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# SDG&E 2023 ERRA Compliance (A.24-06-001)
# Green Tariff Shared Renewables

November 12, 2026



# Green Tariff (GT) Procedural History

**2013**

**Senate Bill 43**

Expands renewable access for customers without onsite generation.

**2015–2016**

**Approval & Launch**

CPUC approves GT. EcoChoice launches in 2016. Memo account costs begin amortizing over the expected program life.

**2019–2020**

**Undercollections**

Balancing account costs outpace collections and undercollections grow.

**2021–2022**

**CCA Departures**

Enrollment falls and rates rise. SDG&E suspends GT in 2022.

**2024**

**Modified GT Tariff**

CPUC establishes a new Modified GT tariff for IOUs (D.24-05-065), despite SDG&E's participation and cost-recovery issues.

**Feb 2026**

**Original PD**

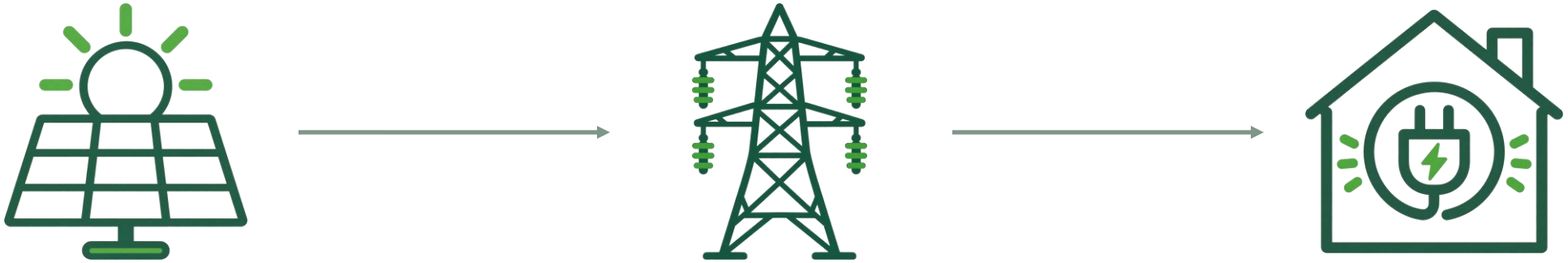
February 2026 PD allowed recovery of memo and balancing account costs through the PPP.

**Oct 2026**

**Second PD**

October 2026 PD proposes recovery from former participants and shareholders.

# How Energy is Delivered to Customers



## Energy resources

GTSR resource
and other resources

## Shared grid

Electricity from all
resources mixes together

## All customers

Program participants
and non-participants

***The statute does not prohibit spreading costs through the Public Purpose Programs (PPP) charge <u>when GTSR is inactive</u>. Since all customers benefit from GTSR resources, it is reasonable to spread stranded costs to all customers.***

# GTSR Cost Recovery

## WE DISAGREE

### Memorandum Account Undercollection

*Type of Cost Incurred: marketing GTSR program to customers, IT costs, SDG&E labor costs for program staff*

- **Incorrect: FOF 5.** SDG&E should have the opportunity to show the memorandum account costs were reasonable; the record already points that way.
- **ERRA Forecast Approved Rates:** the Commission already approved these costs in the ERRA forecast.
- **Within Approved Budgets:** spending stayed within the budgets identified in various Advice Letters (ALs).
- **Fair process:** shareholders should not absorb costs incurred under approved forecasts and budgets.

## WE AGREE

### Balancing Account Undercollection

*Type of Cost Incurred: energy related costs*

- **Correct: FOF 8.** SDG&E did not imprudently manage its GTSR program and did not unreasonably delay its request to pursue recovery of the GTSR balancing account costs in rates.
- **Correct: FOF 9.** Allocating the outstanding GTSR costs to former program participants risks burdening those customers with a sudden and unanticipated lump-sum bill.

# Modified GT: The Recovery Base Can Shrink Again

*About 80% of customers already take CCA or DA service, leaving ~234,500 eligible bundled meters.*

## WHY THIS MATTERS

1. **Future departures**
   Coronado has signaled plans to join San Diego Community Power; others could follow.

2. **Fewer eligible customers**
   Fixed program and implementation costs fall on a smaller bundled base.

3. **Higher participant rates**
   Costs spread over fewer customers, so MGT pricing may be less attractive.

4. **Attrition and stranded costs**
   Lower enrollment can weaken cost recovery and make operation uneconomic.

## Remaining eligible bundled meters

Non-NEM customers by city / area

| City / area | Meters | Share |
|---|---|---|
| South Orange County | 106,000 | 45% |
| El Cajon | 34,000 | 15% |
| Santee | 17,000 | 7% |
| Poway | 11,000 | 5% |
| **Coronado** | **8,500** | **4%** |
| Lemon Grove | 8,000 | 3% |
| Other: opt-out customers | 50,000 | 21% |
| **TOTAL** | **234,500** | **100%** |

**CORONADO planning departure**

# Key Takeaways

1

## Restore PPP treatment

Return to the original Proposed Decision. The statute does not contemplate an inactive program, and PPP recovery is a more reasonable, proportionate way to address remaining stranded costs.

2

## Allow memo account recovery

SDG&E should have an opportunity to recover reasonable memorandum account costs incurred in support of a Commission-authorized program.

3

## Use caution on Modified GT

The fundamental risk remains: a shrinking bundled base concentrates costs across fewer participants and could strand costs again.

**Learn from GTSR: resolve the existing costs reasonably, and do not recreate the same problem going forward.**

# APPENDIX

# Public Utilities Code Language

**P.U. Code § 2831(h) states that "[i]t is the intent of the Legislature that a green tariff shared renewables program be implemented in a manner that ensures nonparticipating ratepayer indifference…" (emphasis added).**

**P.U. Code § 2833(q) states that "that charges and credits associated with a participating utility's green tariff shared renewables program are set in a manner that ensures nonparticipant ratepayer indifference for the remaining bundled service, direct access, and community choice aggregation customers and ensures that no costs are shifted from participating customers to nonparticipating ratepayers" (emphasis added).**

Source: SDG&E Opening Comments on PD at 2.