently eligible to take service on DG-R (customer with qualifying renewable distributed generation) will not be changed and will continue to be recovered from all M/L C&I customers, as is currently done.</p> <p>Due to SDG&E's current billing system limitations, a manual correction is required for all Storage Only DG-R Customer accounts. SDG&E's new billing system must be in place and fully stabilized prior to beginning the necessary work to implement this change. SDG&E's new billing system is expected to go-live in April 2021, followed by a 6-9 month stabilization period, so the earliest the implementation work could begin is late 2021 or early 2022. Storage-Only DG-R customers will be required to sign an interconnection agreement, as explained in SDG&E's Rule 21.</p>
SDG&E Current Policy	Applicability of this schedule is limited to non-residential customers whose peak annual load is equal to or less than 2MW and who have operational distributed generation equal to or greater than 10% of their peak annual load.
SDG&E Application Position	No changes to current rate design or applicability.
Public Advocates Position	<p>Disagrees with SEIA's recommendation.</p> <p>It is inappropriate to open a distributed generation tariff to all customers.</p>
CALSLA	No position taken.
City of San Diego Position	No position taken.
CLECA Position	No position taken.
EPUC Position	No position taken.
Farm Bureau Position	No position taken.
FEA Position	Disagree with SEIA's recommendation to open applicability of DG-R. The existing limitations were relevant to the willingness of parties to stipulate to this tariff in SDG&E's previous rate case.
SBUA Position	No position taken.
SDAP Position	SDAP does not oppose SEIA's proposal to make DG-R more widely available. SDAP believes reform is needed for AL-TOU demand charge structure.
SEIA Position	<p>SDG&E should open Schedule DG-R to broader range of customers by removing the current restriction that limits eligibility to customers who install a DG solar system (similar to SCE's option e), and allow all customers to take service on this rate. If the Commission is concerned with cost shifting, limit transfers to 100 MW per year over the 3-year rate case period. The limit of customers transferring to DG-R should not apply to customers that install solar or storage with a rated discharge capacity in kW that is at least 10% of the customer's peak demand over the previous 12 months.</p> <p>At a minimum, the Commission should expand eligibility of DG-R to customers with standalone battery storage.</p>
TURN Position	No position taken.
UCAN Position	No position taken.

Party	Streetlighting Rates	Schedule OL-1
Settlement Position	SDG&E agrees to hold at least one workshop prior to the filing of the next GRC Phase 2 on Schedules LS-2 DS and LS-2 AD Streetlighting Schedules, to discuss the potential means to increase the attractiveness of these tariffs. Parties agree to no changes to the rate design structures of these schedules at this time.	SDG&E agrees to propose in its next GRC Phase 2 application the conversion of Schedule OL-1 lamps to Light Emitting Diode ("LED") technology.
SDG&E Current Policy	Rate design remains unchanged from what was adopted in D.17-08-030. At this time, no customers take service on these rates.	Temporary LS-1 LED rates were implemented in 2019.
SDG&E Application Position	Agree in rebuttal with CALSLA and the city that holding a workshop on schedules LS-2 DS and LS-2 AD may be useful once customers are taking service on these rates. Because no customers are currently on these rates, SDG&E disagrees with the City of San Diego on making any changes to the rate design structure of these rates at this time.	In rebuttal SDG&E stated that it believes that many of the issues raised by SDAP regarding schedule OL-1 are outside the scope of this proceeding. Regarding the proposal that the Commission examine the cost of service for OL-1, as explained in SDG&E's direct testimony this is already done through the use of the updated lighting cost study to calculate the proposed lighting rates in this proceeding.
Public Advocates Position	No position taken.	No position taken.
CALSLA	Proposes that SDG&E hold a workshop on schedules LS-2 DS and LS-2 AD rates prior to the filing of SDG&E's next GRC P2.	Propose that OL-1 be included in SDG&E's planned conversion of utility-owned lamps to LED.
City of San Diego Position	Supports continuation of Dimmable Streetlight tariffs. Tariffs need to be modified to improve cost-effectiveness. SDG&E should hold workshops with customers on LS-2 DS and LS-2 AD. Should simplify LS-2 AD to recognize many devices work 24 hours per day.	No position taken.
CLECA Position	No position taken.	No position taken.
EPUC Position	No position taken	No position taken.
Farm Bureau Position	No position taken.	No position taken.
FEA Position	No position taken.	No position taken.
SBUA Position	No position taken.	No position taken.
SDAP Position	San Diego Airport Parking support CALSLA's proposal.	Proposes that the Commission examine the cost of service for OL-1, address the length of time outages for repair occurred and establish a system for requesting repairs, and set standards for upgrading lighting equipment
SEIA Position	No position taken.	No position taken.
TURN Position	No position taken.	No position taken.
UCAN Position	No position taken.	No position taken.

Party	Solar Customers Marginal Costs	Flexible Capacity	Marginal Energy Costs (MEC)
Settlement Position	<p>SDG&E will include in its next GRC Phase 2 application a study of solar customer marginal costs. SDG&E will hold at least one workshop prior to the filing of the next Phase 2 application to present results. Other distributed generation resources or advanced technologies will be discussed at the workshop, with the understanding that limited data for non-rooftop solar resources may be available for meaningful conclusions to be drawn.</p> <p>At a minimum, a marginal cost analysis of solar customers would likely include the assessment of solar customers' marginal distribution customer and demand costs, marginal generation capacity and marginal energy costs. The study would quantify both delivered (energy imported by a customer from the grid) and received (exported energy that the customer generates on site) energy.</p>	SDG&E agrees to evaluate flexible capacity as a marginal cost component in the next GRC Phase 2 Marginal Commodity Cost Study.	SDG&E agrees to consider the use of Production Cost Modeling (PCM) to generate marginal energy costs in the next GRC Phase 2 Marginal Energy Cost Study and will make the results of a PCM modeling run available to all parties in the proceeding on a confidential basis.
SDG&E Current Policy	SDG&E has not previously considered solar customers' effects on marginal costs in a GRC Phase 2 application.	SDG&E does not currently consider flexible capacity as a marginal cost component in its GRC Phase 2 Marginal Generation Capacity Cost Studies.	SDG&E does not currently use Production Cost Modeling to generate marginal energy costs in its GRC Phase 2 Marginal Energy Cost Studies
SDG&E Application Position	no position taken	No position taken.	Marginal Energy Costs should be based on SP15 prices and shaped by an hourly net load profile.
Public Advocates Position	No position taken.	SDG&E should monitor other IOU's flexible capacity proposals, gather data on the timing, load and resource availability, and develop its own proposal in its next GRC P2.	No position taken.
CALSLA	No position taken.	No position taken.	No position taken.
City of San Diego Position	No position taken.	No position taken.	No position taken.
CLECA Position	No position taken.	No position taken.	No position taken.
EPUC Position	No position taken.	No position taken	No position taken
Farm Bureau Position	No position taken.	Proposed that SDG&E conduct detailed studies of the appropriate treatment of System vs. Flexible Generation Capacity	Disagrees with SDG&E's application of the RPS adder: 1) not sufficiently transparent and 2) not consistent with current market values of RPS-eligible resources.
FEA Position	No position taken.	No position taken.	No position taken.
SBUA Position	No position taken.	No position taken.	
SDAP Position	No position taken	No position taken	No position taken
SEIA Position	No position taken	No position taken.	No position taken.
TURN Position	SDG&E should study distributed resources and behind the meter evolution.	Proposes that other costs/benefits need to be quantified, including flexibility, in order to obtain a more appropriate proxy for capacity. SDG&E should study flex capacity needs.	SDG&E should not use SP-15 prices because they reflect demand. SDG&E should use a weighted price to account for amount of market purchased energy vs. the amount provided to customers with system resources.
UCAN Position	SDG&E should review all marginal cost estimation methodologies prior to its next GRC Phase 2 proceeding and update them to better reflect important system trends, including declining sales from customer-sited solar generation.	No position taken.	Use hourly price curves from CAISO instead of net demand curves to shape monthly prices into hourly prices. Encourages the use of Production Cost Modeling.

Party	Marginal Generation Capacity Costs (MGCC), Battery Marginal Resource	Service Drop Costs used in Marginal Distribution Customer Costs	D.12-12-004 PFM (CPP for Small Commercial)
Settlement Position	SDG&E agrees that a battery/energy storage resource and battery/renewable hybrid should be evaluated and, if reasonable, considered as the marginal resource in the next GRC Phase 2 Marginal Generation Capacity Cost Study. SDG&E agrees to consider mixed short-run and long-run marginal generation capacity cost methodology in the next GRC Phase 2.	SDG&E agrees to present in its next GRC Phase 2 application marginal distribution customer costs that reflect the fact that some customers share service drops.	Parties support adoption (without modification) of SDG&E's PFM on D.12-12-004, which will make the critical peak pricing (CPP) dynamic rate offering optional for those small businesses who believe they can participate, rather than the current default rate for new customers starting service with SDG&E.
SDG&E Current Policy	SDG&E does not currently consider mixed short-run and long-run marginal generation capacity in its GRC Phase 2 Marginal Generation Capacity Cost Studies	Service Drop Costs used in calculating marginal distribution customer costs assume one service drop per customer.	CPP rate is the default for Small Commercial Customers.
SDG&E Application Position	SDG&E proposed marginal generation capacity costs based on using a Combustion Turbine (CT) as the marginal resource.	Disagree with UCAN in rebuttal that the service drop costs used to calculate marginal distribution customer costs in this GRC Phase 2 need to reflect the cost differences of shared service drops	PFM seeks to make CPP optional for Small Commercial customers, instead of default.
Public Advocates Position	Proposes a mixed short-run/long-run approach to calculating MGCC. SDG&E's proposed LOLE method does not represent a significant portion of total risk. Disagrees with FEA's proposals to use long-run MGCC, and to use 4 year leveled cost of the RESOLVE shadow price of maintaining the 15% PRM in the IRP proceeding as SDG&E's MGCC.	No position taken.	Supports SDG&E's proposal to make CPP optional for small commercial customers.
CALSLA	No position taken.	No position taken.	
City of San Diego Position	No position taken.	No position taken.	No position taken.
CLECA Position	No position taken.	No position taken.	No position taken.
EPUC Position	No position taken.	No position taken.	No position taken.
Farm Bureau Position	SDG&E's analysis is not substantive enough to support changing revenue allocations - MGCC analysis relies heavily on load profiles that do not reflect price incentives embedded in rates as a result of the new TOU periods from the 2016 GRC Phase 2 and may not adequately account for market conditions.	No position taken.	No position taken.
FEA Position	SDG&E understates the MGCC because CT is not widely used and the CEC staff report understates the cost of a CT Resource. Argues SDG&E's determination of MGCC was deficient as it did not provide adequate recognition of the need for capacity and the cost of capacity. Agrees with TURN, no need for new generation capacity.	No position taken.	No position taken.
SBUA Position	No position taken.	Agrees with UCAN that a fraction of smaller customers share their service drops, and the service cost per customer should be reduced to reflect this effect.	No position taken.
SDAP Position	No position taken	No position taken.	Supports CPP to be opt-in for commercial customers under 150kW. SDG&E should reduce the maximum number of standard (default) CPP events from 18 to 15 or perhaps 12 events per year.
SEIA Position	SDG&E should move to the use of capacity shadow prices in 2020-2023, which represent primarily the costs of new solar/battery storage resources. Supports SDG&E's use of full cost of new build capacity, but believes the Marginal Resource should be battery/energy Storage.	No position taken.	No position taken.
TURN Position	MGCC is overstated by ignoring alternatives to a Combustion Turbine. SDG&E Should conduct a long run Marginal Cost Study to determine the Marginal Unit. MGCC overstated because there is no need for new load-related capacity in SDG&E's service territory. SDG&E should exclude interruptible load from development of LOLE. SDG&E should model demand response as short-run capacity alternatives.	No position taken.	No position taken.
UCAN Position	SDG&E should review all marginal cost estimation methodologies prior to its next GRC Phase 2 proceeding and update them to better reflect system trends, including changes to marginal generation costs. Renewable paired with storage should be considered as the Marginal Unit in the next GRC Phase 2. Does not support SDG&E's LOLE Analysis - unserved energy values are unreasonably high and study is not credible. MGCC should be weighted based on a reasonable LOLE analysis.	The calculation new service drop unit costs should be recalculated to reflect the difference in costs for service drops shared by customers for each customer demand and type category, similar to how SDG&E accounts for the number of customers per FLT.	No position taken.