STATE OF CALIFORNIA GAVIN NEWSOM, *Governor*

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

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Ratesetting

TO PARTIES OF RECORD IN APPLICATION 22-06-001:

This is the proposed decision of Administrative Law Judge Elaine Lau.
Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's April 3, 2025 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ BRIAN STEVENS for
Michelle Cooke
Chief Administrative Law Judge

MLC:jnf
Attachment

Decision **PROPOSED DECISION OF ALJ LAU (mailed 2/24/2025)**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U 902-E) for Approval of: (i) Contract Administration, Least-Cost Dispatch and Power Procurement Activities in 2021, (ii) Costs Related to those Activities Recorded to the Energy Resource Recovery Account, Portfolio Allocation Balancing Account, Power Charge Indifference Adjustment Undercollection Balancing Account, Transition Cost Balancing Account, and Local Generating Balancing Account in 2021, and (iii) Costs Recorded in Related Regulatory Accounts in 2021.	Application 22-06-001

DECISION APPROVING SAN DIEGO GAS & ELECTRIC COMPANY'S ENERGY RESOURCE RECOVERY ACCOUNT COMPLIANCE APPLICATION FOR THE 2021 RECORD YEAR

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DECISION APPROVING SAN DIEGO GAS & ELECTRIC COMPANY'S ENERGY RESOURCE RECOVERY ACCOUNT COMPLIANCE APPLICATION FOR THE 2021 RECORD YEAR

Summary

This decision finds that San Diego Gas & Electric Company (SDG&E) meets the standard for compliance under the Energy Resources Recovery Account (ERRA) regulatory compliance process for the 2021 Record Year. During the 2021 Record Year, SDG&E complied with all the requirements that the Commission reviews during the ERRA compliance process.

This decision also authorizes SDG&E to amortize in rates the 2021 costs recorded in the in the Local Generating Balancing Account, New Environmental Regulatory Balancing Account – Assembly Bill 32 electric subaccount, and Tree Mortality Non-Bypassable Charge Balancing Account.

In this decision, the Commission also determines the appropriate amount of financial disallowance to impose on SDG&E for the Public Safety Power Shutoff (PSPS) events that occurred during the 2021 Record Year. Decision 21-06-014 determined that SDG&E is disallowed from retroactively collecting revenues that SDG&E did not, but could have, collect from ratepayers during PSPS events (PSPS Unrealized Revenues). Decision 23-06-054 approved a methodology for calculating the appropriate amount of disallowed PSPS Unrealized Revenues. This decision finds that, using the approved methodology, SDG&E shall return $20,191 in PSPS Unrealized Revenues to ratepayers for the 2021 Record Year.

This proceeding is closed.

1. Background

1.1. Procedural History

On June 1, 2022, San Diego Gas & Electric Company (SDG&E) filed this Application seeking approval of its compliance of its Energy Resource Recovery Account (ERRA) during the 2021 Record Year.

Protests were timely filed on July 6, 2022 by the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) and San Diego Community Power and Clean Energy Alliance (jointly, CCA Parties).

A prehearing conference (PHC) was held on July 15, 2022.

On July 27, 2022, the Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) was issued. The Scoping Memo set nine issues for the Commission to address in this proceeding. It also set the schedule for the submission of testimony and briefs on issues one through eight, of the list of identified issues in the Scoping Memo, but deferred setting the schedule for the submission of testimony and briefs on issue nine. Issue nine examines the amount of disallowance to impose on SDG&E for Public Safety Power Shutoff (PSPS) events that occurred during the 2021 Record Year, pursuant to Commission Decision (D.) 21-06-014.[1] At the time the Scoping Memo was issued, the Commission was still in the process of determining the methodology for calculating the disallowance amount, or the amount of revenues that SDG&E did not, but could have, collect during PSPS events (PSPS Unrealized Revenues). As such, the schedule for the submission of testimony and briefs on issue nine was deferred until the Commission approved the methodology for calculating PSPS Unrealized Revenues.

[1] D.21-06-014 at Ordering Paragraph (OP) 1.

On April 14, 2023, opening briefs on Scoping Memo issues one through eight were timely filed by SDG&E, Cal Advocates, and the CCA Parties. On April 28, 2023, reply briefs on issues one through eight were timely filed by SDG&E and Cal Advocates.

On July 3, 2023, D.23-06-054 approved the methodology for calculating the amount of PSPS Unrealized Revenues. On July 7, 2023, the assigned Administrative Law Judge (ALJ) issued a ruling directing the parties to meet and confer to agree on a schedule for the parties to submit testimony and briefs on Issue Nine related to calculating the amount of disallowed PSPS Unrealized Revenues. On September 28, 2023, the assigned ALJ issued a ruling amending the proceeding schedule to set the schedule for the submission of testimony and briefs on Issue Nine.

On December 1, 2023, opening briefs on issue nine were timely filed by SDG&E and Cal Advocates. On December 20, 2023, reply briefs on Issue Nine were timely filed by SDG&E and Cal Advocates.

D.23-11-063 extended the statutory deadline for this proceeding until September 30, 2024. D.24-09-011 extended the statutory deadline for this proceeding until January 31, 2025.

1.2. Submission Date

This matter was submitted on December 20, 2023, upon the filing of reply briefs on Issue Nine.

2. Issues Before the Commission

This decision addresses the following issues, identified here in the same order as identified in the Scoping Memo:

1. Whether SDG&E, during the record period, prudently administered and managed its own generation resources, which includes managing outages and the associated fuel

costs, in compliance with all applicable rules, regulations, and Commission decisions, including but not limited to Standard of Conduct (SOC) 4. If not, what adjustments, if any, should be made to account for imprudently managed or administered resources?

2. Whether SDG&E, during the record period, prudently administered and managed its Qualifying Facility (QF) and non-QF contracts for generation and power purchase agreements in accordance with the contract provisions and in compliance with all applicable rules, regulations, and Commission decisions, including but not limited to SOC 4. If not, what adjustments, if any, should be made to account for imprudently managed or administered resources?
3. Whether SDG&E, during the record year, used the most cost-effective mix of energy resources under its control and achieved Least Cost Dispatch of its energy resources according to SOC 4.
4. Whether SDG&E administered its demand response programs to minimize costs to its ratepayers according to SOC 4.
5. Whether SDG&E's Greenhouse Gas (GHG) Compliance Instrument procurement complied with its Conformed Bundled Procurement Plan, and was consistent with Commission and state policies and laws.
6. Whether the entries in SDG&E's GHG Revenue Balancing Account and GHG-related entries in other ERRA sub-accounts are accurate, and whether SDG&E met its burden of proof regarding its claim for these entries.
7. Whether the entries recorded during the record year in the following accounts are correctly stated and in compliance with Commission directives:
    a. ERRA;
    b. Portfolio Allocation Balancing Account (PABA);
    c. Power Charge Indifference Adjustment (PCIA) Undercollection Balancing Account (CAPBA);

   d. Transition Cost Balancing Account (TCBA);
   e. Local Generating Balancing Account (LGBA);
   f. New Environmental Regulatory Balancing Account (NERBA);
   g. Independent Evaluator Memorandum Account (IEMA);
   h. Litigation Cost Memorandum Account (LCMA);
   i. Green Tariff Marketing Education & Outreach Memorandum Account (GTME&OMA);
   j. Green Tariff Shared Renewables Administrative Cost Memorandum Account (GTSRACMA);
   k. Enhanced Community Renewable Marketing Education & Outreach Memorandum Account (ECRME&OMA);
   l. Green Tariff Shared Renewable Balancing Account (GTSRBA);
   m. Tree Mortality Non-Bypassable Charge Balancing Account (TMNBCBA);
   n. Disadvantaged Communities – Single Family Solar Homes Balancing Account (DACSASHBA);
   o. Disadvantaged Community – Green Tariff Balancing Account (DACGTBA); and
   p. Community Solar Green Tariff Balancing Account (CSGTBA)
8. Whether all other SDG&E activities subject to Commission review in this ERRA Compliance proceeding complied with applicable Commission decisions and resolutions.
9. What is the revenue requirement equal to the estimated unrealized volumetric sales and unrealized revenue resulting from the PSPS events in 2021 that SDG&E must forgo in accordance with D.21-06-014? What is the appropriate methodology for calculating SDG&E's unrealized volumetric sales and unrealized revenues resulting from 2021 PSPS events?

3. Standard of Review

In this Application, the Commission evaluates whether SDG&E meets the standard for compliance under the ERRA regulatory compliance process.

The ERRA, authorized by Public Utilities (Pub. Util.) Code Section 454.5(d) and D.02-10-062, allows regulated energy utilities to recover power procurement costs for fuel and purchased power not already authorized to be recovered in rates. This balancing account tracks "the differences between recorded revenues and costs incurred pursuant to an approved procurement plan" and is reviewed by the Commission.[2]

The ERRA regulatory process includes an annual compliance proceeding and an annual forecast proceeding. In the ERRA compliance proceeding, the Commission evaluates whether a utility has complied with all applicable rules, regulations, opinions, and laws in managing its utility owned generation, implementing the utility's most recently approved procurement plan, and administering its energy resource contracts.[3]

First, the Commission considers whether the utility prudently administered and managed its own generation resources under the reasonable manager standard during the record period. Under the reasonable manager standard, "the act of the utility should comport with what a reasonable manager of sufficient education, training, experience, and skills using the tools and knowledge at his or her disposal would do when faced with a need to make a decision and act."[4] When a utility makes a showing that its conduct was

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[2] Pub. Util. Code § 454.5(d)(3).

[3] Pub. Util. Code § 454.5(d)(2).

[4] D.14-05-023 at 15.

prudent, a party proposing a disallowance must establish that the utility did not act as a prudent manager.

Next, the Commission also considers whether the utility has prudently administered its contracts and generation resources and dispatched energy in a least cost manner in accordance with SOC 4.[5] Established in D.02-10-062, SOC 4 provides, "utilities shall prudently administer all contracts and generation resources and dispatch the energy in a least-cost manner."[6] Prudent contract administration includes administration of all contracts within the terms and conditions of those contracts and the responsibility to dispose of economic long power and to purchase economic short power in a manner that minimizes ratepayer costs. To achieve least-cost dispatch, the utility uses the most cost-effective mix of total resources possible to minimize the cost of delivering electric services.[7]

The Commission also considers additional issues in ERRA compliance reviews, which includes reviewing whether entries the utility recorded in the ERRA and PABA are reasonable, appropriate, accurate, and in compliance with Commission decisions.[8] In addition, beginning with the 2021 ERRA Compliance proceedings, the Commission is determining the appropriate amount of revenues that the utility is disallowed from collecting for PSPS events implemented during the record period, pursuant to D.21-06-014.[9]

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[5] *See* D.15-05-005, OPs 1, 2 and 4.

[6] D.02-10-062 at 74 (Conclusion of Law 11).

[7] D.02-12-074 at 54.

[8] D.18-10-019 at OP 8.

[9] D.21-06-014 at OP 1.

For this Application, SDG&E has the burden to affirmatively establish by a preponderance of evidence that SDG&E has met the standard for compliance under the ERRA regulatory compliance process during the record period of 2021.

4. Summary of Party Positions

4.1. Cal Advocates

Cal Advocates indicated it performed a thorough review of SDG&E's 2021 ERRA Compliance Application, including SDG&E's utility-owned generation operations, fuel expenses and procurement, contract administration, least-cost dispatch, and demand response.[10] In addition, Cal Advocates indicated it audited the balancing and memorandum accounts that are reviewed in this ERRA Compliance proceeding, including the ERRA, PABA, and CAPBA.

After thoroughly reviewing this Application, SDG&E's testimony and the accompanying workpapers, conducting discovery, and auditing all the relevant balancing and memorandum accounts, Cal Advocates indicated it does not object to SDG&E's compliance under the ERRA standards set forth in Issues One through Eight.

However, on issue nine, in which the Commission determines the amount of disallowed PSPS Unrealized Revenues, Cal Advocates recommends that outages caused by fast trip-enabled circuits, or fast trip outages, should be included in the calculation of the PSPS Unrealized Revenues. SDG&E disagrees and moves to strike portions of Cal Advocates' testimony related to fast trip outages.[11] An ALJ Ruling issued on January 25, 2025, granted SDG&E's request

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[10] Exhibit CA-01, Chapter I at 5.

[11] San Diego Gas & Electric Company's Response to the Public Advocates Office's Motion to Admit Exhibits CA-03 and CA-03C into the Record, filed on November 9, 2023, at 5-9.

and struck portions of Cal Advocates' testimony related to fast trip outages.[12] As such, we do not consider any discussions related to fast trip outages as we address matters related to Issue Nine below.

4.2. CCA Parties

The CCA Parties do not contest SDG&E's compliance with the ERRA standards during the 2021 Record Year. But the CCA Parties provided testimony making three recommendations related to the issues examined in the ERRA Compliance proceedings. We address these recommendations in the discussions below.

5. SDG&E's Administration and Management of Utility-Owned Generation Resources

SDG&E owns and operates the following generation resources:

1) Two combined-cycle generating facilities: the Palomar Energy Center in Escondido, California and the Desert Star Energy Center in Boulder City, Nevada;
2) Two peaking plants: Miramar Energy Facility in San Diego, California and Cuyamaca Peak in El Cajon, California;
3) Four battery energy storage systems: a 30MW/120MWh Escondido Battery Energy Storage System (BESS), a 7.5MW/30MWh El Cajon BESS, 30MW/120MWh Top Gun Energy Storage, and 2MW/8MWh Miguel Vanadium Redox Flow; and
4) A solar energy project in Ramona, California that can produce up to 4.32 MW.

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[12] Administrative Law Judge's Ruling on Motions Entering Exhibits into the Evidentiary Record and Motions for Confidential Treatment, issued on January 25, 2025, at 8-9.

After reviewing SDG&E's testimony and rebuttal testimony, Cal Advocates does not dispute SDG&E's showing that it prudently administered and managed its generation resources during the record period of 2021.[13]

We find that SDG&E prudently administered and managed its own generation resources during the 2021 Record Year. SDG&E demonstrated that it operated and maintained its generation resources in a reasonable and prudent manner, consistent with "Good Utility Practice" standards defined in D.02-12-069 and the reasonable manager standard. SDG&E also demonstrated that it complied with the requirements set forth in Commission's General Order 167 – Enforcement of Maintenance and Operation Standards for Electric Generating Facilities.

6. SDG&E's Administration and Management of QF and non-QF Contracts

SDG&E provided testimony and workpapers detailing its contract amendment, contract modification, contract termination, and letter agreement activities during the 2021 Record Year. Cal Advocates indicated it reviewed SDG&E's testimony, workpapers, and data responses to its inquiries and does not oppose SDG&E's compliance of its contract administration activities under the ERRA standards. After reviewing SDG&E's testimony and workpapers, we find that SDG&E prudently administered and managed its contracts and power purchase agreements during the 2021 Record Year.

Although Cal Advocates does not oppose SDG&E's compliance with respect to its contract administration and management activities, Cal Advocates raises concerns about SDG&E's contract procurement activities. According to Cal Advocates, SDG&E was slow in soliciting and evaluating request-for-offer

[13] Cal Advocates Opening Brief (Issues One through Eight), April 14, 2023, at 3-4.

bids, and that SDG&E's pattern of inadequate contract procurement behavior risks exposing ratepayers to unreasonably higher rates. Cal Advocates points to examples, such as the contracts with power purchase tolling agreements for energy storage with the Desert Peak Energy Center and North Johnson Energy Center, which were terminated because SDG&E failed to obtain Commission approval in a timely manner. These examples, Cal Advocates argues, demonstrate a trend of SDG&E failing to adequately manage its contract solicitation and negotiation processes.[14]

To address these concerns, Cal Advocates recommends that SDG&E's contract procurement solicitation and execution activities be subjected to the SOC 4 standards and be reviewed in future ERRA compliance proceedings. According to Cal Advocates, contract procurements are currently approved through advice letters or reviewed through Peer Review Group for contracts negotiated in short, discrete periods of time, such as quarterly. These short time periods, Cal Advocates argues, are not sufficient to observe trends or systemic contract procurement issues, even as independent evaluators have identified issues with SDG&E's contract procurement activities in several consecutive advice letter filings. Cal Advocates argues that the ERRA compliance proceedings is a better venue to review and evaluate long-term trends in contract procurement activities, and that these contract procurement activities should be considered as part of contract administration activities subject to compliance with SOC 4.[15,16] Even if the Commission decides not to include contract

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[14] Cal Advocates Opening Brief (Issues One through Eight), April 14, 2023, at 6-7.

[15] Cal Advocates Opening Brief (Issues One through Eight), April 14, 2023, at 9-10.

[16] SOC 4 provides, "The utilities shall prudently administer all contracts and generation resources and dispatch the energy in a least-cost manner." *See* D.15-05-005, OPs 1, 2 and 4.

procurement activities within the scope of ERRA review, Cal Advocates recommends that the Commission track SDG&E's procurement activities more closely.

SDG&E opposes subjecting its contract procurement activities to the ERRA compliance review standards and disputes that its procurement activities have been deteriorating. SDG&E also argues that this ERRA proceeding is not the appropriate proceeding to consider whether to subject contract procurement activities to the SOC 4 standards because changing the SOC 4 standards affects other utilities as well.

Because ERRA compliance requirements should be applied similarly across all utilities, this issue of whether to subject contract procurement activities to SOC 4 should not be considered only for SDG&E but for all utilities subjected to the ERRA compliance requirements. Furthermore, we agree with SDG&E that this issue potentially modifies the scope of the Commission's long-standing SOC 4 standards and how these standards are to be applied. Hence, this proceeding is not the appropriate forum to consider this issue. This issue, if and when appropriate, should only be considered in proceedings when all the utilities subjected to ERRA requirements are active participants in the proceeding.

7. SDG&E's Least Cost Dispatch

In the ERRA compliance proceedings, the Commission considers, among other issues, whether the utility has used the most cost-effective mix of energy resources and dispatched energy in a least cost manner in accordance with SOC 4.[17,18] To achieve least-cost dispatch, the utility must use the most

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[17] SOC 4 provides, "The utilities shall prudently administer all contracts and generation resources and dispatch the energy in a least-cost manner." *See* D.15-05-005, OP 1, 2 and 4.

[18] D.02-10-062 at Conclusion of Law 11.

cost-effective mix of total resources possible to minimize the cost of delivering electric services.[19]

SDG&E's energy portfolio consists of dispatchable resources and non-dispatchable must-take resources. SDG&E's conduct with dispatchable resources is the subject of the compliance review in determining whether SDG&E complied with least cost dispatch principles in accordance with SOC 4. Following the California Independent System Operator's (CAISO) 2009 Market Redesign and Technology Upgrade in which CAISO assumed dispatch responsibilities, however, the Commission's review of SDG&E's compliance with least cost dispatch requirements shifted towards its scheduling and bidding activities.[20]

SDG&E's least-cost dispatch scheduling and bidding process begins with pre-day-ahead planning that uses a weekly production cost model to forecast and optimize resources to serve load for a 12-day period. Next, SDG&E conducts day-ahead planning with updated forecasts of load, market prices, and other inputs and then submits schedules and bids for each of its resource into CAISO's day-ahead market. SDG&E also submits updated self-schedules and cost-based bids for its dispatchable resources in the hour-ahead and real-time market.[21]

Cal Advocates indicates it reviewed SDG&E's bidding and self-scheduling activities, dispatch of Lake Hodges hydropower facility, dispatch of its battery storage resources, and convergence bidding activities for variable resources. Cal Advocates finds that SDG&E managed its resources reasonably and does not

[19] D.02-12-074 at 54.

[20] Exhibit CA-01, Chapter 2 at 1.

[21] Exhibit SDGE-06 at 11-21.

oppose SDG&E's compliance with its least cost dispatch requirements in the 2021 Record Year.[22]

We find that SDG&E used the most cost-effective mix of energy resources and achieved Least Cost Dispatch of its energy resources according to SOC 4 during the 2021 Record Year. Through its least cost dispatch processes, SDG&E used the lowest-cost resource portfolio and considered variable costs in its least cost dispatch processes, subject to constraints of the day-ahead, hour-ahead, and real-time markets. During the 2021 Record Year, SDG&E's bidding and self-scheduling activities and dispatch of its resources are in compliance with the least cost dispatch requirements under SOC 4.

8. SDG&E's Administration of Demand Response Programs

During the 2021 Record Year, SDG&E's demand response portfolio consisted of programs with economic triggers and programs with non-economic triggers. SDG&E's demand response programs with economic triggers were bid into the CAISO market during the 2021 Record Year and are subject to the least cost dispatch requirements, as outlined in SOC 4.[23] These programs include the Capacity Bidding Program and the AC Saver Program. The Capacity Bidding Program is an optional demand response program for commercial and industrial customers in which participants receive a monthly capacity payment in exchange for reducing their load when requested by the utility. The AC Saver Program is a voluntary program that uses thermostats to reduce air-conditioning use. SDG&E also has the Base Interruptible Program that is dispatched by the CAISO if there is a stage one emergency and prices are at least $950 per MWh. During the 2021

[22] Exhibit CA-01, Chapter 2 at 1 and 22.

[23] Exhibit SDGE-06 at 31 to 38.

Record Year, SDG&E triggered the Base Interruptible Program once on June 17, 2021, after CAISO issued a warning because of system conditions.[24]

Cal Advocates indicates it reviewed SDG&E's dispatch of its demand response programs and does not oppose SDG&E's showing that its demand response programs are in compliance.[25]

We find that SDG&E's dispatch of its demand response programs during the 2021 Record Year complies with the least cost dispatch requirements, in accordance with SOC 4. SDG&E demonstrated that the economic triggers for the demand response programs were met in all cases when the programs were activated and provided reasonable explanations for the 227 demand response exceptions in which SDG&E did not dispatch demand response programs even when economic triggers were met.

9. SDG&E's Procurement of GHG Compliance Instrument

To comply with California's Cap-and-Trade Program, SDG&E must procure GHG Compliance Instruments for the following:

- Imported power, including out-of-state power purchased in the market and electricity generated from SDG&E-owned Desert Star Energy Center and from SDG&E's contracted Yuma Cogeneration Associates,
- Two utility-owned generation plants in California: Palomar Energy Center and Miramar Energy Facility, and
- Various tolling agreements pursuant to its Purchased Power Agreements: Otay Mesa Energy Center, Goal Line, Pio Pico Energy Center, Carlsbad Energy Center, Orange Grove Energy, and Escondido Energy Center.

[24] Exhibit SDGE-06 at 32.

[25] Exhibit CA-01, Chapter 2 at 22.

Authority for SDG&E's procurement of GHG Compliance Instruments was granted in D.12-04-046 (Long Term Procurement Plan Decision) and SDG&E's Bundled Procurement Plan. For the 2021 procurement period, SDG&E is authorized to procure a GHG limit of 0.391 million metric tons as part of its Bundled Procurement Plan.[26]

No party raised any objections to SDG&E's compliance with respect to its procurement of GHG compliance instruments.

Upon review of SDG&E's testimony, we find that SDG&E's procurement of GHG Compliance Instruments during the 2021 Record Year is consistent with the Commission's procurement guidelines and policies set forth in D.12-04-046, D.15-10-031 (Decision Approving 2014 Bundled Procurement Plans), and SDG&E's Bundled Procurement Plan. We find that SDG&E's procurement of GHG Compliance Instruments during the 2021 Record Year is in compliance with SDG&E's BPP, Commission directives and state laws.

10. SDG&E's Recorded GHG Costs

SDG&E's testimony demonstrates that the GHG costs and related entries SDG&E recorded during the 2021 Record Year in its balancing accounts, including its GHG Revenue Balancing Account and other ERRA sub-accounts, follow the methodology prescribed in D.21-05-004. D.21-05-004 established the current methodology and process by which the utilities are to record and recover GHG costs through balancing accounts. In compliance with D.21-05-004, SDG&E also provided data in its testimony that were required under D.21-05-004.[27]

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[26] Exhibit SDGE-03 at 4-5.

[27] Exhibit SDGE-05 at 2-3 and Attachment A-D.

No party raised any objections to SDG&E's compliance with respect to its recorded GHG costs and related entries.

After reviewing SDG&E's testimony, we find that the GHG costs and related entries SDG&E recorded during the 2021 Record Year in its balancing accounts, including the GHG Revenue Balancing Account and other ERRA sub-accounts, are accurate and consistent with Commission directives and state laws.

11. SDG&E's Recorded Entries in the ERRA and Other Balancing and Memorandum Accounts

In this ERRA Compliance Application, we are reviewing the entries recorded in the following accounts:

a. ERRA;

b. Portfolio Allocation Balancing Account (PABA);

c. Power Charge Indifference Adjustment (PCIA) Undercollection Balancing Account (CAPBA);

d. Transition Cost Balancing Account (TCBA);

e. Local Generating Balancing Account (LGBA);

f. New Environmental Regulatory Balancing Account (NERBA) – Assembly Bill (AB) 32 Electric Subaccount;

g. Independent Evaluator Memorandum Account (IEMA);

h. Litigation Cost Memorandum Account (LCMA);

i. Green Tariff Marketing Education & Outreach Memorandum Account (GTME&OMA);

j. Green Tariff Shared Renewables Administrative Cost Memorandum Account (GTSRACMA);

k. Enhanced Community Renewable Marketing Education & Outreach Memorandum Account (ECRME&OMA);

l. Green Tariff Shared Renewable Balancing Account (GTSRBA);

m. Tree Mortality Non-Bypassable Charge Balancing Account (TMNBCBA);

n. Disadvantaged Communities – Single Family Solar Homes Balancing Account (DACSASHBA);

o. Disadvantaged Community – Green Tariff Balancing Account (DACGTBA); and

p. Community Solar Green Tariff Balancing Account (CSGTBA)

No parties oppose SDG&E's compliance with respect to the entries in the above accounts.

Cal Advocates indicates it conducted an audit of the above accounts and of the entries recorded in these accounts during the 2021 Record Year. Cal Advocates did not report any concerning recorded entries or discrepancies.[28]

We find that the entries SDG&E recorded in 2021 in the accounts listed above are correct and in compliance with Commission directives and state laws.

12. SDG&E's Request to Include 2021 Recorded Entries in Rates

In this Application, SDG&E requests to include in rates the entries it recorded in 2021 in three accounts: 1) LGBA, NERBA, and TMNBCBA.

Parties did not contest SDG&E's requests.

Cal Advocates reviewed and audited SDG&E's recorded 2021 entries in the LGBA, NERBA, and TMNBCBA. As discussed earlier, Cal Advocates did not report any concerning recorded entries or discrepancies and did not oppose the recovery of the undercollected balances.

We discuss each account below.

[28] Exhibit CA-01, Chapter 5 at 15-16.

12.1. Undercollected 2021 Costs Recorded in the LGBA

The LGBA records the revenues and costs of contracts for energy resources that are subject to the cost allocation mechanism. During the 2021 Record Year, SDG&E recorded fuel costs for 12 energy contracts in the LGBA. The total 2021 costs SDG&E recorded in the LGBA resulted in an undercollection.[29] SDG&E requests to recover the undercollected 2021 costs recorded in the LGBA through its next filed ERRA forecast proceeding or SDG&E's next Annual Electric Regulatory Update filing. The 2021 costs recorded in the LGBA have been granted confidential treatment.[30]

We find the under-collected 2021 costs recorded in the LGBA to be reasonable. Since SDG&E's next Annual Electric Regulatory Update will not be filed until the end of the year, we also find it reasonable for SDG&E to recover the under-collected 2021 costs recorded in the LGBA in electric rates through a Tier 1 Advice Letter that shall be filed within 60 days of this decision.

12.2. Overcollected 2021 Costs Recorded in the NERBA – AB 32 Electric Subaccount

The AB 32 electric subaccount in the NERBA records the actual costs against the revenue requirements for administrative fees charged by the California Air Resources Board. The total 2021 costs SDG&E recorded in the AB 32 electric subaccount of the NERBA are an overcollection of $0.010 million.[31] SDG&E requests to include the over-collected 2021 costs recorded in the NERBA

[29] Exhibit SDGE-02 at 10-11.

[30] Administrative Law Judge's Ruling on Motions Entering Exhibits into the Evidentiary Record and Motions for Confidential Treatment, issued on January 25, 2025, at 2-4 and 11.

[31] Exhibit SDGE-02 at 11-12.

– AB 32 electric subaccount in electric rates through the Annual Electric Regulatory Account Update filing.

We find the over-collected 2021 costs recorded in the NERBA – AB 32 Electric Subaccount to be reasonable. Since SDG&E's next Annual Electric Regulatory Update will not be filed until the end of the year, we also find it reasonable for SDG&E to amortize the over-collected 2021 costs of $0.010 million recorded in the NERBA – AB 32 Electric Subaccount in electric rates through a Tier 1 Advice Letter that shall be filed within 60 days of this decision.

12.3. Overcollected 2021 Costs Recorded in the TMNBCBA

The TMNBCBA records procurement costs related to tree mortality that are recovered through the public purpose program charge. The total 2021 costs SDG&E recorded in the TMNBCBA resulted in an undercollection.[32] The 2021 costs recorded in the TMNBCBA have been granted confidential treatment.[33] SDG&E requests to recover the undercollected 2021 costs recorded in the TMNBCBA through its next Annual Electric Regulatory Update filing.

We find the over-collected 2021 costs recorded in the TMNBCBA to be reasonable. Since SDG&E's next Annual Electric Regulatory Update will not be filed until the end of the year, we also find it reasonable for SDG&E to amortize the over-collected 2021 costs recorded in the TMNBCBA in electric rates through a Tier 1 Advice Letter that shall be filed within 60 days of this decision.

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[32] Exhibit SDGE-02 at 16.

[33] Administrative Law Judge's Ruling on Motions Entering Exhibits into the Evidentiary Record and Motions for Confidential Treatment, issued on January 25, 2025, at 2-4 and 11.

13. Unrealized Revenues Attributed to 2021 PSPS Events

D.21-06-014 ordered SDG&E to forgo collection in rates all authorized revenue requirement equal to the estimated unrealized volumetric sales and unrealized revenue resulting from PSPS events that were called after the effective date of the decision.[34,35] D.23-06-054 set forth the methodology that SDG&E must use to calculate the unrealized sales and unrealized revenues caused by PSPS events.[36] D.23-06-054 also ordered SDG&E to submit supplemental testimony in its 2021 ERRA Compliance proceeding to present an estimate of unrealized sales and unrealized revenues caused by PSPS events in 2021 that were called after the effective date of D.21-06-004.[37]

Under D.23-06-054, the unrealized revenues during a PSPS event are calculated using the following methodology:[38]

(a) The unrealized volumetric electric sales shall be calculated using the following steps:

i. The utility identifies the specific customer accounts that were impacted by each PSPS event in a given record year;

ii. For each affected customer of a PSPS event, the utility develops an electric consumption baseline using hourly load data from the seven days before and the seven days after each PSPS event (excluding data from other PSPS events during those two seven-day periods). For net energy metering (NEM) accounts,

[34] D.21-06-014 at OP 1.

[35] The effective date of D.21-06-014 was June 3, 2021.

[36] D.23-06-054 at OP 1.

[37] D.23-06-054 at OP 2.

[38] D.23-06-054 at OP 1.

kilowatt-hour (kWh) net values are used; for non-NEM accounts, kWh delivered values are used;

iii. For each affected customer of a PSPS event, the utility calculates a weekday baseline profile for Mondays through Fridays and a weekend baseline profile for Saturdays, Sundays, and holidays for each hour (not just the hours affected by the PSPS event) by averaging the data from the two seven-day periods described in step ii above, resulting in 24 hourly weekday baseline profiles and 24 hourly weekend baseline profiles for each affected customer of a PSPS event;

iv. The utility identifies each affected customer's hourly load data for each hour of each day of a PSPS event (not just the hours affected by the PSPS event). For customer accounts without hourly load data, the utility calculates the ratio of the total hourly load for the affected customer's class to the total hourly baseline profile for that class and then multiplies that ratio by the customer's hourly baseline profile to obtain that customer's imputed hourly load; and

v. For each affected customer of a PSPS event, the hourly load data for each hour of each day of a PSPS event as described in step iv above are subtracted from the corresponding weekday or weekend hourly baseline profile described in step iii above to calculate unrealized volumetric sales, and those customer level unrealized sales are then aggregated by customer class.

(b) The electric rate that shall be used to calculate a utility's unrealized revenues consists of all rate components that are under the jurisdiction of the California Public Utilities Commission and are charged based on volumetric sales, except rate components that do not recover any revenue shortfalls or variances resulting from PSPS events and rate components that provide a credit to ratepayers during the PSPS event. Pacific Gas and Electric Company, Southern

California Edison Company, and San Diego Gas & Electric Company shall include all applicable rate components in the electric rate based on the utility's rate structure at the time the PSPS event was initiated.

(c) Unrealized wholesale generation revenues are excluded from the calculation of unrealized revenues.

(d) When applying the methodology adopted in this decision to calculate a utility's unrealized revenues, shareholders for Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall fund all revenue shortfalls recorded in each of their respective balancing accounts resulting from Public Safety Power Shutoff events.

13.1. 2021 PSPS Event

After the effective date of D.21-06-014, SDG&E called only one PSPS event in 2021, which occurred on November 24, 2021 through November 26, 2021 and affected 5,840 customers.[39]

13.2. Calculation of Unrealized Sales and Unrealized Revenues

SDG&E calculated the unrealized sales amount by comparing the baseline usage for the affected customers with each customer's usage during the PSPS events. The baseline usage for each affected customer is derived based on the hourly load data from the seven days before and the seven days after each PSPS event. SDG&E calculated the unrealized sales for the November 24-26, 2021 PSPS event to be 147,285 kWh.[40]

[39] Exhibit SDGE-11 at 5.

[40] Exhibit SDG&E-11 at 8; SDG&E Opening Brief on PSPS Issue, December 1, 2023, at 6.

After applying the applicable energy rates to the unrealized sales for each affected customer class, SDG&E calculated the total unrealized revenues resulting from the November 24-26, 2021 PSPS event to be $20,191.[41]

13.3. Discussion

We find that SDG&E's calculation of the unrealized sales and unrealized revenues for the November 24-26, 2021 PSPS event follows the methodology approved in D.23-06-054. Accordingly, we find it reasonable to disallow SDG&E from collecting the total unrealized revenue amount of $20,191 for the PSPS event that occurred on November 24-26, 2021. Within 60 days of the effective date of this decision, SDG&E shall file a Tier 1 advice letter with the Commission's Energy Division to return $20,191 in disallowances to ratepayers by applying this amount, with interests, to the appropriate balancing accounts.

14. CCA Parties Recommendations

The CCA Parties' testimony makes three recommendations:

1) The Commission should clarify how the costs in the Green Tariff Shared Renewable Balancing Account will be reviewed;
2) The Commission should direct SDG&E to disclose the documents that an internal ERRA audit report recommended SDG&E to prepare; and
3) The Commission should require SDG&E to audit its PABA (Portfolio Allocation Balancing Account) and Non-Fuel Generation Balancing Account (NGBA).

We discuss each of the CCA Parties' recommendations below.

[41] Exhibit SDG&E-12 at 2-3; SDG&E Opening Brief on PSPS Issue, December 1, 2023, at 6.

14.1. Recovery of the Costs Recorded in the Green Tariff Shared Renewable Balancing Account

The CCA Parties request that the Commission clarify how the costs for the Green Tariff Shared Renewable program will be reviewed and recovered. These costs were recorded in the Green Tariff Shared Renewable Balancing Account.

SDG&E requested recovery of these costs in its 2024 ERRA Forecast proceeding, which were authorized in Decision 23-12-021.[42] Therefore, this request is now moot, and discussion related to this request is no longer necessary.

14.2. SDG&E's Internal Control Documents

We next address the CCA Parties' request related to documents that were recommended in one of SDG&E's internal audit reports. In a report on its audit of the ERRA, SDG&E's internal audit team recommends that SDG&E prepare documents (Internal Control Documents) that describe SDG&E's procedures and processes for managing the ERRA balancing account. The CCA parties request that SDG&E share these Internal Control Documents with the parties.

SDG&E opposes the CCA Parties' request. Asserting that the Internal Control Documents contain commercially sensitive information, SDG&E argues that CCA Parties should not be given access to these documents because they are market participants that directly compete with SDG&E.[43]

We concur with the results of SDG&E's internal audit report that the recommended Internal Control Documents are needed for SDG&E to manage the ERRA better and to ensure the accuracy of the ERRA account entries. We

[42] D.23-12-021, OP 1.

[43] SDG&E Opening Brief (Issues One through Eight), April 14, 2023, at 9-11.

therefore require that SDG&E prepare these documents if it has not done so by its next ERRA compliance filing.

We are not convinced that requiring SDG&E to share the Internal Control Documents with parties, including market participants such as the CCA Parties, will give the parties an unfair economic advantage since the purpose of these documents is to outline the process and procedures for managing the ERRA. Rather, we agree with the CCA Parties that these documents allow parties to more effectively understand and examine how the ERRA entries are recorded and whether the entries in the ERRA are correct and in compliance with Commission orders and directives. We therefore require SDG&E to allow parties access to the Internal Control Documents under a Non-Disclosure Agreement.

14.3. Audit of the PABA and NGBA

The CCA Parties also recommend directing SDG&E to perform an internal audit of the PABA and NGBA, in addition to the ERRA entries SDG&E currently audits. According to the CCA Parties, these three accounts are interconnected through the debiting and crediting of Retained Resource Adequacy and Renewable Portfolio Standard PCIA-eligible resources, and that SDG&E's audit of only the ERRA does not present a complete picture of the accounts.[44]

Opposing the CCA Parties' recommendations, SDG&E argues that there currently are sufficient visibility and measures to review the interaction between these accounts. These measures include the annual audit Cal Advocates conducts for both the ERRA and the PABA and the monthly ERRA reports that SDG&E submits to the Commission.[45] SDG&E also notes that there is not

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[44] CCA Parties Opening Brief (Issues One through Eight), April 14, 2023, at 9-11.

[45] SDG&E Opening Brief (Issues One through Eight), April 14, 2023, at 12-13.

sufficient time for SDG&E to conduct an additional internal audit of PABA and NGBA for the 2021 Record Year within the schedule of this proceeding.

We find it reasonable to require SDG&E to conduct annual internal audits of the PABA and NGBA, in addition to the annual ERRA audits it currently conducts. Because the ERRA, PABA, and NGBA are interlinked through the debiting and crediting of Retained Resource Adequacy and Renewable Portfolio Standard PCIA-eligible resources, the accuracy of the entries in any one of these accounts affect the accuracy of the entries in the other accounts. Consequently, the accuracy of the entries in these accounts affect the accuracy of electric rates. Even though Cal Advocates audits these accounts annually, SDG&E should annually audit its own accounts to ensure that the entries recorded in its accounts are accurate before presenting them before the Commission in its annual ERRA Compliance proceedings.

15. Conclusion

We find that SDG&E meets the compliance requirements under the ERRA compliance standards during the 2021 Record Year. In this Application, SDG&E has demonstrated that it complied with all the ERRA compliance standards set forth in Issues One through Eight during the 2021 Record Year. SDG&E prudently administered and managed its own generation resources. SDG&E prudently administered and managed its QF and non-QF contracts for generation and power purchase agreements. SDG&E used the most cost-effective mix of energy resources and achieved Least Cost Dispatch of its energy resources in accordance with SOC 4. SDG&E's dispatch of its demand response programs complies with the least cost dispatch requirements in accordance with SOC 4. SDG&E procured GHG Compliance Instruments in compliance with SDG&E's BPP, Commission directives and state laws. SDG&E's recorded GHG costs and related entries during the 2021 Record Year are accurate and consistent with Commission directives and state laws. The entries SDG&E recorded in the ERRA and the balancing and memorandum accounts reviewed in this proceeding are correct and in compliance with Commission directives.

16. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

However, there are no comments received from the public on this proceeding.

17. Comments on Proposed Decision

The proposed decision of ALJ Elaine Lau in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on __________, and reply comments were filed on _____________ by ________________.

18. Assignment of Proceeding

Commissioner John Reynolds is the assigned Commissioner and Elaine Lau is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. SDG&E owns and operates the following generation resources:

    (a) Two combined-cycle generating facilities: the Palomar Energy Center in Escondido, California and the Desert Star Energy Center in Boulder City, Nevada;

(b) Two peaking plants: Miramar Energy Facility in San Diego, California and Cuyamaca Peak in El Cajon, California;

(c) Four battery energy storage systems: a 30MW/120MWh Escondido Battery Energy Storage System (BESS), a 7.5MW/30MWh El Cajon BESS, 30MW/120MWh Top Gun Energy Storage, and 2MW/8MWh Miguel Vanadium Redox Flow; and

(d) A solar energy project in Ramona, California that can produce up to 4.32 MW.

2. SDG&E operated and maintained its generation resources in a manner that is consistent with "Good Utility Practice" standards as defined in D.02-12-069 and in compliance with the requirements set forth in Commission's General Order 167.

3. SDG&E's contract administration activities complied with the ERRA standards during the 2021 Record Year.

4. SDG&E's energy portfolio consists of dispatchable resources and non-dispatchable must-take resources.

5. Through its least cost dispatch processes, SDG&E used the lowest-cost resource portfolio and considered variable costs in its least cost dispatch processes, subject to constraints of the day-ahead, hour-ahead, and real-time markets.

6. During the 2021 Record Year, SDG&E's bidding and self-scheduling activities and dispatch of its resources are in compliance with its least cost dispatch requirements under SOC 4.

7. SDG&E's demand response programs with economic triggers, including the Capacity Bidding Program and the AC Saver Program, were bid into the CAISO market during the 2021 Record Year and are subject to the least cost dispatch requirements, as outlined in SOC 4.

8. SDG&E demonstrated that the economic triggers for the demand response programs were met in all cases when the programs were activated and provided reasonable explanations for the 227 demand response exceptions in which SDG&E did not dispatch the demand response programs even when economic triggers were met.

9. SDG&E's procurement of GHG Compliance Instruments during the 2021 Record Year is consistent with the Commission's procurement guidelines and policies set forth in D.12-04-046 (Long Term Procurement Plan Decision), D.15-10-031 (Decision Approving 2014 Bundled Procurement Plans), and SDG&E's Bundled Procurement Plan.

10. The GHG costs and related entries SDG&E recorded during the 2021 Record Year in its balancing accounts, including the GHG Revenue Balancing Account and other ERRA sub-accounts, are in compliance with and follow the methodology prescribed in D.21-05-004, which established the current methodology and process by which GHG costs are to be recorded and recovered.

11. Cal Advocates indicates it conducted an audit of the entries SDG&E recorded in the following accounts in 2021, and did not report any concerning recorded entries or discrepancies:

(a) ERRA;
(b) PABA;
(c) CAPBA;
(d) TCBA;
(e) LGBA;
(f) NERBA – AB 32 Electric Subaccount;
(g) IEMA;
(h) LCMA;
(i) GTME&OMA;

(j) GTSRACMA;

(k) ECRME&OMA;

(l) GTSRBA;

(m) TMNBCBA;

(n) DACSASHBA;

(o) DACGTBA; and

(p) CSGTBA.

12. The total 2021 costs SDG&E recorded in the LGBA resulted in an undercollection.

13. The total 2021 costs SDG&E recorded in the AB 32 electric subaccount of the NERBA are an overcollection of $0.010 million.

14. The total 2021 costs SDG&E recorded in the TMNBCBA resulted in an undercollection.

15. D.21-06-014 ordered SDG&E to forgo collection in rates all authorized revenue requirement equal to the estimated unrealized volumetric sales and unrealized revenue resulting from PSPS events that were called after the effective date of the decision.

16. D.23-06-054 set forth the methodology that SDG&E must use to calculate the unrealized sales and unrealized revenues caused by PSPS events.

17. During the 2021 Record Year, SDG&E called only one PSPS event after D.21-06-014 became effective.

18. The only PSPS event SDG&E called during the 2021 Record Year, after D.21-06-014 became effective, occurred on November 24, 2021 through November 26, 2021 and affected 5,840 customers.

19. SDG&E calculated the unrealized sales and the unrealized revenues for the November 24-26, 2021 PSPS event to be 147,285 kWh and $20,191, respectively.

20. SDG&E's calculation of the unrealized sales and unrealized revenues for the November 24-26, 2021 PSPS event follows the methodology approved in D.23-06-054.

21. The Internal Control Documents recommended in SDG&E's internal audit report are needed for SDG&E to manage the ERRA better and to ensure the accuracy of the ERRA account entries.

22. Because the ERRA, PABA, and NGBA are interlinked through the debiting and crediting of Retained Resource Adequacy and Renewable Portfolio Standard PCIA-eligible resources, the accuracy of the entries in any one of these accounts affect the accuracy of the entries in the other accounts.

23. The accuracy of the entries in the ERRA,PABA, or the NGBA affects the accuracy of electric rates.

Conclusions of Law

1. SDG&E prudently administered and managed its own generation resources during the 2021 Record Year.

2. SDG&E prudently administered and managed its QF and non-QF contracts for generation and power purchase agreements during the 2021 Record Year.

3. SDG&E used the most cost-effective mix of energy resources and achieved Least Cost Dispatch of its energy resources according to SOC 4 during the 2021 Record Year.

4. SDG&E's dispatch of its demand response programs during the 2021 Record Year complies with the least cost dispatch requirements, in accordance with SOC 4.

5. SDG&E's procurement of GHG Compliance Instruments during the 2021 Record Year is in compliance with SDG&E's BPP, Commission directives and state laws.

6. The GHG costs and related entries SDG&E recorded during the 2021 Record Year in its balancing accounts, including the GHG Revenue Balancing Account and other ERRA sub-accounts, are accurate and consistent with Commission directives and state laws.

7. The entries SDG&E recorded in 2021 in the following accounts are correct and in compliance with Commission directives and state laws:

(a) ERRA;
(b) PABA;
(c) CAPBA;
(d) TCBA;
(e) LGBA;
(f) NERBA – AB 32 Electric Subaccount;
(g) IEMA;
(h) LCMA;
(i) GTME&OMA;
(j) GTSRACMA;
(k) ECRME&OMA;
(l) GTSRBA;
(m) TMNBCBA;
(n) DACSASHBA;
(o) DACGTBA; and
(p) CSGTBA.

8. The under-collected 2021 costs recorded in the LGBA are reasonable.

9. SDG&E should be authorized to recover the under-collected 2021 costs recorded in the LGBA in electric rates.

10. The over-collected 2021 costs recorded in the NERBA – AB 32 Electric Subaccount are reasonable.

11. SDG&E should be authorized to amortize the over-collected 2021 costs of $0.010 million recorded in the NERBA – AB 32 Electric Subaccount in electric rates.

12. The over-collected 2021 costs recorded in the TMNBCBA are reasonable.

13. SDG&E should be authorized to amortize the under-collected 2021 costs recorded in the TMNBCBA in electric rates.

14. SDG&E should be disallowed from collecting the total unrealized revenue amount of $20,191 for the PSPS event that occurred on November 24-26, 2021.

15. SDG&E should prepare the Internal Control Documents recommended in its internal audit report by its next ERRA compliance filing.

16. SDG&E should allow parties access to the Internal Control Documents under a Non-Disclosure Agreement.

17. SDG&E should be required to conduct annual internal audits of the ERRA, PABA, and NGBA.

O R D E R

IT IS ORDERED that:

1. Application 22-06-001, San Diego Gas & Electric Company's Application for Compliance of its Energy Resource Recovery Account for the 2021 Record Year, is approved.

2. Within 60 days after the effective date of this decision, San Diego Gas & Electric Company shall file a Tier 1 advice letter with the Commission's Energy Division to perform the following:

(a) Amortize in rates the 2021 costs recorded in the in the Local Generating Balancing Account, New Environmental Regulatory Balancing Account – Assembly Bill 32 electric subaccount, and Tree Mortality Non-Bypassable Charge Balancing Account, and

(b) Return the total unrealized revenue amount of $20,191 resulting from the November 24-26, 2021 Public Safety Power Shutoff event by applying this amount, with interests, to the appropriate balancing accounts.

3. San Diego Gas & Electric Company (SDG&E) shall prepare the Internal Control Documents recommended in its internal audit report before its next Energy Resource Recovery Account Compliance Application. SDG&E shall also allow parties access to the Internal Control Documents under a Non-Disclosure Agreement.

4. For future Energy Resource Recovery Account Compliance Applications, San Diego Gas & Electric Company shall conduct annual internal audits of its Energy Resource Recovery Account, Portfolio Allocation Balancing Account and Non-Fuel Generation Balancing Account to ensure that the entries in these accounts are accurate before presenting them in the filing.

5. Application 22-06-001 is closed.

This order is effective today.

Dated ____________________________, at San Francisco, California