BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Application of San Diego Gas & Electric Company (U 902-E) for Approval of: (i) Contract Administration, Least-Cost Dispatch and Power Procurement Activities in 2023, (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, Local Generating Balancing Account, and Modified Cost Allocation Mechanism Balancing Account in 2023, and (iii) Costs Recorded in Related Regulatory Accounts in 2023	Application 24-06-001 (Filed June 3, 2024)

SAN DIEGO GAS AND ELECTRIC COMPANY (U 902 E)
NOTICE OF EX PARTE COMMUNICATION

Dennis Peters
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Dated: November 17, 2026

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 2023, (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, Local Generating Balancing Account, and Modified Cost Allocation Mechanism Balancing Account in 2023, and (iii) Costs Recorded in Related Regulatory Accounts in 2023	Application 24-06-001 (Filed June 3, 2024)

SAN DIEGO GASAND ELECTRIC COMPANY (U 902 E) NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the California Public Utilities Commission's Rules of Practice and Procedure, **SAN DIEGO GAS AND ELECTRIC COMPANY ("SDGE") (U 902 E)** hereby gives notice of ex parte communication in the above captioned proceeding.

DATE AND TIME OF THE ORAL COMMUNICATION:

Meetings lasted 30 minutes:

- Thursday, November 12, 2026, at 11:00am (President Reynolds' Office)
- Friday, November 13, 2026, at 3:30pm (Commissioner Harada and Baker's Offices)

LOCATION:

- Virtual

WHO INITIATED COMMUNICATION:

- San Diego Gas & Electric Company

NAME AND TITLE OF NON-CPUC PARTICIPANTS:

- Dennis Peters, Regulatory Affairs Manager, SDG&E

- Eric Dalton, Manager, Financial Reporting
- Stacie Risley, Senior Supervisor, Customer Programs

NAMES AND TITLES OF CPUC RECIPIENTS:

President Reynolds (Thursday November 12th at 11:00am)

- Nick Dahlberg, Energy Advisor
- Andrew Klutey, Advisor

Commissioner Harada (Friday November 13th at 3:30pm)

- Edwin Schmitt, Advisor

Commissioner Baker (Friday November 13th at 3:30pm)

- Kyle Navis, Senior Advisor

BRIEF SUMMARY OF ORAL COMMUNICATION:

SDG&E representatives utilized the attached materials to guide their discussion of concerns regarding the October 15, 2026, Proposed Decision by ALJ Dugowson. Key messages:

- Restore Public Purpose Programs (PPP) treatment - Return to the original Proposed Decision which recommended costs be recovered via PPP. The statute does not contemplate an inactive program, and PPP recovery is a more reasonable, proportionate way to address remaining stranded costs.
- Allow memo account recovery - SDG&E should have an opportunity to recover reasonable memorandum account costs incurred in support of a Commission-authorized program.
- Caution regarding the Modified Green Tariff - The fundamental risk remains: a shrinking bundled base concentrates costs across fewer participants and could strand costs again.

WRITTEN DOCUMENTS PROVIDED:

See attached PowerPoint presentation.

Respectfully submitted,

By: */s/ Dennis Peters*

Dennis Peters

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Dated: November 17, 2026

cc: Commissioner Matthew Baker at Baker_exparte@cpuc.ca.gov
Commissioner Christine Harada at harada_exparte@cpuc.ca.gov.your
Andrew Dugowson, ALJ at Andrew.dugowson@cpuc.ca.gov
All Parties on Service List A.24-06-001

Attachment A

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

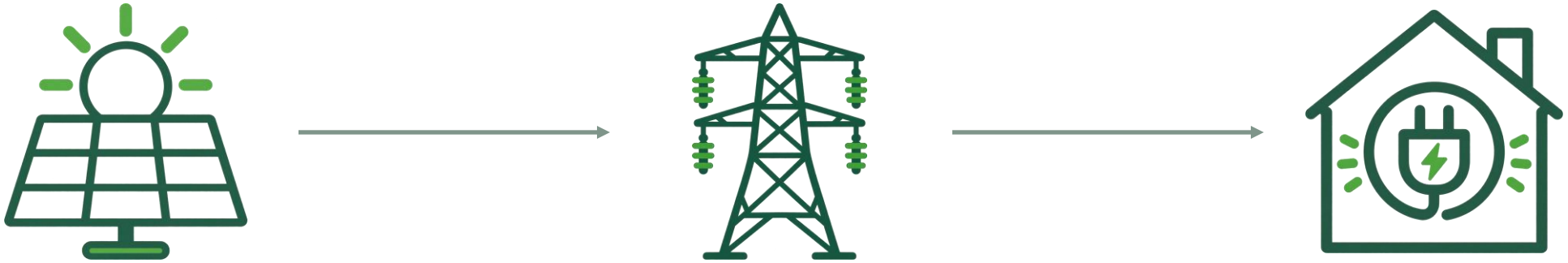
February 2026 PD allowed recovery of memo and balancing account costs through the PPP.

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.