BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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A2504006

Application of Southern California Gas Company (U 904 G) for Adoption of a Microgrid Optional Tariff.	Application 25-04-006

LATE-FiLED NOTICE OF EX PARTE COMMUNICATION OF THE PUBLIC ADVOCATES OFFICE

Pursuant to Rule 8.4 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure (Rules), the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) hereby gives this late-filed notice of an oral ex parte communication. Due to an inadvertent oversight, notice of the communication was not timely filed.

The oral communication occurred via a meeting between Cal Advocates and representatives from the Office of President Alice Busching Reynolds and the Office of Commissioner Matthew Baker. The meeting in which the oral communication took place was held via WebEx on Friday, November 7, 2025, from 3:32 p.m. to approximately 3:56 p.m. Sarah Goldmuntz, Energy Advisor to President Alice Busching Reynolds, and Stephen Neal, Advisor to Commissioner Matthew Baker, participated in the meeting.

Cal Advocates was represented by Karin Hieta, Program Manager; Richard Khoe, Supervisor; Michael Einhorn, Attorney; and Juliet Walsh, Regulatory Analyst. The representatives for Cal Advocates discussed issues related to Application (A.) 25-04-006, Southern California Gas Company's (SoCalGas) Application for a Microgrid Optional Tariff (MOT), as described in Attachment A. Cal Advocates discussed SoCalGas's Supplemental Testimony and reasons why it does not address relevant scoping issues or otherwise cure SoCalGas' Application. SoCalGas' proposal still inappropriately leverages its utility status and access to ratepayer-funded resources for private, unregulated commercial purposes.

Respectfully submitted,

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November 14, 2025

ATTACHMENT A

The CPUC Should Dismiss SoCalGas's Application for a Microgrid Optional Tariff

Proceeding No: A.25-04-006 | Date: November 7, 2025

The CPUC should dismiss Southern California Gas Company's (SoCalGas) Application for a Microgrid Optional Tariff (MOT) because it is detrimental to ratepayers and the public interest.

SoCalGas' Supplemental Testimony Fails to Cure a Deficient Application:

The Assigned Commissioner directed SoCalGas to provide supplemental testimony regarding the issues to be determined in the proceeding.

- SoCalGas simply repeats information from its original Application in many sections and fails to provide further details.

Lacks Additional Details:

SoCalGas provides no or very minimal additional detail in response to any of the Scoping Memo questions in its Supplemental Testimony. The lack of additional details in response to the following Scoping Memo questions is particularly concerning for ratepayer and public interests:

- Scoping Memo Question 1: Whether the proposed MOT is reasonable and in the public interest.
- Scoping Memo Question 2: Whether the Application complies with the Public Utilities Code and Commission Decisions.
    - SoCalGas simply states it will follow the law without demonstrating how its Application complies with applicable law.
- Scoping Memo Question 3: Whether the proposed MOT would shift cost to non-participating ratepayers/whether the SoCalGas has proposed adequate safeguards for returning ratepayer funding.
- Scoping Memo Question 6: Whether the proposed MOT would create barriers or suppress competition in the microgrid sector within SoCalGas' service territory.

New Arguments SoCalGas Provides Are Not Relevant:

SoCalGas argues that there is precedent for the MOT structure. It states that the Commission approved its Distributed Energy Resources (DERS) Tariff in 2015, which allowed SoCalGas to create a for-profit business inside its regulated utility. But the DERS Tariff is different from the MOT, and the Commission should not consider it as precedent for the MOT application:

- In the case of the DERS Tariff, the Commission used a government-sponsored study to ensure it targeted an underserved market, limited eligible fuel types, set efficiency standards, included a 10-year reevaluation timeline, and required robust rate setting methodology with Commission oversight.
- The MOT is a less targeted mechanism that does not include any of these safeguards.

SoCalGas cites the Hydrogen Innovation Experience (HIE) as an example of the company's ability to deliver microgrid projects safely and meet technical standards. The scope of the HIE was very different from the proposed scope of the MOT and should not serve as proof that SoCalGas could deliver large and complex MOT projects in a safe and technically-sound manner.

- Shareholders paid for the HIE and shareholders are also supposed to pay for the proposed MOT. But the HIE was a residential-scale demonstration project, while the proposed MOT projects would be commercial-scale and for-profit.