BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resources Future.	Rulemaking 21-06-017 (Filed June 24, 2021)

OPENING COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) ON PROPOSED DECISION ADDRESSING TRACK 3 ISSUES DIRECTING LARGE INVESTOR-OWNED UTILITIES TO SUPPORT AFFORDABILITY THROUGH FLEXIBLE SERVICE CONNECTIONS

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SUBJECT INDEX OF RECOMMENDED CHANGES

Pursuant to Rule 14.3(b) of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, San Diego Gas & Electric Company ("SDG&E") provides the following Subject Index of Recommended Changes in support of its Opening Comments on the Proposed Decision ("PD"):

1. **Cost Recovery (Section II.A):** The PD should be modified to authorize SDG&E to file a Tier 1 Advice Letter, within 30 days of the effective date of the decision, establishing a memorandum account to record the incremental costs of implementing the requirements of the decision that are not otherwise funded through SDG&E's authorized revenue requirement or another authorized mechanism, with any recovery subject to reasonableness review in a subsequent proceeding. (FOF 51; New FOF; COL 47; New COL; New OP; Section 14.2.3)
2. **Customer Data Request Process (Section II.B):** The PD should be modified to resolve the inconsistency between OP 4 and Section 6.4.2.4 by requiring each IOU to submit a Tier 1 Advice Letter within 60 days setting out its implementation plan for the customer data request process, including the date by which the process will be operational, and to serve notice when the process is operational. The Commission should also clarify that the 30-day response period refers to business days. (OP 4; Sections 6.4.2.2–6.4.2.4)
3. **Grid Edge DERMS (Section II.C):** The PD should be modified to direct SDG&E to propose a technology-neutral, stage-gated implementation of solutions that achieve the upgrade-avoidance objectives of PG&E's ChargeBoost and PanelBoost pilots, informed by the workshop record and SDG&E's existing and planned infrastructure. The PD should also clarify that the decision does not prejudge the scope, cost, or timing of the functionality at issue in A.25-12-012. (FOF 40; COL 37; OP 17; Section 10.1.2.3)
4. **SDG&E's Telemetry Capabilities (Section II.D):** The PD should be modified to correct FOF 31 and the related discussion to reflect that SDG&E's existing telemetry is associated with Wholesale Distribution Access Tariff resources larger than 1 MW, and that a telemetry and communications pathway for load customers

taking service under a Variable Operating Envelope has not yet been established. (FOF 31; Section 7.2.2.1)

5. **SDG&E's Tier 3 VOE Advice Letter (Section II.E):** The PD should be modified to:
   a. treat the June 1, 2028 and June 1, 2029 dates as target milestones, with SDG&E permitted to propose adjusted dates in its Tier 3 Advice Letter if it demonstrates with specificity that they cannot be met given its Enterprise DERMS and IEEE 2030.5 gateway schedules;
   b. allow SDG&E to initially report its forecasting-tool site capacity at the 180-day preview workshop rather than in the first quarterly update due 45 days after issuance. Alternatively, if the Commission retains the 45-day requirement, allow SDG&E to provide a preliminary estimate and methodology in that update, with a validated figure presented at the 180-day preview workshop.;
   c. permit SDG&E to satisfy the 180-day compliance notices under OPs 9 and 10 through its Tier 3 VOE Advice Letter.
   (COL 27; OPs 8, 9, and 10; Section 7.2.2.1)
6. **Persistent Non-Bridging Advice Letter (Section II.F):** The PD should be modified to provide that SDG&E's Persistent Non-Bridging Advice Letter is due 90 days after the later of the disposition of its HDER FSC Implementation Advice Letter or its Standard Offer Advice Letter. It should also clarify that the transition plan required by OP 11(d) applies to SDG&E only if and when SDG&E has customers taking service under a bridging FSC. (New COL; OP 11; Section 8.1.2; Table 2)
7. **FSC Reporting (Section II.G):** The PD should be modified to require that the Appendix D metrics be reported in a standalone annual FSC report rather than the Grid Needs Assessment report/Distribution Upgrade Project Report. (New FOF; COL 45; OP 20; Section 14.2.1; Appendix D)
8. **HDER FSC Implementation Advice Letter Deadline (Section II.H):** The PD should be modified to extend the deadline for each IOU's Tier 3 HDER FSC Implementation Advice Letter from 120 days to 180 days after issuance of the

decision. The extra time would let the IOUs coordinate on the elements the PD seeks to harmonize, and let SDG&E, which has no existing FSC offering, prepare a complete filing. The Commission should also make conforming changes to Table 2 and the related discussion. (OP 1; Table 2)

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I. INTRODUCTION

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission ("CPUC" or "Commission"), San Diego Gas & Electric Company ("SDG&E") hereby submits its Opening Comments on the *Proposed Decision Addressing Track 3 Issues Directing Large Investor-Owned Utilities to Support Affordability Through Flexible Service Connections* ("PD"). SDG&E's proposed modifications to the PD (including Findings of Fact, Conclusions of Law, and Ordering Paragraphs) are set forth in Appendix A attached hereto.

II. DISCUSSION

SDG&E supports flexible service connections where they add value, are of interest to customers, are technically feasible, voluntary, cost-effective, and accompanied by adequate funding.

A. The PD Errs in Applying Its Cost Recovery Rationale to SDG&E, for Which the Ordered Requirements Are Entirely New

The PD declines to authorize additional cost recovery, reasoning that the record lacks "a fulsome discussion on possible cost recovery pathways" and that "any new authorization of cost recovery here risks failing to account for prior authorizations for related spending."[1] It also prohibits use of the Distributed Energy Resources Distribution Deferral ("DERDDA") Memorandum Account for activities ordered in the decision, while stating that the IOUs may request relevant cost recovery through their General Rate Cases ("GRCs").[2]

[1] PD at 151; FOF 50-51; CoL 47.
[2] *Id.*

For SDG&E, the PD's requirements are entirely new. The PD itself finds that "SDG&E does not currently have a Standard Offer, and the Commission has not previously directed SDG&E to establish one," and that SDG&E "does not currently have an FSC offering."[3] The same is true of SDG&E's Variable Operating Envelope proof of concept, Grid Edge DERMS proposal, persistent non-bridging offering, pre-upgrade FSC evaluation process, customer data request process, cybersecurity and interoperability workstreams, and Appendix D reporting. Because the Commission has never directed SDG&E to undertake these activities, there are no "prior authorizations for related spending" that a memorandum account could duplicate.

SDG&E filed its Test Year 2028 GRC application on June 15, 2026, approximately four months before the PD was issued, and that application does not contemplate the proposed requirements. A final decision on that application is not expected until January, 2028. SDG&E's next GRC application, for Test Year 2032, would not be filed until mid-2030, with a final decision not expected until approximately January, 2032. Recovery of incremental costs incurred by SDG&E to implement the measures directed in the PD, would not begin until three or four years after the costs were incurred. Absent authorization to use a memorandum account, this delay creates considerable – and unnecessary -- administrative inefficiency and cost recovery uncertainty.

Meanwhile, the PD's deadlines begin running immediately: a Tier 1 advice letter at 45 days, a customer data request process at 60 days, workshops at 90 and 180 days, and a Tier 3 implementation advice letter at 120 days. Without a recording mechanism, costs SDG&E incurs to comply in the intervening years could not be recovered later, regardless of their reasonableness. The PD's reference to the GRC is therefore illusory as applied to SDG&E's near-term compliance costs.

A memorandum account addresses the PD's concern directly. It authorizes tracking only; it does not authorize recovery. SDG&E would record only incremental costs of complying with this decision that are not funded through authorized rates, in subaccounts, by obligation. Use of a memorandum account would not change SDG&E's obligation in its next GRC, or other appropriate proceeding, to demonstrate that recorded amounts are reasonable, incremental, and not duplicative of any other authorization. Modifying the PD to allow memorandum account treatment of incremental costs preserves full Commission review and ratepayer protections while

[3] PD at 64; FOF 25.

ensuring that SDG&E is not required to implement new requirements with no assurance of recovering prudently incurred costs.

SDG&E therefore requests that the PD be modified to direct SDG&E to file a Tier 1 Advice Letter, within 30 days of the effective date of the decision, establishing a memorandum account to record applicable costs of implementing the requirements of this decision that are not otherwise funded through SDG&E's authorized revenue requirement or other authorized mechanism. SDG&E would record these costs in separate subaccounts by requirement, so that costs associated with each new obligation are identifiable and traceable, thereby allowing for an efficient prudency review process. This modification of the PD resolves the PD's stated concern about duplicative authorizations through separate accounting and subsequent review, while ensuring that SDG&E has a means to track the costs of complying with requirements that are new to SDG&E, and it preserves full Commission oversight and ratepayer protections.

B. The Commission Should Extend the Deadline for the Customer Data Request Process.

OP 4 requires each IOU to serve notice within 60 days of the decision that it "has implemented" a process for customers and authorized third parties to request five existing service data fields through the IOU's website, with a response due from the utility within 30 days of a valid request from the third party.[4] SDG&E supports providing customers with information about existing service capacity. However, the 60-day turn-around requirement conflicts with the PD's own discussion. Section 6.4.2.4 directs that the IOUs "will also provide on their website the method they will employ to allow customers to authorize third parties to access this data, and the method they will prospectively use to track these data fields within the HDER FSC Implementation AL," which is due 120 days after the decision.[5] Yet Appendix A, which OP 1 makes the governing list of required contents for that advice letter, does not include the data request process.[6] As written, the PD requires the process to be implemented before the advice letter that the discussion contemplates would describe it, and it omits the process from that advice letter's required contents. The PD should be modified to resolve this inconsistency.

[4] PD at 168 (OP 4).
[5] PD at 58, *see also* PD at 166 (OP 1).
[6] PD, Appendix A at 1-3.

The PD itself recommended that this process "be formalized and made consistent across IOUs via an AL."[7] Formalization is warranted because implementing OP 4 involves more than publishing a webpage. Each IOU must identify the source system for each data field, establish a means to receive requests and verify third-party authorizations through its existing Customer Information Service Request ("CISR") forms, build a workflow capable of meeting the 30-day response requirement, and modify its records practices to retain these values on a prospective basis.[8] The PD recognizes that the IOUs' "secondary network records have not always been maintained in a manner that allows these values to be readily retrieved," and it contemplates site inspections or engineering computations to reestablish values that cannot be retrieved from existing records.[9] Although an IOU may respond that a field is unavailable, a process launched before these steps are complete would largely return that answer, which would not serve the PD's objective of supporting self-managed Limited Power.

SDG&E therefore recommends that OP 4 be modified to require each IOU to submit a Tier 1 Advice Letter within 60 days of the decision setting out its implementation plan for the customer data request process, including the availability of each data field, the request and third-party authorization workflow, the method for retaining data prospectively, and the date by which the process will be operational. Each IOU would serve notice to the service list when the process is operational. This approach keeps a 60-day deliverable, implements the ACP's recommendation to formalize the process through an advice letter, and avoids further expanding the HDER FSC Implementation Advice Letter. Customers would not be disadvantaged in the interim, because the PD already allows a customer to establish its own demand load using established IOU methods when IOU data is not provided.[10] SDG&E also requests that the Commission clarify the 30-day response period refers to business days.

C. The PD Should Allow SDG&E to Propose a Technology-Neutral Grid Edge Solution Because the Record Does not Show That ChargeBoost and PanelBoost Can Be Replicated on SDG&E's System

SDG&E supports the PD's objective of enabling electrification while avoiding unnecessary customer upgrades. However, OP 17 requires SDG&E to propose a "scaled

[7] PD at 53 (citing ACP at 44-45).
[8] PD at 56-57.
[9] PD at 57.
[10] PD at 57-58.

implementation of Grid Edge DERMS offerings based on PG&E's ChargeBoost and PanelBoost pilots" even though the PD expressly finds that "[t]he record does not show whether SCE and SDG&E can implement comparable Grid Edge DERMS approaches to PG&E on the timeline the ACP recommends."[11] The direction should be modified to specify the outcome rather than a PG&E-specific architecture.

The PD reasons that a system-wide Smart Meter 2.0 deployment is unnecessary because PG&E deploys advanced meters only as customers enroll.[12] That reasoning addresses the scale of meter deployment, not the functionality of the underlying system, which is what SDG&E's record evidence concerned. The PD's own description of ChargeBoost shows the distinction: the participating AMI 2.0 meter "receives the current load signals of the existing AMI 1.0 meters at the other sites served by the same secondary transformer."[13] ChargeBoost therefore depends on the meter at the participating site, communications among the electrically related meters, and a head-end system that supports both generations of meter technology. PG&E's existing AMI system provides that architecture.

This functionality is not available on SDG&E's existing metering infrastructure, nor is it included in the Smart Meter 2.0 functionality proposed in SDG&E's application, A.25-12-012. PG&E's ability to incrementally deploy meters using its existing communications architecture therefore does not demonstrate that SDG&E can implement the same architecture through targeted meter deployment.

SDG&E's existing meter infrastructure, nor its Smart Meter 1.0 meters, do not support the Smart Meter 2.0 meters and grid-edge computing capabilities required to enable ChargeBoost or PanelBoost type functionality. Accordingly, simply installing a Smart Meter 2.0 meter – using the meter technology proposed in A.25-12-012 – at a customer's premises would not enable SDG&E to provide ChargeBoost or PanelBoost type functionality. SDG&E's existing Smart Meter 1.0 architecture does not have the supporting systems and communications infrastructure necessary to communicate with and manage a Smart Meter 2.0 meter or enable the associated grid-edge functions. Providing these capabilities would therefore first require deployment of the supporting Smart Meter 2.0 technology, communications infrastructure, and systems as

[11] PD at 159.
[12] PD at 119.
[13] PD at 110.

described in SDG&E Smart Meter 2.0 application (Application A.25-12-012). Assuming the Smart Meter 2.0 deployment proposed in A.25-12-012 is approved and deployed, the edge-computing capability used in PGE's deployment would have to be added to the meters (and at additional cost), because it is not part of the functionality or the budget proposed in SDG&E's application. In contrast, PG&E is able to support ChargeBoost type functionality because its existing AMI architecture utilizes a head-end system, which supports both PG&E's Smart Meter 1.0 and Smart Meter 2.0 meters. Thus, the difference in functionality reflects differences in the utilities' existing AMI architectures and supporting systems, rather than simply the type of meter installed at an individual customer location.

This gap matters for the PD's own approval standard. The PD provides that SDG&E's Grid Edge DERMS advice letter may not be approved unless SDG&E demonstrates expected net ratepayer benefits.[14] Requiring SDG&E to propose a scaled implementation of an architecture its system cannot yet support invites a filing that cannot satisfy that standard. A technology-neutral direction avoids this result. SDG&E could evaluate Grid Edge DERMS alongside functionally equivalent approaches, such as customer-side load management, smart panels, circuit-sharing devices, and third-party solutions, that perhaps could achieve the same objectives in some cases. The workshops ordered would then determine, rather than presume, feasible and cost-effective approaches for SDG&E's system.

SDG&E therefore recommends that COL 37 and OP 17 be modified so that SDG&E's advice letter proposes a technology-neutral, stage-gated implementation informed by the workshop record and SDG&E's existing and planned infrastructure, and that the decision not prejudge the scope, cost, or timing of the functionality at issue in A.25-12-012.

D. SDG&E's Existing Telemetry Capabilities Do Not Extend to VOE Load Customers

The record does not support a finding that SDG&E has an established telemetry capability for the load customers a VOE offering would serve. SDG&E's telemetry experience is with Wholesale Distribution Access Tariff ("WDAT") resources larger than 1 MW, which are required to have telemetry to SDG&E's control center. As SDG&E explained, "[t]here is no similar requirement for the loads" the VOE offering targets, and "there is no established communication channel between SDG&E's control center and the loads" that would elect a

[14] PD at 116-117.

VOE.[15] SDG&E also explained that its WDAT proof of concept is a development-stage effort, that no DERMS head-end has been selected, and that the IEEE 2030.5 communication mechanism for operating envelopes has not been assessed.[16] FOF 31 should be revised to state that SDG&E's existing telemetry is associated with WDAT resources and that a telemetry pathway for VOE load customers remains to be established.

E. SDG&E's Tier 3 VOE Advice Letter Should Provide Flexibility for Implementation and Reporting

OP 8 requires SDG&E's Tier 3 AL to provide an implementation plan for a proof of concept with at least two sites receiving VOEs and providing telemetry by June 1, 2028, and a plan for a formalized offering by June 1, 2029.[17] The PD itself finds that SDG&E's Enterprise DERMS procurement and integration is planned for 2027–2028 and that SDG&E's IEEE 2030.5 gateway production deployments "could potentially begin in 2028."[18] A fixed June 1, 2028 operational date therefore falls at or before the dates the PD recites for the platforms on which a VOE depends.

SDG&E asks that OP 8 make clear that the June 1, 2028 and June 1, 2029 dates are targets for SDG&E's implementation plan, and that SDG&E may propose adjusted milestone dates in its Tier 3 AL if it demonstrates, with specificity, that the dates cannot be met given its Enterprise DERMS and IEEE 2030.5 gateway schedules. Because the AL is Tier 3, the Commission retains full authority to accept or reject any proposed adjustment. This preserves the PD's accountability structure, including quarterly updates and the preview workshop, while avoiding a compliance obligation the PD's own findings indicate may not be achievable.

Relatedly, the PD directs SDG&E to compute the number of sites its forecasting tool can support on a day-ahead basis and share that figure in its first quarterly update, due 45 days after issuance.[19] The PD also directs SDG&E to share this information with stakeholders at the 180-day preview workshop and recognizes that expanded short-term forecasting must not compromise core distribution operations.

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[15] SDG&E ACP Opening Comments (July 27, 2026) at 6.
[16] *Id.* at 5-6, 16.
[17] PD at 170-171.
[18] PD at 21, 74.
[19] PD at 74, 170.

SDG&E requests that the initial reporting of the number of sites its forecasting tool can support occur at the 180-day preview workshop rather than 45 days after issuance. Determining a supportable number of sites requires more than identifying whether forecasting functionality exists; it requires sufficient technical and operational evaluation to assess computational performance, data availability, system impacts, and the ability to scale forecasting functionality without adversely affecting core distribution operations. The 180-day preview workshop provides a more appropriate milestone for this determination because it allows SDG&E sufficient time to perform that evaluation while still providing the Commission and stakeholders visibility well in advance of the Tier 3 VOE AL.

If the Commission elects to retain the 45-day reporting requirement, SDG&E alternatively requests that the first quarterly update provide only a preliminary estimate and methodology, with the estimate subject to refinement as additional technical and operational evaluation is completed and a validated figure presented at the 180-day preview workshop. This alternative would preserve early Commission visibility without requiring SDG&E to make a definitive representation regarding forecasting tool before completing the evaluation necessary to support that determination.

F. SDG&E Should Be Permitted to Develop Operational Processes Appropriate for Its System

OP 10 requires each IOU to serve a notice within 180 days confirming it has established processes, based on PG&E's Flex Connect Emergency Mitigations and Abnormal Grid Switching provisions, to respond to emerging grid events; OP 9 requires a 180-day notice confirming implementation of a consistent interoperability testing and certification procedure.[20] SDG&E will participate in the 90-day interoperability workshop and supports a common procedure. But SDG&E will have no VOE customers within 180 days. Its proof-of-concept plan is not due until one year after issuance. SDG&E requests that OPs 9 and 10 permit SDG&E to satisfy these requirements through its Tier 3 VOE AL, so that the processes are designed for and implemented with the offering to which they apply.

SDG&E further requests clarification that OP 10's direction to "leverage" PG&E's Flex Connect Emergency Mitigations and Abnormal Grid Switching provisions does not require SDG&E to replicate PG&E's underlying operational processes. The PD recognizes that

[20] PD at 171.

SDG&E's technology readiness and operating architecture differ from PG&E's, including with respect to forecasting, SCADA, telemetry, and communications capabilities. It further recognizes that SDG&E's existing production environment cannot support expanded short-term forecasting without potentially compromising core distribution operations. These distinctions are particularly important for functions that ultimately affect real-time distribution operations. The appropriate objective should be functional alignment, rather than wholesale replication of another utility's operational processes. SDG&E should be permitted to incorporate the functionality and lessons learned from PG&E's provisions into processes appropriate for SDG&E's own distribution system, technology architecture, and control-room operations. This would preserve the PD's intended capability to respond to abnormal grid conditions without requiring SDG&E to adopt operational processes that were developed around a different utility's systems and operating environment

G. SDG&E's Persistent Non-Bridging AL Should Follow Commission Approval of SDG&E's Standard Offer

OP 11 requires each IOU to file a Persistent Non-Bridging AL within 90 days of disposition of the IOU's HDER FSC Implementation AL. That AL must include a tariffed form agreement implementing a non-bridging version of the Standard Offer and a plan to transition current bridging customers.[21] The PD reasons that the SDG&E Standard Offer AL, due 75 days after disposition of the PG&E/SCE Joint Standard Offer AL, "gives SDG&E substantial time to prepare their non-bridging Standard Offer."[22]

The two deadlines are keyed to unrelated events, and the PD's premise holds only if SDG&E's Standard Offer is in place first. The Joint Standard Offer AL (SCE AL 5790-E/PG&E AL 7868-E) was filed April 13, 2026 and remains pending.[23] SDG&E's HDER FSC Implementation AL is due 120 days after the decision. If it is disposed of before the Joint Standard Offer AL is resolved, SDG&E would be required to file a non-bridging version of a Standard Offer whose terms, form agreement, and Commission approval do not yet exist. That is a sequencing error rather than a policy disagreement. The PD itself accepted PG&E's and SCE's recommendation that the non-bridging AL follow the bridging proposals,[24] and it directs that the

[21] PD at 171-172.
[22] PD at 86.
[23] PD at 64 & n.203.
[24] PD at 86.

non-bridging form agreement maintain the bridging Standard Offer's terms and UL 3141 treatment.[25]

SDG&E requests that the PD's OP 11 be modified in the final decision to provide that SDG&E's Persistent Non-Bridging AL is due 90 days after the later of disposition of (a) SDG&E's HDER FSC Implementation AL or (b) SDG&E's Standard Offer AL. SDG&E also requests clarification that the transition plan required by OP 11(d) applies to SDG&E only if, and when, SDG&E has customers taking service under a bridging FSC. The PD recognizes that SDG&E does not currently have an FSC offering,[26] and the corresponding outreach directive is addressed only to PG&E and SCE.[27]

H. The Commission Should Remove Flexible Service Connection Reporting from the Grid Needs Assessment report/Distribution Upgrade Project Report

While evaluation of FSC implementation is important, SDG&E recommends that the PD be modified to remove the requirement that the Appendix D metrics be reported through the Grid Needs Assessment (GNA) report/Distribution Upgrade Project Report (DUPR). Although certain FSCs may have implications for distribution planning, FSCs may offer benefits unrelated to upstream distribution capacity planning. These benefits are at the secondary system level (e.g., accommodating constraints on service transformers and line drops) which will have no impact on needs and solutions identified in the Distribution Planning Process (which are documented in the GNA report/DUPR).

The PD itself recognizes this distinction. It is possible that FSC offerings could address primary distribution constraints, although, to date, SDG&E has not needed to implement an FSC offering for this purpose. It is more likely that an FSC offering would address customer-specific and secondary distribution constraints. For example, Limited Power and , Grid Edge DERMS (which operates locally within areas served by common secondary distribution infrastructure) are more likely to mitigate service transformer and secondary conductor constraints.[28,29] The PD reinforces this point by explaining that PG&E's ChargeBoost program enables Level 2 EV charging without requiring an upgrade to an existing 100-amp or smaller service while also

[25] PD at 86; OP 11(a).
[26] PD at 64; FOF 25.
[27] PD at 92-93.
[28] PD at 39.
[29] PD at 23-24.

avoiding secondary transformer upgrades, and expressly recognizes that ChargeBoost is "strictly used to address secondary constraints."[30] Thus, while it is possible that a FSC could affect an identified distribution planning need, not all FSC implementation and performance data correspond to the primary-system grid needs and projects, which is the sole purpose of the GNA report/DUPR.

Appendix D is likewise broader than the information necessary to evaluate FSC impacts on distribution planning. It includes customer participation, capacity enabled, energization timelines, costs, avoided or deferred upgrades, operating-limit compliance, and other information intended to evaluate the performance and affordability implications of FSCs. Requiring the full set of Appendix D metrics through the GNA report/DUPR would therefore place customer and program level information into a reporting framework that is not aligned with, and completely unrelated to, those measures.

SDG&E therefore recommends that the Commission establish a standalone annual FSC report for the Appendix D metrics. This approach would better effectuate the PD's stated intent to create reporting efficiencies and avoid unnecessary administrative burden. A single, standalone report would provide a consolidated view of FSC implementation across primary, secondary, and customer-specific applications without unnecessarily expanding the GNA report/DUPR or distributing FSC performance information across reporting mechanisms developed for different purposes. Where an FSC materially affects an identified distribution planning need or project, that impact can be reflected through the applicable distribution planning process without requiring the entirety of the FSC program-reporting framework to reside within the GNA report/DUPR.

I. The Commission Should Extend the Deadline for the HDER FSC Implementation Advice Letter from 120 to 180 Days

OP 1 requires each IOU to file a Tier 3 HDER FSC Implementation Advice Letter within 120 days of the decision. The advice letter must include all of the information listed in Appendix A to the PD. SDG&E supports the PD's objective of establishing a consistent approach to flexible service connections across the large IOUs. However, a 120-day deadline does not allow enough time for SDG&E to coordinate with PG&E and SCE and to prepare a complete filing.

[30] PD at 110.

The PD seeks consistency across the IOUs on a number of the elements that the HDER FSC Implementation Advice Letter must address. Reaching that consistency requires the IOUs to confer, compare approaches, and reconcile differences before filing. For SDG&E, this work comes on top of the near-term obligations the PD sets in the same period, including the 60-day customer data request process, the 90-day workshops, and the other 180-day deliverables. As discussed above, SDG&E has no existing FSC offering, so it is starting these requirements from the beginning. A 120-day timeline would not leave enough time to coordinate with the other IOUs and develop the required content for a Tier 3 advice letter.

SDG&E therefore recommends that OP 1 be modified to require each IOU to file its HDER FSC Implementation Advice Letter within 180 days of the issuance of the decision. The additional time would allow the IOUs to coordinate on the elements the PD seeks to harmonize, and it would support a more complete, consistent, and well-supported filing. SDG&E also requests that the Commission make conforming changes to Table 2 and the related discussion.

III. CONCLUSION

For the reasons discussed above, SDG&E respectfully requests that the PD be revised as set forth in Appendix A.

Respectfully submitted,

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APPENDIX A

RECOMMENDED CHANGES TO THE PROPOSED DECISION

Added language is underlined in bold font. Deletions are in strike-through font.

FINDINGS OF FACT

29. There is ratepayer benefit to SDG&E implementing a Standard Offer and preliminary capacity assessment.

31. SDG&E's technology readiness is in a different state than both SCE and PG&E~~, including its ability to establish site telemetry which does not rely upon IEEE 2030.5~~**. SDG&E's existing telemetry is associated with Wholesale Distribution Access Tariff resources larger than 1 MW; a telemetry and communications pathway for load customers taking service under a Variable Operating Envelope has not yet been established**.

40. The record does not show whether SCE and SDG&E can implement comparable Grid Edge DERMS approaches to PG&E on the timeline the ACP recommends. **SDG&E's existing metering infrastructure does not provide the grid-edge computing and meter-to-meter communications functionality on which PG&E's ChargeBoost relies, and that functionality is not included in the Smart Meter 2.0 application pending in A.25-12-012.**

51. The IOUs retain the ability to request any relevant cost recovery through their GRCs. **SDG&E's Test Year 2028 GRC application was filed on June 15, 2026, before the issuance of this decision, and does not address the requirements of this decision.**

New FOF [__]. The Commission has not previously directed SDG&E to establish a Standard Offer, a Variable Operating Envelope offering, a Grid Edge DERMS program, a persistent non-bridging offering, an FSC evaluation process, a customer data request process, or the FSC reporting required by this decision. SDG&E's Test Year 2028 GRC application, filed June 15, 2026, does not include these requirements.

New FOF [__]. Certain FSC offerings, including Limited Power and Grid Edge DERMS, address customer-specific and secondary distribution constraints that do not necessarily correspond to the primary-system grid needs and projects evaluated in the GNA/DUPR.

CONCLUSIONS OF LAW

27. It is reasonable, based on technology readiness, for SDG&E to propose a proof-of-concept of a VOE offering modeled off PG&E's Flex Connect**, and to propose adjusted milestone dates in its Flex Connect AL if it demonstrates with specificity that the dates in this decision cannot be met given its Enterprise DERMS and IEEE 2030.5 gateway schedules**.

New COL [__].It is reasonable for SDG&E to present its estimate of the approximate number of sites its forecasting tool can support on a day-ahead basis, together with the methodology used to compute that estimate, at the joint preview workshop held 180 days after issuance of this decision. If SDG&E is required to provide this information in its first quarterly update, it is reasonable for that update to contain a preliminary estimate and methodology, subject to further technical and operational evaluation, with a validated figure presented at the joint preview workshop.

28. It is reasonable to direct the IOUs to hold a joint workshop on consistent interoperability testing and certification procedures and implement a consistent interoperability testing and certification procedure that incorporates input from the workshop. **Because SDG&E's VOE proof-of-concept implementation plan is not due until one year after issuance of this decision, it is reasonable to permit SDG&E to satisfy the compliance-notice requirement through its Tier 3 Flex Connect Advice Letter required pursuant to Ordering Paragraph 8.**

29. It is reasonable for PG&E, SCE, and SDG&E to leverage the technical capabilities described in PG&E's Op Flex Report and Customer-Owned Telemetry Procedure to provide updated capacity limits to customers during abnormal grid conditions. **It is reasonable for SDG&E to incorporate the functionality and lessons learned from PG&E's provisions into processes appropriate for SDG&E's distribution system, technology architecture, and control-room operations, without requiring SDG&E to replicate PG&E's underlying operational processes, provided SDG&E's processes achieve the required functionality. It is also reasonable to permit SDG&E to confirm compliance with this requirement through its Tier 3 Flex Connect Advice Letter required pursuant to Ordering Paragraph 8.**

37. It is reasonable to direct SCE and SDG&E to propose ~~incremental deployments modeled off ChargeBoost and PanelBoost~~ **technology-neutral, stage-gated implementations of solutions that achieve the upgrade-avoidance objectives of ChargeBoost and PanelBoost, informed by the workshop record and each utility's existing and planned infrastructure**.

45. The IOUs should track and report a standardized set of metrics for all FSC types across all the IOUs in accordance with Appendix D, which includes quantitative data on cost, implementation, and affordability**, through a standalone annual FSC report**.

47. ~~No additional cost recovery authorized in this decision.~~ **It is reasonable to authorize SDG&E to establish a memorandum account to record the incremental costs of complying with this decision, because the requirements are new to SDG&E and the costs therefore cannot be the subject of prior authorizations, with any recovery subject to reasonableness review in a subsequent proceeding.**

New COL [__]. It is reasonable for SDG&E's Persistent Non-Bridging AL to follow disposition of both its HDER FSC Implementation AL and its Standard Offer AL.

ORDERING PARAGRAPHS

1. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each file a Tier 3 Advice Letter (AL) addressing implementation of flexible connections (High Distributed Energy Resources Flexible Service Connection Implementation AL) within ~~120~~ **180** days of the issuance of this decision. The High Distributed Energy Resources Flexible Service Connection Implementation ALs must include all of the information in Appendix A.

4. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (together, the IOUs) shall each ~~serve a notice to the service list of this proceeding~~ **submit a Tier 1 Advice Letter** within 60 days of the issuance of this decision ~~that it has implemented the following requirements.~~ **setting out its implementation plan, including the availability of each data field, the request and third-party authorization workflow, the method for retaining data prospectively, and the date by which the process will be operational, for the following requirements. Each IOU shall serve a notice to the service list of this proceeding when the process is operational. After execution of the implementation plan, ~~T~~the** utility will provide the following data fields to customers or authorized third parties within 30 **business** days of a request: demand load, metered demand, secondary transformer capacity, capacity limiting factor, and service conductor capacity. The IOUs shall each add information to their websites detailing the data fields they will provide upon request and allowing customers the ability to enter account information, authorize any additional party that should receive this data upon their behalf, and make an existing service data request. Within 30 **business** days of a valid request the IOUs must either provide the customer and any authorized third-party the data or confirmation the data is unavailable for each field. The IOUs shall maintain this data internally.

6. San Diego Gas & Electric Company (SDG&E) shall file **to the service list** in this proceeding, Rulemaking 24-01-018, and any successor proceedings, by January 15, 2029 a report summarizing the costs, additional energy consumption enabled, assessment of the Standard Offer Static Flexible Service Connection's cost efficiency, and a quantitative assessment of the effect the Standard Offer has had upon its revenue requirement. This is consistent with Decision 26-02-025 Ordering Paragraph 4.

8. … (a) … SDG&E's AL shall provide an implementation plan for a proof-of-concept Variable Operating Envelope that shall include no less than two sites and provide telemetry by **a target date of** June 1, 2028. SDG&E shall additionally detail its plan to provide a Variable Operating Envelope offering consistent with PG&E's Flex Connect as a formalized offering, beyond the proof-of-concept sites, by **a target date of** June 1, 2029. **If SDG&E demonstrates with specificity in its Tier 3 Flex Connect AL that either target date cannot be met given the schedules for its Enterprise DERMS and IEEE 2030.5 gateway integration, SDG&E may propose adjusted milestone dates for Commission consideration. SDG&E shall present at the joint preview workshop its estimate of the approximate number of sites its forecasting tool can support on a day-ahead basis and the methodology used to compute that estimate. If SDG&E is required to provide this information in its first quarterly update to Energy Division staff, that update shall provide a preliminary estimate and methodology, subject to**

further technical and operational evaluation, with a validated figure presented at the joint preview workshop.

9. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (together, the IOUs) must establish consistent interoperability testing and certification procedures to avoid redundant vendor qualification processes. The IOUs shall hold a joint workshop on this topic within 90 days of the issuance of this decision and follow the workshop guidelines in Appendix E to this decision. The IOUs shall serve a notice to the service list of this proceeding within 180 days of the issuance of this decision to confirm compliance with this requirement. **Notwithstanding the foregoing, SDG&E may satisfy this compliance requirement through its Tier 3 Flex Connect Advice Letter required pursuant to Ordering Paragraph 8.**

10. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall leverage PG&E's Flex Connect Op Flex Report and Customer-Owned Telemetry Procedure, including the Emergency Mitigations Abnormal Grid Switching provisions, to establish processes to respond to emerging grid events. The IOUs shall each serve a notice to the service list of this proceeding within 180 days of the issuance of this decision to confirm compliance with this requirement. **Notwithstanding the foregoing, SDG&E may satisfy this compliance requirement through its Tier 3 Flex Connect Advice Letter required pursuant to Ordering Paragraph 8.**

11. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (together, the IOUs) shall each file a Tier 3 Advice Letter (AL) to implement persistent non-bridging solutions (Persistent Non-Bridging AL) within 90 days of the disposition of each IOU's respective High Distributed Energy Resources Flexible Service Connection Implementation AL**, except that San Diego Gas & Electric Company shall file its Persistent Non-Bridging AL within 90 days of the later of the disposition of its High Distributed Energy Resources Flexible Service Connection Implementation AL or its SDG&E Standard Offer AL**. The IOUs must each include the following in their Persistent Non-Bridging ALs: … (d) Implementation plan to allow customers to transition between current bridging solutions to an equivalent persistent non-bridging offer**; this element shall apply to San Diego Gas & Electric Company only once it has customers taking service under a bridging flexible service connection**.

17. … Southern California Edison Company and San Diego Gas & Electric Company shall each file a Tier 3 Advice Letter … proposing a ~~scaled implementation of Grid Edge DERMS offerings based on PG&E's ChargeBoost and PanelBoost pilots~~ **technology-neutral, stage-gated implementation of solutions that achieve the panel, service, and transformer upgrade-avoidance objectives of PG&E's ChargeBoost and PanelBoost pilots, which may include Grid Edge DERMS or functionally equivalent approaches such as customer-side load management and third-party solutions, informed by the workshop record and each utility's existing and planned infrastructure** … (i) SCE and SDG&E shall explain any differences from the ChargeBoost and PanelBoost structure **and the basis for the approach proposed. Nothing**

in this decision prejudges the scope, cost, or timing of any utility's pending advanced metering application.

20. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (together, the IOUs) shall track and report the standardized set of metrics for all Flexible Service Connection types as set forth in Appendix D and shall report this data ~~as part of each utility's Grid Needs Assessment/Distribution Upgrade Project Report~~ **in a standalone annual Flexible Service Connection report served to the service list of this proceeding, or any successor proceeding**. The IOUs will begin to track this information within **120** ~~90~~ days of the issuance of this decision.

New OP [ ]. Within 30 days of the effective date of this decision, San Diego Gas & Electric Company shall submit a Tier 1 Advice Letter to establish a memorandum account to record applicable costs of implementing the requirements of this decision that are not funded through SDG&E's authorized revenue requirement or another authorized mechanism. SDG&E shall record costs in separate subaccounts by requirement. Recording costs in the memorandum account does not authorize recovery. Recovery shall be subject to Commission review of reasonableness, incrementality, and the absence of duplicate recovery in SDG&E's next General Rate Case or other appropriate proceeding.

CONFORMING CHANGES TO THE DISCUSSION, TABLES, AND APPENDICES

Sections 6.4.2.2–6.4.2.4 (PD at 56–58)

Each reference to "Section ~~6.4.3~~ **6.4.2.1.**"

Section 6.4.2.4 (PD at 58)

The IOUs will also provide on their website the method they will employ to allow customers to authorize third parties to access this data, and the method they will prospectively use to track these data fields within the ~~HDER FSC Implementation~~ **AL Tier 1 AL directed in Ordering Paragraph 4**.

Section 7.2.2.1 (PD at 73)

~~While PG&E and SCE have the capability to utilize IEEE 2030.5 communications to establish site telemetry, SDG&E's ability to establish site telemetry does not rely upon these communications.~~ **While PG&E and SCE have the capability to utilize IEEE 2030.5 communications to establish site telemetry, SDG&E's existing telemetry is associated with Wholesale Distribution Access Tariff resources larger than 1 MW, and SDG&E has not yet established a communications channel to the load customers a VOE would serve.**

Section 7.2.2.1 (PD at 74)

SDG&E shall compute the approximate number of sites their forecasting tool can support on a day-ahead basis without materially compromising core distribution operation functions and share ~~this figure both with Energy Division staff in their first quarterly update and~~ **a preliminary estimate and methodology with Energy Division staff in their first quarterly update and the final figure** with stakeholders in the joint IOU preview workshop.

Section 7.2.2.1 (PD at 75)

SDG&E's proof-of-concept implementation plan shall include no less than two sites receiving VOEs and providing telemetry by **a target date of** June 1, 2028. … SDG&E shall additionally detail, within its Flex Connect AL, its plan to provide a VOE consistent with the structure of PG&E's Flex Connect as a formalized offering beyond these two sites by **a target date of** June 1, 2029**, and may propose adjusted milestone dates as provided in Ordering Paragraph 8**.

Section 8.1.2 (PD at 86)

We note that the addition of the SDG&E Standard Offer AL directed in this decision and the timing of its submission 75 days after the disposition of PG&E and SCE's Standard Offer AL gives SDG&E substantial time to prepare their non-bridging Standard Offer. **To ensure SDG&E's non-bridging Standard Offer builds upon an approved bridging Standard Offer, SDG&E shall file its Persistent Non-Bridging Solutions AL within 90 days of the later of the disposition of its HDER FSC Implementation AL or its SDG&E Standard Offer AL.**

Section 10.1.2.3 (PD at 119)

SCE and SDG&E shall propose a ~~scaled implementation~~ **technology-neutral, stage-gated implementation that achieves the upgrade-avoidance objectives of ChargeBoost and PanelBoost**, based on the learnings from the workshop on PG&E's pilot results **and each utility's existing and planned infrastructure. Nothing in this decision prejudges the scope, cost, or timing of the functionality at issue in A.25-12-012**.

Section 14.2.1 (PD at 149)

To avoid adding unnecessary administrative burden, we direct the IOUs to report this data ~~as part of their GNA/DUPR. This will additionally ensure that this data is reviewed annually as part of the DPEP process.~~ **in a standalone annual FSC report. Where an FSC materially affects an identified distribution planning need or project, that impact may be reflected through the applicable distribution planning process.**

Section 14.2.3 (PD at 151)

… The IOUs should not use the DERDDA Memorandum account for activities ordered in this decision. The IOUs retain the ability to request any relevant cost recovery through their GRCs. **However, SDG&E filed its Test Year 2028 GRC application before this decision issued, and the requirements of this decision are new to SDG&E. We therefore authorize SDG&E to**

establish a memorandum account to record the incremental costs of complying with this decision, subject to reasonableness review in a subsequent proceeding.

Table 2: Advice Letter Timeline (PD at 153)

HDER FSC Implementation AL (Tier 3) | PG&E, SCE, SDG&E | ~~120~~ **180** days after issuance of the decision

Persistent Non-Bridging Solutions AL (Tier ~~2~~ **3**) | PG&E, SCE, SDG&E | 90 days after disposition of respective HDER FSC Implementation AL **(for SDG&E, the later of that disposition or disposition of the SDG&E Standard Offer AL)**

Appendix D (PD at D-1)

Appendix D: Data To Be Reported Within ~~The GNA/DUPR~~ **The Annual FSC Report**