

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



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Application of Southern California Gas Company
(U904G) for Authority, Among Other Things, to
Update its Gas Revenue Requirement and Base
Rates Effective on January 1, 2028.

A.26-06-014

And related matter.

A.26-06-015

**JOINT PROTEST OF SAN DIEGO COMMUNITY POWER AND CLEAN ENERGY
ALLIANCE TO THE APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY**

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SUMMARY OF RECOMMENDATIONS

- The Commission¹ should refrain from granting SDG&E's requests and should set this matter for hearing to allow for further record development on the issues described herein.
- The Commission should adopt the SD CCAs' proposed scope of issues.
- The Commission should adopt SDG&E's proposed procedural schedule.
- The Commission should grant SDCP and CEA each individual party status.

¹ Acronyms and defined terms used in this Summary of Recommendations are defined in the body of this Protest.

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

Application of Southern California Gas Company (U904G) for Authority, Among Other Things, to Update its Gas Revenue Requirement and Base Rates Effective on January 1, 2028.	A.26-06-014
And related matter.	A.26-06-015

**JOINT PROTEST OF SAN DIEGO COMMUNITY POWER AND CLEAN ENERGY
ALLIANCE TO THE APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY**

In accordance with Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), San Diego Community Power² (“SDCP”) and Clean Energy Alliance³ (“CEA”) (together, the “SD CCAs”) hereby submit this protest to San Diego Gas & Electric Company’s (“SDG&E”) *Application for Authority, Among Other Things, to Update its Electric and Gas Revenue Requirement and Base Rates Effective on January 1, 2028*, submitted on June 15, 2026 (“Application”).⁴ SDCP and CEA each respectfully request independent party status in this proceeding.

In its Test Year (“TY”) 2028 General Rate Case (“GRC”) Phase 1 Application, SDG&E requests Commission authorization of an approximately \$2.9 billion electric revenue requirement, comprised of a broad range of proposals. In evaluating SDG&E’s requests, it is imperative that the

² SDCP is the Community Choice Aggregator (“CCA”) for the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa, National City, and San Diego, and the unincorporated areas of San Diego County.

³ CEA is the CCA for the cities of Carlsbad, Del Mar, Solana Beach, Escondido, San Marcos, Oceanside, and Vista.

⁴ Application (“A.”) 26-06-015, *Application of San Diego Gas & Electric Company (U902M) for Authority, Among Other Things, to Update its Electric and Gas Revenue Requirement and Base Rates Effective on January 1, 2028* (June 15, 2026) (“Application”). Note that the Commission consolidated SDG&E’s Application with Southern California Gas Company’s parallel filing in A.26-06-014, *Administrative Law Judge’s Ruling Consolidating Applications* (Jul. 7, 2026).

Commission ensure that costs are properly allocated so as to mitigate illegal cost shifting between bundled and unbundled customers, avoid anti-competitive impacts, and to generally ensure that SDG&E's proposals are just and reasonable.

Given the breadth and complexity of SDG&E's Application, the SD CCAs cannot, at this time, conclude that the entirety of the relief SDG&E requests is just, reasonable, and consistent with California law and Commission decisions. The SD CCAs therefore request that the Commission refrain from granting SDG&E's requests and set this matter for hearing to allow for more thorough record development on the issues described herein. The SD CCAs further request that the Commission: 1) adopt the SD CCAs' proposed scope of issues; 2) adopt SDG&E's proposed procedural schedule; and 3) grant SDCP and CEA each individual party status.

I. SDCP AND CEA'S INTEREST

In its Application, SDG&E requests that the Commission authorize a combined \$3.8 billion revenue requirement (\$900 million gas and \$2.9 billion electric) to be effective January 1, 2028.⁵ SDG&E further proposes a post-test year ratemaking mechanism to adjust its authorized revenue requirement in 2029, 2030, and 2031 by applying separate attrition adjustments for operations and maintenance ("O&M") expenses and capital-related costs.⁶ This proposal would result in yearly incremental revenue requirement increases through the 2029-2031 period.⁷ SDG&E's overall revenue requirement request is comprised of an expansive range of proposals, set forth across 36 chapters of testimony.

The SD CCAs seek to participate in this proceeding in order to protect their interests and the interests of their customers. SDCP and CEA are each governed by a Board of Directors

⁵ Application at 7.

⁶ *Id.*

⁷ *Id.*

comprised of elected officials who represent the individual cities and, in the case of SDCP, the county, the community choice aggregator (“CCA”) serves. While the SD CCAs’ advocacy frequently benefits both bundled and unbundled customers, the SD CCAs are the sole advocates for their customers and their local energy programs before this Commission.

CCA customers receive generation services from their local CCA and receive transmission, distribution, billing, and other services from investor-owned utilities (“IOUs”) such as SDG&E. CCA customers in SDG&E’s service territory pay the same electric distribution, transmission, and non-bypassable rates as SDG&E’s bundled customers. However, CCA customers also pay CCA-specific generation rates, which vary and are partially influenced by local mandates to increase electric vehicle use, procure and maintain clean electricity portfolios that in most cases exceed state requirements for renewable generation, and achieve other local goals.

Unbundled customers are also subject to several non-bypassable charges (“NBCs”), including the Power Charge Indifference Adjustment (“PCIA”), some cost components of which are determined within SDG&E’s GRC Phase 1 proceedings. The Commission adopted the PCIA to ensure that when IOU customers depart from bundled service and receive their electricity from a non-IOU provider, such as a CCA, “those customers remain responsible for costs previously incurred on their behalf by the IOUs—but only those costs.”⁸ Importantly, the utility’s GRC is the only opportunity to ensure that SDG&E’s utility owned generation (“UOG”) costs, including those that are ultimately recovered through the PCIA and other NBCs, are just, reasonable, prudently incurred, and correctly vintaged.

SDG&E’s GRC Phase 1 proceedings further address the utility’s requests for authorization of revenue requirements associated with a broad range of proposals. Proper functionalization of

⁸ Decision (“D.”) 18-10-019 at 3 (Oct. 11, 2018); *see also* Rulemaking (“R.”) 17-06-026, *Scoping Memo and Ruling of Assigned Commissioner*, p. 2 (Sept. 25, 2017).

the proposed costs—*i.e.*, distinguishing generation costs from distribution or other categories of utility costs and properly categorizing them—is imperative to ensure that costs are not improperly shifted between bundled and unbundled customers.⁹ For example, if SDG&E assigns generation costs into the distribution component of its rates through this Application, CCA customers would be forced to illegally subsidize bundled customer generation rates. Proper functionalization also is critical to ensuring fair competition between CCAs and the incumbent utility, ensuring that the IOU is not able to artificially suppress its generation rates by shifting costs into other utility cost categories.

The SD CCAs are advocates for the customers in the local communities that formed them. These customers are rapidly growing in number and footprint as formerly bundled customers of the IOUs transition to the generation services provided by CCAs. Ensuring the accuracy of the PCIA and other charges that CCA customers pay and protecting customers from unjust and illegal cost shifting are core directives for all CCAs. Moreover, it is critical that both bundled and unbundled customers benefit equitably from investments made on their behalf and that CCA customer needs are considered when justifying costs recovered by all customers for system upgrades and other services. As a result of these factors, and the potential impacts discussed herein, the SD CCAs have a real, present, tangible, and pecuniary interest in this proceeding.

⁹ See D.20-12-005, p. 316 (“An appropriate functionalization methodology is important to ensure that costs are appropriately allocated to its electric generation function, which only bundled customers pay, and electric distribution function, which both bundled and unbundled customers pay. Without an appropriate cost functionalization process, costs may be misappropriated between electric generation and distribution functions, possibly causing cost shifts between bundled and unbundled customers”); D.13-08-023, p. 17 (“The Commission remains committed to ensuring that Community Choice Aggregators and other non-utility LSEs may compete on a fair and equal basis with regulated utilities. Toward this end, we will continue to consider both the mechanics and overall fairness of cost allocation and departing load charge methodologies proposed in the future, with the specific goal of avoiding cross-subsidization”).

II. GROUNDS FOR PROTEST

The issues set forth in SDG&E's Application require cautious and careful consideration given their impact on both departed and bundled customers. The SD CCAs protest the Application on the grounds that SDG&E has not demonstrated the relief it requests is just and reasonable,¹⁰ in compliance with all applicable rules, regulations, resolutions, and decisions, and prevents illegal cost shifts between bundled and unbundled customers.¹¹ SDG&E, as the applicant, has the burden of affirmatively establishing the reasonableness of all aspects of its application,¹² and that burden of proof generally is measured based upon a preponderance of the evidence.¹³ Based on the SD CCAs' preliminary review, SDG&E has not yet demonstrated the entirety of the relief it requests is justified and meets the utility's burden of proof.

Within the requests set forth in SDG&E's Application, the SD CCAs have identified several issues that directly and substantially impact their interests described above. The specific issues enumerated below should be considered preliminary matters that the SD CCAs have identified as requiring further investigation to ensure that they are just and reasonable and in compliance with Commission rules and precedent:

- Whether SDG&E's proposed updates to its CCA service fees are reasonable and properly reflect the costs to provide CCA-related services;¹⁴

¹⁰ See Cal. Pub. Util. Code § 451.

¹¹ See, e.g., Cal. Pub. Util. Code § 366.2(g).

¹² D.12-12-030, p. 42 (Dec. 28, 2012).

¹³ See, e.g., D.18-01-009, pp. 9-10; D.15-07-044, p. 29 (Jul. 27, 2015) (observing that the Commission has discretion to apply either the preponderance of evidence or clear and convincing standard in a ratesetting proceeding, but noting that the preponderance of evidence is the "default standard to be used unless a more stringent burden is specified by statute or the Courts").

¹⁴ See A.26-06-014 et al., *Prepared Direct Testimony of Sabrina Butler (Customer Services)* (Jun. 2026).

- Whether SDG&E’s proposed increase of Account Executive positions and an Analyst position, while not requesting any increases to the CCA Support Staff incremental staff positions, is reasonable and properly reflects staffing needs given load migration and outstanding operational issues related to CCA-related services;¹⁵
- Whether SDG&E’s proposed information technology system upgrades and associated requests for cost recovery are reasonable and equitably benefit unbundled customers;¹⁶
- Whether SDG&E’s forecast O&M costs for the Energy Procurement area are reasonable and do not improperly shift costs to unbundled customers;¹⁷
- Whether each of SDG&E’s UOG-related proposals are reasonable and appropriately vintaged;¹⁸
- Whether SDG&E’s proposed revenue requirements are properly functionalized, and in particular, whether SDG&E proposes appropriate treatment of the costs and revenues associated with distribution-related batteries pursuant to D.24-12-074;¹⁹
- Whether SDG&E’s proposed remote grid project is reasonable and in compliance with California law and prior Commission decisions;²⁰

¹⁵ See *id.*

¹⁶ See A.26-06-014 et al., *Prepared Direct Testimony of Gillian A. Wright and William J. Exon (Information Technology)* (Jun. 2026).

¹⁷ See A.26-06-014 et al., *Prepared Direct Testimony of Aaron G. Franz (Energy Procurement)* (Jun. 2026).

¹⁸ See, e.g., A.26-06-014 et al., *Prepared Direct Testimony of Darren A. Weim (Electric Generation)* (Jun. 2026).

¹⁹ See *id.*

²⁰ See A.26-06-014 et al., *Prepared Direct Testimony of Jonathan T. Woldemariam (Wildfire Mitigation and Vegetation Management: Chapter 1)* (Jun. 2026).

- Whether SDG&E’s proposed Customer Growth Incremental Memorandum Account (“CGIMA”) and associated cost recovery processes are reasonable;²¹ and
- Whether SDG&E’s request for cost recovery associated with the New Electric Energization Memorandum Account (“NEEMA”), to be proposed via supplemental testimony, is reasonable.²²

The issues described above require further record development. The SD CCAs continue to examine the Application and conduct discovery and reserve the right to address and protest additional issues that arise during the course of this proceeding through further review, analysis, discovery, and investigation of all aspects of the Application. Accordingly, the SD CCAs respectfully request that the Commission refrain from granting SDG&E’s requests and set this matter for hearing to allow for additional record development on the specific issues identified herein.

III. CATEGORIZATION OF PROCEEDING, ISSUES TO BE CONSIDERED, NEED FOR HEARINGS, AND PROPOSED PROCEDURAL SCHEDULE

A. Categorization

The SD CCAs agree with SDG&E’s proposed classification of this proceeding as “ratesetting.”²³

B. Need for Hearings

While the SD CCAs will pursue settlement and record stipulations to the extent feasible, it is prudent to reserve ten business days for hearings to address unresolved issues of fact. As stated above, the SD CCAs are in the process of examining SDG&E’s Application and issuing discovery

²¹ See A.26-06-014 et al., *Prepared Direct Testimony of Erika Schimmel-Guiles (Electric Distribution – Capital)* (Jun. 2026); see also A.26-06-014 et al., *Prepared Direct Testimony of Eric Dalton (Regulatory Accounts)* (Jun. 2026).

²² See Schimmel-Guiles Direct.

²³ Application at 16.

to develop the facts that they would present at hearing, including facts regarding the preliminary issues identified above.

C. The SD CCAs Support SDG&E's Proposed Schedule.

The SD CCAs generally support SDG&E's proposed procedural schedule, which spans an approximately 18-month period and reserves ten business days, or two weeks, for evidentiary hearings.²⁴

D. The Commission Should Expand Upon SDG&E's Proposed Scope of Issues.

SDG&E's proposed scope of issues is limited to three items.²⁵ The SD CCAs support inclusion of those scoping items, but recommend that the Commission expand upon this list to adopt a scope of issues substantially similar in breadth to Track 1 of SDG&E's TY 2024 GRC Phase 1 proceeding.²⁶ Each of the preliminary items the SD CCAs identify above fall within these proposed scoping items, as described below.

The SD CCAs recommend the Commission adopt the following scope of issues:

1. Whether SDG&E's proposed TY 2028 revenue requirement is just and reasonable and should be adopted by the Commission and reflected in rates;²⁷
2. Whether SDG&E's proposed post-test year ratemaking mechanism is just and reasonable;
3. Whether SDG&E's regulatory account proposals are just and reasonable;²⁸

²⁴ *Id.* at 18-19.

²⁵ *Id.* at 17.

²⁶ See A.22-05-015 et al., *Assigned Commissioner's Scoping Memo and Ruling*, pp. 4-5 (Oct. 3, 2022).

²⁷ As explained in the A.22-05-015 et al. Scoping Ruling, issues associated with the functionalization of SDG&E's proposed costs fall within Scoping Item 1 (see A.22-05-015 et al., Scoping Ruling at 15). This Scoping Item also encompasses issues associated with UOG vintaging, proposed IT upgrades, staffing proposals, and remote grid proposals.

²⁸ Scoping Item 3 encompasses issues related to SDG&E's proposed CGIMA, as well as cost recovery proposals associated with the NEEMA.

4. Whether the costs recorded to SDG&E's Wildfire Mitigation Plan Memorandum Account are reasonable and prudent for cost recovery;²⁹
5. Whether SDG&E's Application aligns with the Commission's Environmental and Social Justice Action Plan;
6. Whether SDG&E has adequately integrated risk mitigation programs and projects into its Application that address safety risks and are reasonably balanced with the costs associated with such programs and projects; and
7. Whether SDG&E's proposed programs and expenditures align with California's climate objectives, decarbonization goals, and whether the expenditures result in just and reasonable rates.

IV. COMMUNICATIONS AND SERVICE

The SD CCAs consent to "email only" service and request that the following individuals be added to the service list for A.26-06-014 et al. on behalf of the SD CCAs:

Party Representative

Please list SDCP and CEA as individual parties to this proceeding with Ms. Alissa Greenwald as the representative for each party:

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²⁹ Note that the reasonableness of SDG&E's remote grid proposals may also be appropriate for consideration under Scoping Item 3.

Information-Only

Please include the SD CCA representatives listed below on the information-only service list for this proceeding:

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V. CONCLUSION

For the foregoing reasons, the SD CCAs respectfully request that the Commission (1) set this matter for hearings to fully examine and resolve the issues identified above, (2) adopt the SD CCAs' proposed scope of issues, (3) adopt SDG&E's proposed procedural schedule, and (4) grant independent party status to both SDCP and CEA.

Respectfully submitted,

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