Decision **PROPOSED DECISION OF ALJ WERCINSKI (Mailed 12/2/2020)**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) for Approval of its 2021 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts.	Application 20-04-014

DECISION ADOPTING 2021 ELECTRIC PROCUREMENT REVENUE REQUIREMENT FORECASTS AND GREENHOUSE GAS-RELATED FORECASTS FOR SAN DIEGO GAS & ELECTRIC COMPANY

TABLE OF CONTENTS

Title **Page**

DECISION ADOPTING 2021 ELECTRIC PROCUREMENT REVENUE REQUIREMENT FORECASTS AND GREENHOUSE GAS-RELATED FORECASTS FOR SAN DIEGO GAS & ELECTRIC COMPANY

Summary

This decision adopts a 2021 forecast electric procurement revenue requirement for San Diego Gas & Electric Company (SDG&E) of $1,161.437 million[1] consisting of (1) a $663.435 million Energy Resource Recovery Account revenue requirement, (2) a $332.469 million Portfolio Allocation Balancing Account (PABA) revenue requirement and 2020 PABA under-collected balance of $123.812 million, (3) a $11.401 million Competition Transition Charge revenue requirement, (4) a $124.439 million Local Generation revenue requirement, and (5) a $1.073 million San Onofre Nuclear Generating Station Unit 1 Offsite Spent Fuel Storage Cost revenue requirement. We also adopt a 2021 forecast Tree Mortality Non-Bypassable Charge revenue requirement and approve SDG&E's request for confidentiality.

In addition, this decision approves SDG&E's 2021 (1) forecast greenhouse gas (GHG) allowance revenues of $115.836 million and its adjusted forecast GHG allowance revenues eligible to return to customers of $96.031 million, (2) forecast GHG clean energy/energy efficiency program set-asides of $17.774 million, including $16.744 million for the Solar on Multifamily Affordable Housing program and $1.030 million for the Disadvantaged Communities Single Family Solar Homes program, (3) forecast GHG revenue returns of $(1.657) million to small business and $(0.839) million to emissions-intensive trade-exposed retail customers, (4) forecast GHG administration, customer education, and outreach plan costs of $45,133, (5) forecast revenue returns to residential customers via the

[1] Except where otherwise stated, all dollar amounts in this decision include franchise fees and uncollectibles (FF&U).

California Climate Credit of $(93.536) million, and the associated semi-annual California Climate Credit of $34.60 per household, (6) proposed Power Charge Indifference Adjustment rates, and (7) proposed rate components for the Green Tariff Shared Renewables program.

All forecasts approved in this proceeding are subject to reconciliation of revenues and costs in subsequent proceedings.

SDG&E's revenue requirements will be consolidated with the revenue requirement changes under other Commission decisions in the Annual Electric True-up process. The rate changes are effective upon approval of the Tier 1 advice letters to be filed in accordance with this decision.

This proceeding is closed.

1. Historical Background

1.1. Energy Resource Recovery Account

Pursuant to Decision (D.) 02-10-062, the California Public Utilities Commission (Commission) established the Energy Resource Recovery Account (ERRA) required by Public Utilities (Pub. Util.) Code Section 454.5(d)(3) to provide recovery of energy procurement costs, including expenses associated with fuel and purchased power, utility retained generation, California Independent System Operator (CAISO) related costs, and costs associated with the residual net short procurement requirements to serve the bundled electric service customers of utilities, including San Diego Gas & Electric Company (SDG&E). The ERRA regulatory process includes (1) an annual forecast proceeding to adopt a forecast of the utility's electric procurement cost revenue requirement and electricity sales for the upcoming year, (2) an annual compliance proceeding to review the utility's compliance in the preceding year regarding energy resource contract administration, least cost dispatch, and prudent maintenance of Utility Owned Generation (UOG) and the ERRA balancing account, and (3) a quarterly compliance report in which the Commission's Energy Division reviews procurement transactions "to ensure the prices, types of products, and quantities of each product conform to the approved plan."[2]

Pursuant to D.12-12-033, SDG&E filed Advice Letter (AL) 2452-E-A to establish a sub-account within the ERRA to record greenhouse gas (GHG) costs. The AL also created the GHG Customer Outreach and Education Memorandum Account (GHGCOEMA), the GHG Administrative Costs Memorandum Account (GHGACMA), and the GHG Revenue Balancing Account (GHGRBA). The GHGRBA is a two-way balancing account that records GHG revenues less revenue returns and any revenues approved to be set aside for outreach and administrative expenses.

As set forth in Pub. Util. Code Section 454.5(d)(3), the balance of the ERRA is not to exceed five percent of the electrical corporation's actual recorded generation revenues for the prior calendar year, excluding revenues collected for the California Department of Water Resources. D.02-10-062 established a trigger calculation designed to avoid the five percent threshold point that requires SDG&E to file an expedited application for approval to adjust its rates 60 days from when the ERRA balance reaches an under- or over-collection of four percent and is projected to exceed the five percent trigger.

1.2. Portfolio Allocation Balancing Account

Pursuant to D.18-10-019 and AL 3318-E, the purpose of the Portfolio Allocation Balancing Account (PABA) is to record the above-market costs and revenues associated with all generation resources that are eligible for cost

---

[2] D.02-10-062 at 47, 50 and Conclusion of Law (COL) 7.

recovery through Power Charge Indifference Adjustment (PCIA)[3] rates, including SDG&E's UOG. Costs recorded in each vintage subaccount include fuel, GHG costs, third-party power purchase contract costs, and UOG's revenue requirement.

1.3. San Onofre Generating Station Unit 1 Offsite Spent Fuel Storage Costs

Southern California Edison (SCE) is the majority owner and SDG&E is a minority owner in the San Onofre Generating Station (SONGS) facility. SCE has included the SONGS Offsite Spent Fuel Storage Costs in its ERRA proceedings, and SDG&E elected for the first time in 2015 to request recovery of SONGS Unit 1 Offsite Spent Fuel Storage Costs in its ERRA forecast proceeding rather than in its General Rate Case (GRC). D.15-12-032 authorized SDG&E to recover SONGS Unit 1 Offsite Spent Fuel Storage Costs in the ERRA proceeding.

1.4. Tree Mortality Non-Bypassable Charge

The Tree Mortality Non-Bypassable Charge (TMNBC) Balancing Account was established pursuant to D.18-12-003 and AL 3343-E to record tree mortality related procurement costs to be recovered through the Public Purpose Program (PPP) charge.[4] AL 3343-E-B approved the 2019 year-end balances in the Bio-MASS Memorandum Account and the Bio-fuel Renewable Auction Mechanism Memorandum Account and the transfer of the balances in those accounts to the TMNBC Balancing Account.

1.5. GHG Allowance Revenues and Costs

Rulemaking (R.) 11-03-012 addresses GHG-related allowance revenues and costs for an investor-owned electric utility (IOU), including SDG&E. In D.12-12-033, the Commission required utilities to file applications for approval of

---

[3] The PCIA is discussed in more detail in Section 1.6 below.

[4] D.18-12-003 Ordering Paragraph (OP) 9.

forecast GHG-related allowance revenues and costs, including administrative and customer outreach expenses, sufficient to calculate the amount of GHG allowance revenues to be returned to the different customer classes.

Pursuant to D.12-12-033, five utilities[5] filed 2014 GHG Revenue Forecast Applications that were consolidated in Application (A.) 13-08-002 et al. D.13-12-041, the Phase 1 decision in the consolidated proceeding, was limited to information and approvals necessary to incorporate GHG costs and allowance proceeds into 2014 rates and to issue the first California Climate Credit.[6] D.13-12-041 approved the forecasts with modifications for inclusion in 2014 rates and concluded that the forecasts "should remain subject to true up against actual amounts in future GHG Revenue and Reconciliation Applications and actual administrative and customer outreach expenses remain subject to reasonableness review."[7]

The Commission adopted D.14-10-033 resolving Phase 2 of the consolidated proceeding on October 16, 2014, and its appendices were corrected by D.14-10-055 on October 30, 2014, and D.15-01-024 on January 21, 2015. D.14-10-033 describes methodologies and conventions to be used in GHG Revenue and Reconciliation Applications filed after 2013.[8] The decision further adopted Confidentiality Protocols for cap-and-trade related data and required the utilities to use a proxy price in their forecasts. Lastly, the decision required the utilities to file GHG Forecast Revenue and Reconciliation Applications

---

[5] The five utilities are SDG&E, SCE, Pacific Gas and Electric Company, PacifiCorp, an Oregon Company, and Liberty Utilities (CalPeco Electric) LLC.

[6] The California Climate Credit, previously referred to as the "Climate Dividend," received its official name in April 2014 by ruling in R.11-03-012.

[7] D.13-12-041 COL 3.

[8] A.13-08-002, *et al.*, Assigned Commissioner's and Administrative Law Judge's Phase 2 Scoping Memo and Ruling, February 19, 2014.

annually as part of their ERRA forecast applications. We use the standards adopted in D.14-10-033 to review SDG&E's current application and in A.17-04-016 to determine the reasonableness of both the recorded and forecast variables discussed below. In addition, the distribution of GHG allowance revenues must comport with the Commission's recent decision in D.20-10-002 reflecting an Industry Assistance Factor for the Small Business Climate Credit of 50 percent for 2021 and the extension of the existing California Industry Assistance Credit for emissions-intensive trade-exposed (EITE) retail customers.

The variables necessary to authorize rate changes and determine the GHG-related allowance revenues and costs are:

1. **Recorded and Forecast Allowance Revenues**. These are the revenues received by a utility as a result of selling the allowances allocated to ratepayers by the state.
2. **Recorded and Forecast Administrative and Customer Outreach Expenses**. These are the costs incurred by a utility for administrative and customer outreach purposes that relate to the allowance revenue return program.
3. **Recorded and Forecast Expenses for Approved Incremental Energy Efficiency and Clean Energy Programs**. D.12-12-033 allows utilities to use a portion of allowance revenues to fund energy efficiency and clean energy programs that have been approved by the Commission in other proceedings.
4. **Recorded and Forecast EITE Customer Return**. Using the methodology adopted in D.14-12-037, as modified by D.15-08-066 and D.16-07-007, a portion of allowance revenues is returned to customers who qualify as EITE. The EITE customer return is based on formulas and made once per year.
5. **Recorded and Forecast Small Business Return**. Using the methodology adopted in D.14-12-037, as modified by D.15-08-006 and D.16-07-007, a portion of allowance revenues is returned to customers who meet the definition

of small business developed in R.11-03-012.[9] The Forecast Small Business Return is volumetric and is calculated using the Forecast GHG Cost (*see* Item 7 below) and the volume of electricity used by the customer and is returned as a credit to the delivery component of the customer's monthly bill.

6. **Recorded and Forecast Residential California Climate Credit**. The Climate Credit is distributed to residential households after all of the above expenses and customer returns have been made. It appears as a credit on the customer's bill twice per year. The Climate Credit is not related to the volume of electricity used by the household; each household within a utility's territory receives the same Climate Credit.

7. **Recorded and Forecast GHG Costs**. These are the GHG emissions costs incurred directly or indirectly by a utility as a result of the GHG cap-and-trade program. Direct costs include the costs incurred to purchase compliance instruments[10] for plants run by the utility or costs from plants not owned or operated by the utility. Indirect costs generally reflect GHG costs embedded in the price of power purchased on the market or through contracts that do not include GHG settlement terms.

D.14-10-033 also requires electric utilities to incorporate GHG costs into the generation component of electricity rates through the ERRA process. Incorporating the costs of GHG emissions into rates results in a carbon price signal intended to incentivize an overall decrease in energy consumption and

---

[9] D.12-12-033 sets forth an overview of the methodology sufficient for purposes of forecasting the small business customer return for 2014. D.13-12-002 adopted a specific methodology.

[10] A covered entity must surrender one compliance instrument for each metric ton of carbon dioxide equivalent of GHG emissions for its compliance obligations. Allowances and offsets are the two types of compliance instruments in the cap-and-trade program (California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms, Title 17 CCR Section 95856.) The regulation also limits the use of offsets to no more than 8 percent of compliance instruments in a compliance period (Title 17 CCR Section 95854).

reduction in GHG emissions. Finally, the electric utilities are required to report and return annual GHG allowance revenues to eligible customers.

1.6. PCIA

In D.06-07-030 (as modified by D.07-01-030), the Commission adopted the PCIA to require that departing load customers pay their share of the above-market costs of the utilities' total procurement resource portfolio and that bundled customers remain indifferent to customer departures. The PCIA implements a total portfolio methodology that recognizes that bundled customers are served from the entire portfolio of commodity resources and that a utility generally may offset a portion of the costs of departing load through additional market sales. Under the PCIA, a total indifference amount is calculated by subtracting a utility's supply portfolio market value from the total portfolio cost.

In D.08-09-012, the Commission introduced the requirement to "vintage" departing load customers based on their departure date when determining the customers' cost responsibility for the total portfolio of resources.

D.18-10-019 modified the PCIA methodology by revising inputs to the market price benchmarks (MPBs) used to calculate the PCIA. The decision also adopted an annual true-up mechanism and a cap that limits the annual change of the PCIA rate to 0.5 cents per kilowatt hour (kWh) more than the prior year's PCIA, differentiated by vintage.

In D.19-10-001, the Commission directed utilities to use vintage-specific billing determinants to calculate PCIA rates, calculate true-ups based on updated MPBs provided by the Commission's Energy Division for PABA costs, and include in the ERRA forecast November update any under- or over-collected balance associated with PABA.

Pursuant to D.18-10-019 and AL 3436-E, the PCIA Undercollection Balancing Account (CAPBA) was established to record the obligation that accrues for departing load customers in excess of the 0.5 cents/kWh PCIA rate cap. The CAPBA includes a subaccount for each customer vintage and a specific bundled subaccount to capture the shortfall amount financed by bundled customers for departing load customers when the PCIA rate is capped.

2. Procedural Background

On April 15, 2020, SDG&E filed its Application for approval of its 2021 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts. On April 20, 2020, SDG&E filed an Amended Application (Application) to correct language in the April 15, 2020 Application. By Resolution ALJ 176-3460 adopted on May 7, 2020, the Commission preliminarily determined that this proceeding was ratesetting and that hearings were necessary. On May 18, 2020, the California Public Advocates Office (Cal Advocates) and San Diego Community Power (SDCP) filed protests to the Application. A prehearing conference (PHC) was held on June 17, 2020. Utility Consumers' Action Network (UCAN) was granted party status at the PHC.

A Scoping Memo and Ruling of Assigned Commissioner (Scoping Memo) on July 6, 2020 affirmed the Commission's preliminary categorization of this proceeding as ratesetting and the necessity for hearings. By rulings filed on August 19, 2020, California Community Choice Association (CalCCA) and Sunrun Inc. (Sunrun) were granted party status. By ruling filed on September 4, 2020, Clean Energy Alliance (CEA) was granted party status. The parties in this proceeding submitted reports and confirmed at the September 4, 2020 status conference that evidentiary hearings were not needed, and therefore evidentiary hearings were not conducted. Pursuant to rulings granting motions for the admission of testimony and documents into evidence and for the admission of confidential documents into evidence under seal, the exhibits identified in Appendix B were admitted into evidence. The documents placed under seal shall remain under seal for the applicable period of time set forth in the Confidentiality Matrix in D.14-10-033.

3. November Update, Comments, and Reply

On November 6, 2020, SDG&E filed a November Update to Application to reflect changes in its forecasts and Commission decisions since the filing of the Application, including (1) a fourth quarter update to its GHG forecast revenue and expenses to include actual revenues and estimated expenses from January through September 2020 and forecast revenues and expenses from October through December 2020 and reconciliation of prior years reflecting 2019 emission volumes that became final in August 2020,[11] (2) SDG&E's Solar on Multifamily Affordable Housing (SOMAH) funding request and true-up of its prior year's authorized SOMAH set-aside amount as required in D.20-04-012,[12] and (3) the distribution of GHG allowance revenues pursuant to D.20-10-002 reflecting an Industry Assistance Factor for the Small Business Climate Credit of 50 percent for 2021 and the extension of the existing California Industry Assistance Credit for EITE retail customers.[13] In its November Update to Application, SDG&E requests a 2021 forecast revenue requirement of $1,161.437 million[14] consisting of (1) $663.435 million for ERRA, (2) $332.469 million for PABA, (3) $11.401 million for Competition Transition Charge (CTC), (4) $124.439 million for Local Generation, (5) $1.073 million for SONGS Unit 1 Offsite Spent Fuel Storage Cost,

---

[11] November Update to Application at 3-4.

[12] *Id.* at 4.

[13] *Id.* at 4-5.

[14] Excluding a 2021 forecast Tree Mortality Non-Bypassable Charge (TMNBC) revenue requirement for which SDG&E asserts confidentiality.

(6) GHG allowance revenue return allocations of $(0.839) million for EITE retail customers, $(1.657) million for small business, and $(93.536) million for residential California Climate Credit, and (7) a PABA balance of $123.812 million.[15] In addition, the November Update to Application requests approval of (1) 2021 forecast GHG allowance revenues of $115.836 million, (2) a 2021 forecast GHG allowance revenue set aside for clean energy/energy efficiency programs of $17.774 million, and (3) 2021 forecast GHG administration, customer outreach and outreach plan costs of $45,133.[16] In the November Update to Application, SDG&E states that it is removing its request to return Local Generation Balancing Account activity of $(91.08) million from the Application because the overcollection is subject to approval in the 2018 ERRA Compliance proceeding A.19-05-007 for which a decision has not yet been issued, and SDG&E will seek the return of the overcollection in its 2022 ERRA Forecast Application.[17]

In the November Update to Application, SDG&E projects a combined total rate decrease of $334.173 million compared to the currently effective rates, a decrease of 12.35 percent or 2.964 cents/kWh from the current system average bundled rate. SDG&E projects that a typical bundled non-California Alternative Rates for Energy residential customer in the inland climate zone using 400 kWh could see a monthly winter bill decrease of 9.71 percent or $10.91 and a monthly summer bill decrease of 9.91 percent or $11.07.[18] SDG&E submitted updated

[15] November Update to Application at 5-6.

[16] *Id.* at 6.

[17] *Id.* at fn. 9.

[18] *Id.* at 7.

prepared direct testimony of six SDG&E witnesses with the November Update to Application and subsequently submitted corrected testimony and templates.[19]

On November 18, 2020, SDCP, CEA, and CalCCA (CCA November Commenters) filed joint comments (CCA November Comments) to the November Update. The CCA November Commenters contend that SDG&E's calculation of its 2021 commodity rate forecast for bundled customers relies on an inaccurate and outdated sales forecast that fails to account for the departure of about 24 percent of SDG&E's 2021 bundled load sales that will occur in 2021 with the launch of SDCP and CEA. More specifically, the CCA November Commenters claim that SDG&E's 2021 commodity rate forecast is based upon an outdated 2019 sales forecast rather than SDG&E's 2021 energy requirements forecast that SDG&E used to derive the ERRA revenue requirement in this proceeding.[20] Although under-collections resulting from the inaccurate forecast will be trued up in the future, the CCA November Commenters assert that the artificially low 2021 commodity rates will mislead customers by creating a false price signal that bundled rates are lower than they should be. In response to SDG&E's contentions that it must rely on the outdated forecast because a final decision on the forecast is still pending in SDG&E's GRC proceeding and that it does not have authority from the Commission to update its bundled billing determinants,[21] the CCA November Commenters state that SDG&E's position lacks merit because SDG&E has revised other inputs in this ERRA application to

[19] Exhibits SDGE-13, SDGE-14, SDGE-14C, SDGE-15, SDGE-15C,SDGE-16, SDGE-16C, SDGE-17, SDGE-17C, SDGE-18, SDGE-19, SDGE-19C, SDGE-20, and SDGE-20C (the November Update to Application, the accompanying updated prepared direct testimony of the six SDG&E witnesses, and the subsequent corrected testimony and templates are collectively referred to as the "November Update.")

[20] Exhibits SDCP-47, SDCP-48, and SDCP-49.

[21] Exhibits SDCP-50 and SDCP-51.

reflect its latest sales forecast. The CCA November Commenters request that SDG&E revise its 2021 commodity rate forecast to reflect the same billing determinants (sales) used to derive the 2021 ERRA forecast revenue requirement in this proceeding.[22]

The CCA November Commenters also seek clarification that the 0.5 cents/kWh year-over-year PCIA rate cap established in D.18-10-019 will apply to the PCIA rates adopted in the 2020 ERRA forecast proceeding and not to the temporary PCIA rate adjustment to be adopted in the PCIA trigger proceeding A.20-07-009.[23] In addition, the CCA November Commenters request that the Commission (1) not apply the CAPBA adder to be adopted in A.20-07-009 to 2020 vintage customers and equitably apportion the adder among the 2009 through 2019 vintages because the 2020 vintage customers did not cause the under-collection and would otherwise be unfairly charged the CAPBA rate adder[24] and (2) should adopt SDG&E's proposal for a one-time transfer of the CAPBA over-collection due to bundled customers into PABA.[25]

In its November 25, 2020 Reply to Comments Regarding November Update Application (SDG&E November Reply), SDG&E states that in D.18-11-035 the Commission directed SDG&E to seek approval of future sales forecasts in its next GRC Phase 2 proceeding, that approval of its 2021 sales forecast is currently being litigated in the GRC Phase 2 proceeding A.19-03-002, and that SDG&E is not authorized to update its 2021 sales forecast outside of the proceeding in A.19-03-002. SDG&E also argues that the 2021 energy

---

[22] CCA November Comments at 2-11.

[23] *Id.* at 12-15.

[24] *Id.* at 15-17.

[25] *Id.* at 17-18.

requirements forecast is not the equivalent of the sales forecast submitted for approval in the GRC proceeding and would need to be transformed to derive the proper bundled rate billing determinants necessary to create 2021 customer commodity rates by a process that requires roughly four months due to complexities.[26]

In the SDG&E November Reply, SDG&E also disputes that it has changed its position regarding the applicability of the PCIA rate cap to those PCIA rates in effect at the time of the November Update. SDG&E also contends that issues regarding the recovery of the CAPBA balance and a transfer of a 2020 CAPBA refund to bundled customers are outside the scope of this proceeding.[27]

4. Issues

As set forth in the Scoping Memo, the issues to be determined are:

1. Whether the Commission should approve SDG&E's total 2021 forecast revenue requirement of $920.317 million and the amount of the 2021 Tree Mortality Non-Bypassable Charge forecast revenue requirement, to become effective in rates on January 1, 2021;
2. Whether the Commission should approve SDG&E's 2021 Energy Resource Recovery Account forecast revenue requirement of $604.409 million (including 2021 forecast greenhouse gas (GHG) costs of $12.793 million);
3. Whether the Commission should approve a 2021 Portfolio Allocation Balancing Account forecast revenue requirement of $373.828 million;
4. Whether the Commission should approve a 2021 Competition Transition Charge forecast revenue requirement of $16.673 million;
5. Whether the Commission should approve a 2021 Local Generation forecast revenue requirement of

[26] SDG&E November Reply at 2-12.

[27] *Id.* at 12-16.

$137.895 million (which excludes the Local Generation Balancing Account 2018 overcollection of $(91.084) million);

6. Whether the Commission should approve the 2021 San Onofre Nuclear Generating Station Unit 1 Offsite Spent Fuel Storage Cost forecast revenue requirement of $1.073 million;
7. Whether the Commission should approve SDG&E's 2021 Tree Mortality Non-Bypassable Charge forecast revenue requirement;
8. Whether the Commission should approve SDG&E's 2021 forecasts of GHG revenues, revenue set-asides and returns and administrative expenses, which include:
    a. Forecast GHG allowance revenues;
    b. Forecast set asides for clean energy/energy efficiency programs. Commission-authorized programs in this category include the Solar on Multifamily Affordable Housing Program, the Disadvantaged Communities Single Family Solar Homes Program, the Disadvantaged Communities Green Tariff Program, and the Community Solar Green Tariff Program. Although SDG&E's application did not propose to allocate funding to these programs, this proceeding shall determine the appropriate set asides for these programs pursuant to Decision (D.) 20-04-012, D.18-06-027, and any other applicable decisions;
    c. Forecast revenue returns to small business and emissions-intensive trade-exposed retail customers. SDG&E did not propose to set aside amounts for return to these customers as required by Pub. Util. Code section 748.5. This proceeding shall determine the appropriate amount for return to these customers;
    d. GHG administration, customer education and outreach plan costs; and
    e. Forecast revenue returns to residential customers via the California Climate Credit. SDG&E's application proposed to return to residential customers an amount

greater than its forecasted revenues; this proceeding shall determine the appropriate overall amount to be returned to residential customers as a class, and the individual California Climate Credit amount.

9. Whether the Commission should approve SDG&E's proposed vintage Power Charge Indifference Adjustment in rates;
10. Whether the Commission should approve SDG&E's proposed 2021 rate components for the Green Tariff Shared Renewables Program;
11. Whether the Commission should approve SDG&E's request to return the overcollected 2018 Local Generation Balancing Account recorded activity of $(91.084) million; and
12. Whether there are any safety considerations pursuant to Pub. Util. Code Section 451 raised by the Application.[28]

5. Discussion

5.1. Standard of Review

All charges demanded or received by a public utility for any product or service shall be just and reasonable.[29] A public utility shall not change any rate except upon a showing before the Commission and a finding by the Commission that the new rate is justified.[30]

As set forth in Section 1.1 above, the ERRA regulatory process includes an annual compliance proceeding and an annual forecast proceeding. In an ERRA compliance application, the Commission is required to perform a compliance review of the ERRA compliance application. A compliance review considers whether a utility has complied with all applicable rules, regulations, opinions, and laws, while a reasonableness review evaluates not only a utility's

---

[28] Scoping Memo at 2-4.

[29] Pub. Util. Code Section 451.

[30] Pub. Util. Code Section 454(a).

compliance, but also whether the data or actions resulting from, for example, the calculation of a forecasted expense, are reasonable, based on the methods and inputs used.[31] Because this case is a forecast proceeding, we apply these principles by conducting a reasonableness review to determine whether SDG&E's positions regarding the issues in scope are reasonable, based upon appropriate methodologies and calculations, and compliant with all applicable laws, regulations, rules, orders and Commission decisions,

5.2. ERRA

SDG&E's energy requirements sales forecast utilized in the November Update was developed internally by SDG&E and updates previous demographic and economic assumptions, including the impacts of COVID-19. The forecast reflects the load departure of community choice aggregators[32] (CCAs) SDCP and CEA and the expected 2021 departure of CCA Solana Energy Alliance. The forecast reflects significant load departures as CCAs are expected to depart SDG&E's bundled service throughout the year. SDG&E states that the inputs and assumptions used to develop the forecast could be impacted by issues such as the specific timing and magnitude of CCA load departures, the Commission's direction on portfolio optimization and resource allocation to departing load, and other issues being addressed in the Commission's PCIA rulemaking proceeding R.17-06-026.[33]

---

[31] D.16-05-003 at 3.

[32] Under Pub. Util. Code Section 331.1, a community choice aggregator is any city, county, city and county, and any group of cities, counties, or cities and counties that elect to combine the loads of their residents, businesses, and municipal facilities in a communitywide electricity buyers' program, and any California public agency possessing statutory authority to generate and deliver electricity at retail within its designated jurisdiction.

[33] Exhibit SDGE-15 at 3.

SDG&E developed a forecast of the supply resources needed to meet demand using the same production cost model it had used in previous ERRA forecasts. Inputs to the model include the characteristics of the various generation resources, including heat rate, variable operating and maintenance costs, other factors that impact the plant's dispatch, and natural gas and electric market prices. The model simulates a least-cost dispatch of the portfolio of SDG&E's resources for every hour of 2021. The supply resources include SDG&E-contracted conventional generation, SDG&E-owned dispatchable generation, renewable energy contracts, and Qualifying Facilities contracts.[34]

Electric procurement expenses incurred by SDG&E to serve its bundled load are also recorded to the ERRA. These expenses include costs and revenues for energy and capacity cleared through the CAISO market, power purchase contract costs, generation fuel costs, market energy purchase costs, CAISO charges, brokerage fees, and hedging costs.

SDG&E's total ERRA revenue requirement also includes GHG costs. SDG&E's two categories of GHG costs are direct costs and indirect costs. Direct costs reflect SDG&E's GHG costs from UOG plants in California, California generators with whom SDG&E has contracts in which SDG&E is responsible for GHG costs, and electricity imports. Indirect costs are embedded in market electricity prices or charged to SDG&E by third parties pursuant to energy supply contracts.

SDG&E's authorized GHG costs are collected from bundled customers through the generation component of rates. SDG&E does not pass any of its GHG costs onto unbundled customers. Instead, the electricity provider of the

---

[34] Exhibit SDGE-15 at 3-10.

unbundled customer collects GHG costs via the generation component of the customer's bill.

SDG&E asserts that the GHG-related cost information is confidential because it contains material, market sensitive, electric procurement-related information that is within the scope of Pub. Util. Code Section 454.5(g).[35] After review, we agree that SDG&E's GHG-related cost information is confidential and is subject to the Confidentiality Matrix set forth in D.14-10-033.

Template D-2 of the November Update contains SDG&E's Annual GHG Emissions and Associated Costs.[36] The evidence reflects that SDG&E's recorded GHG costs were calculated appropriately.

SDG&E seeks recovery of its forecast 2021 GHG costs in this application as part of the total ERRA revenue requirement. The GHG cost forecast is equal to the expected emissions, both direct and indirect, multiplied by the forecasted proxy GHG price, resulting in forecasted GHG costs for 2021 of $52.8 million for ERRA.[37]

In its Opening Brief,[38] UCAN raises several arguments regarding the methodology used by SDG&E in calculating the ERRA revenue requirement. UCAN claims that SDG&E's "modeling does not reflect actual financial costs incurred in the CAISO-market" and that "the financial forecast is inaccurate because SDG&E fails to settle bundled load customers per actual energy load data." Referencing SDG&E's argument that CAISO-market factors are not relevant to the ERRA forecast, UCAN asserts that the "ERRA forecast is

---

[35] Exhibits SDGE-15 Attachment F at 2 and SDGE-17 Attachment A at 2.

[36] Exhibits SDGE-20 and SDGE-20C.

[37] Exhibits SDGE-19 and SDGE-20.

[38] UCAN recites the language of Scoping Memo Issue No. 2 as the issue it addresses in the Opening Brief but inaccurately refers to "Scoping Issue No. 1" earlier in the Opening Brief.

essentially a simulation of hourly CAISO market prices and generation dispatch costs" and that the "forecasted hourly pattern of electricity usage by bundled customers is, thus, a primary determinant to the revenue requirement calculation."[39] UCAN claims that SDG&E is "forecasting and settling a portion of bundled customer load in the CAISO market using hourly load profiles that are based on the usage patterns of both bundled customers and customers that depart specifically to CCAs."[40] UCAN urges the Commission to confirm that SDG&E is forecasting and settling bundled customer load in the CAISO market based solely on bundled customer interval load data. Although it acknowledges that SDG&E's forecasting modeling distinguishes between bundled and CCA departing customer load usage patterns, UCAN claims that "SDG&E fails to capture how bundled load costs are being incurred in the 'real world' of the CAISO market."[41]

SDG&E rejects UCAN's arguments in its Reply Brief. First, SDG&E dismisses UCAN's position as irrelevant because the manner in which load financial settlement transactions are conducted has no bearing on the forecasts produced.[42] Second, SDG&E asserts that its model relies on day-ahead prices and does not consider real-time market transactions in the CAISO market.[43] Third, SDG&E confirms that it does settle bundled customer load in the CAISO market based exclusively on bundled customer interval meter usage data in accordance with the CAISO Business Practice Manual.[44]

---

[39] UCAN Opening Brief at 3.

[40] *Id.* at 5; Exhibit UCAN-1 at 5-7.

[41] *Id.* at 7.

[42] Exhibit SDGE-07 at 3.

[43] *Id.* at 3-4.

[44] *Id.* at 4; Exhibit SDGE-08 at 3; SDG&E Reply Brief at 2-3.

After review of the admitted evidence, we agree with SDG&E that the manner in which load financial settlement transactions are conducted does not affect the forecasts and that SDG&E is properly forecasting and settling bundled customer load in the CAISO market based solely on bundled customer interval load data.

As reflected in the November Update,[45] SDG&E seeks a 2021 ERRA forecast revenue requirement of $663.435 million. SDG&E's 2021 ERRA forecast revenue requirement of $663.435 million is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

5.3. PABA

SDCP and CEA assert that the Commission should require SDG&E to provide "its year to date PABA balance as well as its forecasted year-end PABA balance" and "monthly forecast PABA dollar balance amounts and the underlying volumetric data ….required to review actual PABA activity" in future applications and "in routine updates throughout the proceeding." Citing SDG&E's position that the 2020 PABA balance will be reflected in the November update, SDCP and CEA claim that SDG&E's "lack of transparency" could result in "huge shifts in forecasted PCIA rates between the Application and ultimate disposition of the proceeding" and impede the parties' ability to understand and forecast changes in the PABA balance. [46]

SDG&E stated in its Reply Brief that it intends to include a year-end forecast of PABA over- or under-collections in its future ERRA forecast applications. However, SDG&E objects to a requirement to provide monthly

[45] Exhibits SDGE-15 at 3-19 and SDGE-17 at 3-4.

[46] SDCP and CEA Opening Brief at 7-10.

PABA balances and underlying volumetric data because it has already provided sufficient responsive information, does not have reports for particular requested subcategories, and a more detailed review is more appropriate in an ERRA compliance proceeding. As a result, SDG&E believes that the data it has already provided are sufficient for SDCP and CEA to conclude that the proposed PCIA rates that reflect the PABA true-up are accurate and reasonable.[47]

Given the importance of an expedited process to review and adopt SDG&E's ERRA-related revenue requirement prior to the annual electric true-up, we recognize the need for certain market participants, such as CCAs, to have more detailed information on a routine basis ahead of the annual November Update testimony.

Throughout this proceeding, SDCP and CEA requested that the Commission direct SDG&E to provide certain information in confidential workpapers and routine reports, including:

- Confidential versions of the monthly ERRA/PABA/CAPBA reports;
- Additional detail supporting the monthly PABA reports, including subcategories for summarized line items such as UOG costs and Contracts (e.g. provide by resource type and identify whether Renewables Portfolio Standard (RPS) or non-RPS eligible);
- Actual volumetric quantities underlying each relevant dollar figure in PABA reports; such categories include UOG generation, power purchases and sales, CAISO market sales, and retail customer sales;
- Monthly volumes of Actual Sold, Retained, and Unsold Resource Adequacy; and

[47] SDG&E Reply Brief at 4-7.

- Monthly volumes of Actual Sold, Retained, and Unsold RPS.[48]

As part of the discovery process, SDG&E provided substantial verifiable data to SDCP and CEA reviewing representatives through data requests, including:

- Confidential versions of its monthly PABA reports to the Commission's Energy Division;
- Monthly volumes of customer usage, SDG&E-owned generation, energy and Resource Adequacy purchased;
- Monthly capacity of Resource Adequacy sold and retained; and
- Monthly volumes of RPS sold and retained. [49]

Delaying access to the ERRA/PABA/CAPBA and other reports concerning the validity of SDG&E's ERRA forecast application until the November Update, and requiring extensive discovery requests to obtain this information, create additional administrative burdens for the parties as well as Commission staff. Accordingly, SDG&E must provide the following information in confidential workpapers for future ERRA forecast proceedings and in monthly ERRA compliance reports, beginning with the filing of the ERRA forecast application and continuing each month through the submission of the November Update:

- Volume of RPS generation, sold RPS and retained RPS used to calculate the retained RPS value;
- Volume of non-RPS Generation for both UOG and non-UOG resources, segregated by technology;

[48] SDCP and CEA Opening Brief at 7-11; SDCP and CEA Reply Brief at 3-4.

[49] SDG&E Reply Brief at 4-8.

- Total Resource Adequacy capacity, segregated by sold, unsold and retained used to calculate the retained Resource Adequacy value; and
- Billed retail sales volume used to calculate the PCIA revenue, distinguished by bundled, Direct Access, and CCA customer groups.

Due to the sensitivity of much of the information contained in these reports, we only direct SDG&E to distribute these reports to an independent reviewing representative or consultant appointed by market participants who have signed appropriate nondisclosure agreements.

In addition, we recognize the importance of SDG&E's rate and bill impact information in the Commission's reasonableness review of SDG&E's revenue requirement, and we direct SDG&E to provide the following information in all future ERRA forecast proceedings in both its initial testimony and its November Update testimony:

- Forecast class average rates and average generation rates;
- Forecast rate changes by customer group relative to current rates in both absolute dollars and percentage; and
- Forecast bill impact changes by customer group relative to current bills in both absolute dollars and percentage.

In their Opening Brief, SDCP and CEA also argue that SDG&E mistakenly calculated the indifference amount.[50] In its Opening and Reply Briefs, SDG&E has acknowledged the miscalculations and has agreed to correct the proposed indifference amount in the November update.[51]

The updated prepared direct testimony of Khoang T. Ngo submitted with the November Update sets forth the bases for SDG&E's 2021 PABA forecast

---

[50] SDCP and CEA Opening Brief at 12.

[51] SDG&E Opening Brief at 15; SDG&E Reply Brief at 8-9.

revenue requirement of $332.469 million and the 2020 PABA under-collected balance of $123.812 million.[52] Pursuant to D.18-10-019, SDG&E's proposed PABA revenue requirement includes the PCIA under-collection balancing account (CAPBA) portion of $9.373 million.[53] The November Update reflects SDG&E's correction of its proposed indifference amount. SDG&E's 2021 PABA forecast revenue requirement of $332.469 million and the 2020 PABA under-collected balance of $123.812 million are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

5.4. CTC

The CTC reflects the above-market costs of resources procured prior to market restructuring after the 2000-2001 energy crisis. The Transition Cost Balancing Account (TCBA) is used to accrue all ongoing CTC revenues and recover all ongoing CTC-eligible generation-related costs.

As reflected in the November Update,[54] SDG&E requests that the Commission adopt a 2021 CTC forecast revenue requirement of $11.401 million. No Intervenor offered any evidence or presented any argument to dispute whether the Commission should approve SDG&E's 2021 CTC forecast revenue requirement. SDG&E's 2021 CTC forecast revenue requirement of $11.401 million is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

---

[52] Exhibit SDGE-17 at 12-16.

[53] D.18-10-019 OP 9; Exhibit SDGE-18 at fn. 6.

[54] Exhibit SDGE-17 at 4-5.

5.5. Local Generation

No Intervenor offered any evidence or presented any argument to dispute whether the Commission should adopt SDG&E's 2021 Local Generation forecast revenue requirement of $124.439 million as reflected in the November Update.[55] SDG&E's 2021 Local Generation forecast revenue requirement of $124.439 million (excluding SDG&E's 2018 Local Generation Balancing Account overcollection of $(91.084) million that SDG&E will propose to return in its 2022 ERRA forecast application) is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

5.6. SONGS Unit 1 Offsite Spent Fuel Storage Cost

As shown in the November Update,[56] SDG&E requests that the Commission adopt a 2021 SONGS Unit 1 Offsite Spent Fuel Storage Cost forecast revenue requirement of $1.073 million in this proceeding. No Intervenor offered any evidence or presented any argument to dispute whether the Commission should approve SDG&E's requested 2021 SONGS Unit 1 Offsite Spent Fuel Storage Cost forecast revenue requirement. SDG&E's 2021 SONGS Unit 1 Offsite Spent Fuel Storage Cost forecast revenue requirement of $1.073 million is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

5.7. TMNBC

The November Update reflects SDG&E's request of a 2021 TMNBC forecast revenue requirement for which SDG&E asserts confidentiality.[57] No

---

[55] *Id.* at 5.

[56] Exhibit SDGE-15 at 19-20.

[57] Exhibit SDGE-17C at 10.

Intervenor offered any evidence or presented any argument to dispute SDG&E's confidentiality claim or to dispute whether the Commission should approve SDG&E's 2021 TMNBC forecast revenue requirement. SDG&E's 2021 TMNBC forecast revenue requirement is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates. The TMNBC revenue requirement constitutes material, market-sensitive, electric procurement-related information for which confidential treatment is appropriate in accordance with the IOU Matrix in D.14-10-033.

5.8. GHG Revenues, Expenses, and Revenue Set-Asides and Returns

In the November Update, SDG&E provides forecasts of 2021 GHG revenues and costs, a 2020 GHG Allowance Revenue and Expense Reconciliation, and a comparison of 2019 recorded versus actual year end balances in its GHG balancing accounts.[58] The November Update for SDG&E's 2020 GHG allowance revenues and expenses uses actual data through September 2020 and estimates for October through December of 2020. As set forth below, we find that SDG&E has appropriately followed the requirements of D.12-12-033, D.14-10-033 and D.13-12-002 in forecasting its 2021 GHG allowance revenues and costs, reconciling its 2019 and 2020 GHG recorded costs, and establishing its 2019 and 2020 GHG outreach and administrative expenses.

5.8.1. GHG Allowance Revenues

Each utility forecasts and records the total allowance revenues it receives each year. To determine the amount of these revenues that are available to return to customers in that year, the utility adjusts the forecast allowance revenues to account for (1) any variance between the forecast and recorded

[58] Exhibits SDGE-15 at 27-29 and SDGE-17 at 6-9.

allowance revenues in previous years that resulted in an over- or under-collection, (2) any applicable interest, (3) any applicable franchise fees and uncollectibles, (4) funding set-asides for Commission approved clean energy/energy efficiency projects, and (5) authorized outreach and administrative expenses. In accordance with the GHG allocation methodology adopted in D.12-12-033, SDG&E's GHG allowance revenues returned will be allocated to ratepayers, including direct access and CCA customers.

From Template D-1 of the November Update, SDG&E's recorded GHG allowance revenues (excluding FF&U) for 2019 and 2020 are $104.157 million and $106.782 million, respectively. The recorded 2019 data include actual recorded data for the 2019 year, while the recorded data for 2020 includes actuals from January to September 2020 plus forecasts for October to December 2020. SDG&E appropriately calculated the allowance revenues recorded for 2019 and 2020.

SDG&E's 2021 forecast GHG allowance revenues are $115.836 million. After adjustments for (1) reconciliation of 2020 forecast with 2020 year-end actuals recorded in the GHGRBA, (2) GHG administration, customer education, and outreach plan costs described in Section 5.8.4 below, (3) SOMAH and DAC-SASH program funding described in Section 5.8.2 below, (4) SOMAH true-up funding requests for October through December 2019, January through June 2020, and July through December 2020, and (5) interest and FF&U, SDG&E forecasts 2021 GHG allowance revenues eligible for return to customers of $96.031 million.[59] These revenues are forecast to be returned to EITE, small business, and residential customers in 2021 in the amounts shown in Template D-1 of SDG&E's November Update and as described in Sections 5.8.3 and 5.8.5 below.

---

[59] Exhibit SDGE-18 at 7-9.

SDG&E provided sufficient information for evaluating forecast GHG allowance revenues. The methodologies used for forecasting GHG revenues and expenses and calculating the revenue returns are consistent with D.14-10-033 (as corrected by D.14-10-055 and D.15-01-024) and the guidance provided in R.11-03-012. Further, the assumptions used by SDG&E when making its calculations are appropriate for purposes of calculating revenues distribution.

No Intervenor offered any evidence or presented any argument to dispute whether the Commission should approve SDG&E's requested 2021 forecast GHG allowance revenues as reflected in the November Update. SDG&E's 2021 forecast GHG allowance revenues of $115.836 million and adjusted GHG allowance revenues eligible for return to customers of $96.031 million are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

5.8.2 Clean Energy/Energy Efficiency Programs

The Air Resources Board (ARB) allocates cap-and-trade allowances to SDG&E. SDG&E is required to place all of these allowances for sale in ARB's 2021 quarterly auctions. As provided in Pub. Util. Code § 748.5(c), the Commission may allocate up to 15 percent of the utilities' resulting revenues for clean energy and energy efficiency projects. Commission-authorized programs in this category include the SOMAH program, the Disadvantaged Communities Single Family Solar Homes (DAC-SASH) program, the Disadvantaged Communities Green Tariff (DAC-GT) program, and the Community Solar Green Tariff (CSGT) program. SDG&E's November Update reflects that $17.774 million is forecast to be available for those projects in 2021.[60]

---

[60] *Id.* at 9; November Update to Application Template D-1.

5.8.2.1 SOMAH Program

D.17-12-022 requires IOUs to reserve 10 percent of the proceeds from the sale of GHG allowances for use in the SOMAH program.[61] D.20-04-012 continues the authorization of funds to the SOMAH program through June 30, 2026 and requires IOUs to provide July 1 through December 31, 2020 SOMAH funding as a true-up value in the applicable ERRA forecast proceeding. As reflected in the November Update, SDG&E proposes a 2021 total forecast SOMAH funding set-aside of $16.744 million, comprised of a 2021 forecast of $11.584 million, a prior year true-up for October through December 2019 of $0.100 million, a January through June 2020 true-up of (0.761 million), and a July through December 2020 true-up as required by D.20-04-012 of $5.820 million.[62]

In its Opening Brief, Sunrun supports the SOMAH funding set-aside proposed by SDG&E in its August 14, 2020 supplemental testimony. In addition, Sunrun requests that the Commission order SDG&E to release SOMAH funding on a quarterly basis to the program administrator as needed to prevent waitlists and to ensure that transfers are carried out properly and timely. Sunrun also proposes that the Commission order SDG&E to provide quarterly reports showing GHG auction proceeds received, set-asides for the SOMAH program, transfers of funds to the program administrator, and details of administrative costs.[63]

In its Reply Brief, SDG&E notes that it provides SOMAH funds to SCE, not the program administrator, and that SDG&E funds its SOMAH balancing account at the beginning of each year and therefore a Commission order

---

[61] D.17-12-022 OP 4.

[62] Exhibits SDGE-17 at 10-11 and SDGE-18 at 7-8; November Update to Application Template D-1.

[63] Sunrun Opening Brief at 3-4.

regarding the transfer of SOMAH funds is unnecessary. SDG&E also notes that Sunrun has not issued any data requests in this proceeding and disputes whether SDG&E has stymied any efforts by Sunrun to obtain SOMAH-related information. SDG&E also argues that the program-wide SOMAH issues raised by Sunrun are more appropriately addressed in the Net Energy Metering Rulemaking proceeding R.20-08-020. We decline Sunrun's request to address the issues described above in this decision because we agree with SDG&E that those issues are more appropriately addressed in the Net Energy Metering proceeding R.20-08-020.

SDG&E's proposed 2021 SOMAH program funding set-aside of $16.744 million is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

5.8.2.2 DAC-SASH, DAC-GT, and CSGT Programs

D.18-06-027 adopted the DAC-SASH, DAC-GT, and CSGT programs to promote the installation of renewable generation among residential customers in disadvantaged communities. SDG&E funds these programs first through available GHG allowance revenues proceeds and, if such funds are exhausted, through PPP funds. As reflected in the November Update, SDG&E proposes a 2021 forecast DAC-SASH program funding set-aside of $1.030 million. SDG&E states that the previously requested and available funding for the DAC-GT and CSGT programs is expected to cover all 2021 expenses, and therefore SDG&E does not request additional funding set-asides for those two programs.[64]

SDG&E's proposed 2021 DAC-SASH funding set-aside of $1.030 million is reasonable, based upon appropriate methodologies and calculations, compliant

[64] Exhibits SDGE-15 at 28-29 and SDGE-18 at 7-8.

with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

5.8.3. Small Business and EITE Retail Customers

Pub. Util. Code Section 748.5(a) requires electric utilities to credit GHG allowance revenues to small business and EITE retail customers. In the November Update, SDG&E proposes a 2021 forecast small business volumetric return of $(1.657) million and an EITE customer return of $(0.839) million.[65] No Intervenor offered any evidence or presented any argument to dispute whether the Commission should approve the forecast returns to small business and EITE retail customers as reflected in the November Update. SDG&E's 2021 forecast returns to small business of $(1.657) million and to EITE retail customers of $(0.839) million are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

5.8.4. GHG Administration, Customer Education and Outreach Plan Costs

In the November Update, SDG&E forecasts $45,133 in administrative costs for education and outreach related to communications with customers regarding the California Climate Credit distribution described in Section 5.8.5 below.[66] No Intervenor offered any evidence or presented any argument to dispute those costs. SDG&E's 2021 forecast GHG administration, customer education and outreach plan costs of $45,133 are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

---

[65] Exhibit SDGE-18 at 10-12; November Update to Application Template D-1.

[66] Exhibit SDGE-13 at 3-4; November Update to Application Template D-3.

5.8.5. California Climate Credit

Pursuant to Pub. Util. Code Section 748.5(a) and D.13-12-003, all residential households receive a California Climate Credit distributed as a separate on-bill line item credit twice a year. To calculate the amount of each Climate Credit payment, SDG&E divides the total remaining GHG allowance revenues among all eligible residential households based on service accounts, including master meter subaccounts. As a result, direct access and CCA customers receive their fair portion of GHG allowance revenues as mandated by D.13-12-003.

In the November Update, SDG&E proposes a 2021 forecast GHG allowance revenue return to residential customers via the California Climate Credit of $(93.536) million and a semi-annual credit of $34.60 per household.[67] No Intervenor offered any evidence or presented any argument to dispute whether the Commission should approve SDG&E's requested 2021 forecast California Climate Credit. SDG&E's 2021 forecast revenue return to residential customers via the California Climate Credit of $(93.536) million and a semi-annual California Climate Credit of $34.60 per household are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

5.9. PCIA

The Commission shall ensure that bundled retail customers of an electrical corporation do not experience any cost increases as a result of retail customers electing to receive service from other providers. The Commission shall also

[67] Exhibit SDGE-18 at 12; November Update to Application Template D-1.

ensure that departing load does not experience any cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load.[68]

Departing load customers are responsible for their share of above-market costs incurred by the utility on their behalf when electric generation costs exceed the current market price. To maintain bundled customer indifference to the departure of SDG&E customers, SDG&E determines the cost responsibility of the departing load customers by calculating an indifference amount using the formula:

Indifference Amount = CTC + PCIA

The above-market costs for both the CTC and PCIA are determined using a MPB, a calculated proxy for the market value of electricity.[69] Customer cost responsibility for the indifference amount is differentiated by their departure date, known as "vintage."[70]

SDG&E proposes to update the currently effective vintage PCIA rates and to include new vintage 2021 PCIA rates to account for customers' departing load in the second half of 2021. SDG&E's portfolio of resources that are used to calculate the vintage 2021 indifference amounts and the resulting 2021 PCIA rates include applicable costs from SDG&E's (1) forecast 2021 PABA and CTC revenue requirements, (2) 2020 PABA year-end balance, and (3) authorized 2021 Non-Fuel Generation Balancing Account revenue requirement.[71]

In D.18-10-009, the Commission adopted a cap that limits the year-over-year change in PCIA rates. Beginning in forecast year 2020, "the cap

---

[68] Pub. Util. Code Section 365.2.

[69] Exhibit SDGE-18 at 15-16.

[70] D.08-09-012 OP 10.

[71] Exhibit SDGE-18 at 16.

level of the PCIA rate is set at 0.5 cents/kWh more than the prior year's PCIA, differentiated by vintage."[72] As a result, if the system average PCIA rate by customer vintage is forecast to increase by more than 0.5 cents/kWh, then all PCIA rates for that customer vintage would be capped.

In their Opening Brief, SDCP and CEA contend that SDG&E proposes a method for capping vintage PCIA rates that would result in increases greater than the year-over-year limit of 0.5 cents/kWh established in D.18-10-019. SDCP and CEA note that SDG&E has filed an expedited trigger application in A.20-07-009 because the balance in CAPBA, the balancing account that tracks the accrued obligations of departing load customers, has reached seven percent and is forecast to reach 10 percent. SDCP and CEA argue that SDG&E seeks to adjust its PCIA rates to recover the full CAPBA balance rather than an amount that would lower the balance below seven percent and that the 0.5 cents/kWh year-over-year cap would apply to the rates to be ordered in A.20-07-009 rather than the PCIA rates approved in D.20-01-005 as part of A.19-04-010, the 2020 ERRA forecast proceeding. SDCP and CEA argue that SDG&E's proposed cap calculation would undercut the Commission's policy preference for price stability and the avoidance of rate shock for unbundled customers and could result in capped rates that would be three times what they otherwise would be.[73]

In its Reply Brief, SDG&E asserts that the PCIA rates set in A.20-07-009 would be the rates to which the cap applies if a decision in that proceeding was implemented in 2020 but that the PCIA rates set in the 2020 ERRA proceeding would otherwise be the rates to which the cap applies. SDG&E also claims that the concern of SDCP and CEA is premature because the Commission is not

---

[72] D.18-10-019 OP 9a.

[73] SDCP and CEA Opening Brief at 12-15.

expected to approve new PCIA rates until the end of 2020 and SDG&E could not implement new rates until 2021.[74]

January 1, 2021 is the effective date of the PCIA rate adjustments in the decision in the PCIA trigger proceeding, A.20-07-009, considered by the Commission on the same date as this decision, and therefore the PCIA rate adjustments implemented in that proceeding are not the "prior year's PCIA" referenced in D.18-10-019 to which the cap applies. Given that the effective date of the rate adjustments in the decision in A.20-07-009 will not be in 2020, SDG&E, SDCP, and CEA agree that the 0.5 cents/kWh cap applies to the prior year's PCIA rates set in D.20-01-005, the 2020 ERRA forecast proceeding decision. We concur. As a result, we approve a cap of the 2021 PCIA rates set at 0.5 cents/kWh more than the PCIA rates established in D.20-01-005.

The November Update contains SDG&E's proposed 2021 PCIA rates reflecting a cap of 0.5 cents/kWh above the 2020 PCIA rates approved in D.20-01-005.[75] SDG&E's proposed 2021 PCIA rates are attached to this decision as Appendix C. SDG&E's PCIA rate cap analysis reflects that multiple PCIA customer vintages have increases that exceed the 0.5 cents/kWh cap. SDG&E estimates that (1) the revenue shortfall resulting from the rate caps and tracked within CAPBA will be $9.373 million in 2021, (2) the forecast portion of PABA revenues that departing load customers will be responsible for in 2021 is $134.305 million, (3) the 2021 CAPBA seven percent trigger point is $9.401 million, and (4) the 2021 CAPBA 10 percent trigger threshold is $13.430 million.[76]

---

[74] SDG&E Reply Brief at 15-16.

[75] Exhibit SDGE-18 Attachment A.

[76] *Id.* at 18-19.

SDG&E's proposed 2021 PCIA rates reflected in Appendix C to this decision are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved. The PCIA rates approved by this decision are subject to adjustment pursuant to the decision in the PCIA trigger proceeding A.20-07-009 considered by the Commission on the same date as this decision.

The CCA November Commenters request that the Commission not apply the CAPBA adder to be adopted in A.20-07-009 to 2020 vintage customers and equitably apportion the adder among the 2009 through 2019 vintages because the 2020 vintage customers did not cause the under-collection and would otherwise be unfairly charged the CAPBA rate adder.[77] However, the resolution of that issue is more appropriately addressed in the decision in the PCIA trigger proceeding A.20-07-009, and therefore we decline to address it in this decision.

The CCA November Commenters also request that the Commission adopt SDG&E's proposal for a one-time transfer of the CAPBA over-collection due to bundled customers into PABA.[78] However, we determine that the resolution of that issue is more appropriately addressed in the PCIA rulemaking proceeding R.17-06-026, and therefore we decline to address it in this decision.

5.10. Rate Components for Green Tariff Shared Renewables Program

The Green Tariff Shared Renewables (GTSR) program seeks to expand access to all eligible renewable energy resources to all bundled ratepayers who are currently unable to access the benefits of onsite generation. The program creates a mechanism for institutional and commercial customers and groups of individuals to meet their energy needs with electrical generation from eligible

[77] CCA November Comments at 15-17.

[78] *Id.* at 17-18.

renewable energy resources. The GTSR program is intended to facilitate a large, sustainable market for offsite electrical generation from eligible renewable energy resource facilities while fairly compensating utilities for the services they provide without affecting nonparticipating ratepayers.[79]

The GTSR program allows bundled customers to opt for a Green Tariff (GT) rate or an Enhanced Community Renewables (ECR) rate. Under the GT option, a bundled customer can purchase energy with a higher percentage of renewable power than offered under other scheduled service. Under the ECR option, a bundled customer can purchase energy from community-based projects directly from the project developers.[80]

Pursuant to D.15-01-051, the components of GTSR rates should be updated annually.[81]

SDG&E's November Update sets forth the proposed 2021 rate components for the GTSR program's GT and ECR options.[82] SDG&E's proposed 2021 rate components for the GTSR program are set forth in Appendix D to this decision.

SDCP and CEA allege in their Opening Brief that SDG&E provided incomplete data responses regarding the commodity rate component known as the Renewable Power Rate for the GT portion of the GTSR Program and that there was a lack of clarity regarding how the 2021 forecast GT customer usage was determined.[83] In its Reply Brief, SDG&E claimed that it had provided copies of all power purchase agreements whose resources will be used to supply power to SDG&E's GTSR customers in 2021. SDG&E also asserts that it has provided

---

[79] Pub. Util. Code Section 2831(b), (f), and (g).

[80] Exhibit SDGE-18 at 20.

[81] D.15-01-051 COL 53.

[82] Exhibit SDGE-18 at 20-26 and Attachments B and C.

[83] SDCP and CEA Opening Brief at 17-18.

requested workpapers to allow SDCP and CEA to confirm whether the proposed Renewable Power Rate was calculated in accordance with the Commission's requirements and will provide the workpaper showing forecast GTSR usage after the November Update. SDG&E also agreed to update its weighted average cost of its GTSR interim pool and will include a reduction in power purchase expenses in PABA as a result of forecast GTSR interim pool usage to be transferred to the GTSR balancing account in the November Update.[84] In their Reply Brief, SDCP and CEA acknowledge that SDG&E has agreed to update the GT interim pool price in the November update to reflect the power purchase agreement cost escalators.[85] SDG&E has provided the information it agreed to provide in its Reply Brief, and that information has allowed the parties to properly evaluate SDG&E's rate components for the GTSR program.

In the Application, SDG&E sought recovery of the under-collected 2018 ending balance of $0.125 million in the GTSR Balancing Account. However, SDG&E stated in the November Update that it would seek recovery of that amount in its 2022 ERRA forecast application and not in this proceeding because there has not been a final decision in the 2018 ERRA compliance proceeding A.19-05-007.[86]

SDG&E's proposed 2021 GTSR rate components reflected in Appendix D to this decision and its request not to seek the recovery of the under-collected 2018 ending balance of $0.125 million in the GTSR Balancing Account in this proceeding and to seek the recovery of that balance in its 2022 ERRA forecast application are reasonable, based upon appropriate methodologies and

---

[84] SDG&E Reply Brief at 17-19.

[85] SDCP and CEA Reply Brief at 8-9.

[86] Exhibit SDGE-18 at fn. 74.

calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

5.11. Return of Over-Collected 2018 Local Generation Balancing Account

In the November Update, SDG&E states that it is removing its request to return the over-collected 2018 Local Generation Balancing Account recorded activity of $(91.084) million as part of this proceeding because the over-collection is subject to approval in the 2018 ERRA Compliance proceeding A.19-05-007 for which a decision has not yet been issued, and SDG&E will seek the return of the over-collection in its 2022 ERRA forecast application.[87] SDG&E's request not to return the over-collected 2018 Local Generation Balancing Account recorded activity of $(91.084) million as part of this proceeding and its request to return those funds as part of its 2022 ERRA forecast application are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

5.12. Commodity Rates Calculation

The CCA November Commenters request that the Commission direct SDG&E to revise its calculation of 2021 commodity rates, arguing that SDG&E is using an outdated sales forecast that "violates basic ratemaking principles."[88] In addition, the CCA November Commenters seek to apply their proposed rate revision to the entire 2021 forecast revenue requirement of $1,161.437 million.[89] However, SDG&E's calculation of commodity rates is not within the scope of this proceeding. Rather, that calculation relates to rate design that is within the scope

[87] *Id.* at fn. 9.

[88] CCA November Comments at 2.

[89] *Id.* at 5.

of SDG&E's current GRC proceeding, A.19-03-002. As a result, we decline the CCA November Commenters' request to revise SDG&E's calculation of commodity rates.[90]

5.13. Safety Considerations

The health and safety impacts of GHGs are among the many reasons that the Legislature enacted AB 32. Specifically, the Legislature found and declared that global warming caused by GHGs "poses a serious threat to the economic well-being, public health, natural resources, and the environment of California. The potential adverse impacts of global warming include the exacerbation of air quality problems, a reduction in the quality and supply of water to the state from the Sierra snowpack, a rise in sea levels resulting in the displacement of thousands of coastal businesses and residences, damage to marine ecosystems and the natural environment, and an increase in the incidences of infectious diseases, asthma, and other human health-related problems."[91]

By implementing a key part of the GHG reduction program envisioned by AB 32 and Public Utilities Code Section 748.5, this decision facilitates the reduction of GHGs and will improve the health and safety of California residents.

6. Change in Determination of Need for Hearings

By Resolution ALJ 176-3460 adopted on May 7, 2020, the Commission preliminarily determined that hearings were necessary, and the Scoping Memo affirmed the necessity for hearings. However, the parties in this proceeding submitted reports and confirmed at the September 4, 2020 status conference that evidentiary hearings were not needed, and therefore evidentiary hearings were

---

[90] We decline to rule on SDG&E's December 8, 2020 Request for Official Notice because it is moot in light of our disposition of this issue.

[91] AB 32 Section 38501(a).

not held. As a result, we change our preliminary and Scoping Memo determination and determine that no hearings are necessary.

7. Implementation of Rate Changes

Within 30 days of the effective date of this decision, SDG&E shall submit the necessary ALs with the Energy Division under Tier 1 to implement the rate changes authorized by this decision.

8. Comments on Proposed Decision

The proposed decision was issued on December 2, 2020. Pursuant to Rule 14.6(b), all parties agreed to reduce the 30-day public review and comment period required by Pub. Util. Code Section 311. SDG&E, Cal Advocates, SDCP, CEA, and CalCCA filed opening comments on December 8, 2020. SDG&E, SDCP, CEA, CalCCA, and UCAN filed reply comments on December 11, 2020. Appropriate revisions to the proposed decision were made after review of all comments.

9. Assignment of Proceeding

Martha Guzman Aceves is the assigned Commissioner and Peter Wercinski is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. SDG&E's total 2021 forecast revenue requirement (excluding the TMNBC revenue requirement) is $1,161.437 million.

2. SDG&E's 2021 forecast ERRA revenue requirement is $663.435 million.

3. SDG&E's 2021 forecast PABA revenue requirement is $332.469 million and the 2020 PABA under-collected balance is $123.812 million.

4. SDG&E's 2021 forecast CTC revenue requirement is $11.401 million.

5. SDG&E's 2021 forecast Local Generation revenue requirement (excluding the 2018 Local Generation Balancing Account over-collection of $(91.084) million) is $124.439 million.

6. SDG&E's 2021 forecast SONGS Unit 1 Offsite Spent Fuel Storage Cost revenue requirement is $1.073 million.

7. SDG&E's 2021 forecast TMNBC revenue requirement is identified in Exhibit SDGE-17C.

8. SDG&E's 2021 forecast TMNBC revenue requirement constitutes material, market-sensitive, electric procurement-related information.

9. SDG&E's 2021 forecast GHG allowance revenues are $115.836 million and its adjusted 2021 forecast GHG allowance revenues eligible to return to customers are $96.031 million.

10. SDG&E's 2021 forecast GHG clean energy/energy efficiency program set-asides are $17.774 million, including $16.744 million for the SOMAH program and $1.030 million for the DAC-SASH program.

11. SDG&E's 2021 forecast GHG revenue returns are $(1.657) million to small business and $(0.839) million to EITE retail customers.

12. SDG&E's 2021 forecast GHG administration, customer education, and outreach plan costs are $45,133.

13. SDG&E's 2021 forecast revenue returns to residential customers via the California Climate Credit are $(93.536) million, and the associated semi-annual California Climate Credit is $34.60 per household.

14. SDG&E's 2021 proposed PCIA rates are set forth in Appendix C to this decision.

15. The decision in A.20-07-009 considered by the Commission on December 17, 2020 will, if approved by the Commission, adjust SDG&E's PCIA rates effective January 1, 2021.

16. SDG&E's 2021 proposed rate components for the GTSR program are set forth in Appendix D to this decision.

17. Certain market participants, including CCAs, require timely access to SDG&E's ERRA/PABA/CAPBA reporting as well as precise volumes of Resource Adequacy, RPS and other metrics in order to adequately address the issues raised in the ERRA forecast proceeding.

18. SDG&E already provides certain data regarding its ERRA/ PABA/CAPBA balances and other metrics associated with its ERRA forecast to the Commission on a monthly basis.

19. Delaying access to the ERRA/PABA/CAPBA and other reports concerning the validity of SDG&E's ERRA forecast application until the November Update, and requiring extensive discovery requests to obtain this information, create additional administrative burdens for the parties as well as Commission staff.

20. The Commission has not issued a final decision in the 2018 ERRA compliance proceeding A.19-05-007.

21. This decision facilitates the reduction of GHGs and will improve the health and safety of California residents.

Conclusions of Law

1. SDG&E's total 2021 forecast revenue requirement (excluding the TMNBC revenue requirement) of $l,161.437 million is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

2. SDG&E's 2021 forecast ERRA revenue requirement of $663.435 million is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

3. SDG&E's 2021 forecast PABA revenue requirement of $332.469 million and the 2020 PABA under-collected balance of $123.812 million are reasonable, based upon appropriate methodologies and calculations, compliant with all

applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

4. SDG&E's 2021 forecast CTC revenue requirement of $11.401 million is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

5. SDG&E's 2021 forecast Local Generation revenue requirement (excluding the 2018 Local Generation Balancing Account overcollection of $(91.084) million) of $124.439 million is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

6. SDG&E's 2021 forecast SONGS Unit 1 Offsite Spent Fuel Storage Cost revenue requirement of $l.073 million is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

7. SDG&E's 2021 forecast TMNBC revenue requirement is reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be adopted in 2021 rates.

8. The Commission should afford confidential treatment to SDG&E's 2021 forecast TMNBC revenue requirement in accordance with the IOU Matrix in D.14-10-033.

9. SDG&E's 2021 forecast GHG allowance revenues of $l15.836 million and its adjusted 2021 forecast GHG allowance revenues eligible to return to customers of $96.031 million are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

10.SDG&E's 2021 GHG forecast clean energy/energy efficiency program set-asides of $17.774 million, including $16.744 million for the SOMAH program and $1.030 million for the DAC-SASH program, are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

11.SDG&E's 2021 forecast GHG revenue returns of $(1.657) million to small business and $(0.839) million to EITE retail customers are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

12.SDG&E's 2021 forecast GHG administration, customer education, and outreach plan costs of $45,133 are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

13.SDG&E's 2021 forecast GHG revenue returns to residential customers via the California Climate Credit of $(93.536) million and a semi-annual California Climate Credit of $34.60 per household are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

14.SDG&E's proposed 2021 PCIA rates set forth in Appendix C to this decision are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

15.SDG&E's 2021 PCIA rates approved by this decision will be adjusted effective January 1, 2021 pursuant to the decision considered by the Commission in A.20-07-009.

16.SDG&E's proposed 2021 rate components for the GTSR program set forth in Appendix D to this decision are reasonable, based upon appropriate methodologies and calculations, compliant with all applicable laws, regulations, rules, orders and Commission decisions, and should be approved.

17. The Commission should approve SDG&E's request not to seek the recovery of the under-collected 2018 ending balance of $0.125 million in the GTSR Balancing Account in this proceeding and to seek the recovery of that balance as part of its 2022 ERRA forecast application.

18. The Commission should approve SDG&E's request not to seek the return of the over-collected 2018 Local Generation Balancing Account recorded activity of $(91.084) million in this proceeding and to seek the return of those funds as part of its 2022 ERRA forecast application.

19. Granting independent consultants access to confidential, market-sensitive information under an appropriate non-disclosure agreement is a reasonable means of allowing market participants to review confidential versions of ERRA/PABA/CAPBA reports.

20. ALs to implement changed tariff sheets in accordance with this decision should be filed as Tier 1 ALs.

21. The Commission should change its preliminary and Scoping Memo determination to determine that no hearings are necessary.

O R D E R

IT IS ORDERED that:

1. San Diego Gas & Electric Company's 2021 forecast (a) total revenue requirement (excluding the Tree Mortality Non-Bypassable Charge revenue requirement) of $1,161.437 million, (b) Energy Resource Recovery Account revenue requirement of $663.435 million, (c) Portfolio Allocation Balancing Account revenue requirement of $332.469 million, (d) Competition Transition Charge revenue requirement of $11.401 million, (e) Local Generation revenue requirement (excluding the 2018 Local Generation Balancing Account

overcollection of $(91.084) million) of $124.439 million, (f) San Onofre Nuclear Generating Station Unit 1 Offsite Spent Fuel Storage Cost revenue requirement of $1.073 million, and (g) Tree Mortality Non-Bypassable Charge revenue requirement identified in Exhibit SDGE-17C, are adopted.

2. San Diego Gas & Electric Company's 2021 (a) forecast greenhouse gas (GHG) allowance revenues of $115.836 million and its adjusted forecast GHG allowance revenues eligible to return to customers of $96.031 million, (b) forecast GHG clean energy/energy efficiency program set-asides of $17.774 million, including $16.744 million for the Solar on Multifamily Affordable Housing program and $1.030 million for the Disadvantaged Communities Single Family Solar Homes program, (c) forecast GHG revenue returns of $(1.657) million to small business and $(0.839) million to emissions-intensive trade-exposed retail customers, (d) forecast GHG administration, customer education, and outreach plan costs of $45,133, (e) forecast revenue returns to residential customers via the California Climate Credit of $(93.536) million and the associated semi-annual California Climate Credit of $34.60 per household, (f) proposed Power Charge Indifference Adjustment rates set forth in Appendix C to this decision, and (g) proposed rate components for the Green Tariff Shared Renewables program set forth in Appendix D to this decision, are approved.

3. San Diego Gas & Electric Company's 2021 forecast Tree Mortality Non-Bypassable Charge revenue requirement shall be confidential and afforded confidential treatment in accordance with the Investor Owned Utility Matrix in D.14-10-033.

4. San Diego Gas & Electric Company's request not to seek the recovery of the under-collected 2018 ending balance of $0.125 million in the Green Tariff Shared Renewables Balancing Account in this proceeding and to seek the

recovery of that balance as part of its 2022 Energy Resource Recovery Account forecast application is approved.

5. San Diego Gas & Electric Company's request not to seek the return of the over-collected 2018 Local Generation Balancing Account recorded activity of $(91.084) million in this proceeding and to seek the return of those funds as part of its 2022 Energy Resource Recovery Account forecast application is approved.

6. San Diego Gas & Electric Company must provide in confidential workpapers for future Energy Resource Recovery Account (ERRA) forecast proceedings and in monthly ERRA compliance reports, beginning with the filing of the ERRA forecast application and continuing each month through the submission of the November Update:

- Volume of Renewables Portfolio Standard (RPS) generation, sold RPS and retained RPS used to calculate the retained RPS value;
- Volume of non-RPS Generation for both Utility Owned Generation (UOG) and non-UOG resources, segregated by technology;
- Total Resource Adequacy capacity, segregated by sold, unsold and retained used to calculate the retained Resource Adequacy value; and
- Billed retail sales volume used to calculate the Power Charge Indifference Adjustment revenue, distinguished by bundled, Direct Access, and Community Choice Aggregator customer groups.

7. San Diego Gas & Electric Company must provide the following information in all future Energy Resource Recovery Account forecast proceedings in both its initial testimony and its November Update testimony:

- Forecast class average rates and average generation rates;
- Forecast rate changes by customer group relative to current rates in both absolute dollars and percentage; and
- Forecast bill impact changes by customer group relative to current bills in both absolute dollars and percentage.

8. Within 30 days of the effective date of this decision, San Diego Gas & Electric Company shall submit the necessary Advice Letters (ALs) with the Energy Division under Tier 1 to implement the authority and rate changes authorized by this decision. The ALs shall include changed tariff sheets and all appropriate supporting documentation for the amounts adopted and approved in Ordering Paragraphs 1 and 2.

9. The determination made in the Scoping Memo and Ruling of Assigned Commissioner dated July 6, 2020 that hearings were necessary is changed to no hearings necessary.

10. This decision is effective immediately.

11. Application 20-04-014 is closed.

This order is effective today.

Dated ________________at San Francisco, California.

APPENDIX A

APPENDIX A

Acronym List

Acronym	Term
AB	Assembly Bill
AL	Advice Letter
ARB	Air Resources Board
BioMASSMA	Bio-MASS Memorandum Account
BioRAMMA	Bio-fuel Renewable Auction Mechanism Memorandum Account
CAISO	California Independent System Operator
CCA	Community Choice Aggregator
CSGT	Community Solar Green Tariff
CTC	Competition Transition Charge
DAC-GT	Disadvantaged Communities – Green Tariff
DAC-SASH	Disadvantaged Communities – Single-Family Solar Homes
ECR	Enhanced Community Renewables
EITE	Energy-Intensive Trade-Exposed
ERRA	Energy Resource Recovery Account
FF&U	Franchise Fees & Uncollectibles
GHG	Greenhouse Gas
GHGACMA	Greenhouse Gas Administrative Costs Memorandum Account
GHGCOEMA	Greenhouse Gas Customer Outreach and Education Memorandum Account
GHGRBA	Greenhouse Gas Revenue Balancing Account
GRC	General Rate Case
GTSR	Green Tariff Shared Renewables
GTSRBA	Green Tariff Shared Renewables Balancing Account
MPB	Market Price Benchmark
NGBA	Non-Fuel Generation Balancing Account
OP	Ordering Paragraph
PABA	Portfolio Allocation Balancing Account
PCIA	Power Charge Indifference Adjustment
PG&E	Pacific Gas and Electric
PHC	Prehearing Conference
PPP	Public Purpose Program
RA	Resource Adequacy

RPS	Renewables Portfolio Standard
SCE	Southern California Edison
SDG&E	San Diego Gas & Electric Company
SOMAH	Solar on Multifamily Affordable Housing
SOMAHBA	Solar on Multifamily Affordable Housing Balancing Account
SONGS	San Onofre Nuclear Generating Station
TMNBC	Tree Mortality Non-Bypassable Charge
UOG	Utility Owned Generation

(END OF APPENDIX A)

APPENDIX B

APPENDIX B

Exhibit List

Exhibit	Description
SDGE-1	Direct Testimony of April Bernhardt
SDGE-2	Direct Testimony of Monica V. Chihwaro
SDGE-2C	Direct Testimony of Monica V. Chihwaro-Confidential
SDGE-3	Direct Testimony of Stefan Covic
SDGE-3C	Direct Testimony of Stefan Covic-Confidential
SDGE-4	Direct Testimony of Ana Garza-Beutz
SDGE-4C	Direct Testimony of Ana Garza-Beutz-Confidential
SDGE-5	Direct Testimony of Khoang T. Ngo
SDGE-5C	Direct Testimony of Khoang T. Ngo-Confidential
SDGE-6	Amended Direct Testimony of Stacy Fuhrer
SDGE-7	Rebuttal Testimony of Stefan Covic
SDGE-8	Rebuttal Testimony of Kenneth E. Schiermeyer
SDGE-9	Supplemental Testimony of Stefan Covic
SDGE-10	Supplemental Testimony of Stacy Fuhrer
SDGE-11	Supplemental Testimony of Khoang T. Ngo
SDGE-12	Notice of Supplemental Testimony of Roger A. Cerda with Updated Attachment G (Template D-1 Only)
SDGE-13	Updated Prepared Direct Testimony of April Bernhardt on Behalf of San Diego Gas & Electric Company
SDGE-14	Updated Prepared Direct Testimony of Sheri Miller on Behalf of San Diego Gas & Electric Company (Public Version)

SDGE-14C	Updated Prepared Direct Testimony of Sheri Miller on Behalf of San Diego Gas & Electric Company (Confidential Version)
SDGE-15	Updated Prepared Direct Testimony of Stefan Covic on Behalf of San Diego Gas & Electric Company (Public Version)
SDGE-15C	Updated Prepared Direct Testimony of Stefan Covic on Behalf of San Diego Gas & Electric Company (Confidential Version)
SDGE-16	Updated Prepared Direct Testimony of Scott D. Lewis on Behalf of San Diego Gas & Electric Company (Public Version)
SDGE-16C	Updated Prepared Direct Testimony of Scott D. Lewis on Behalf of San Diego Gas & Electric Company (Confidential Version)
SDGE-17	Updated Prepared Direct Testimony of Khoang T. Ngo on Behalf of San Diego Gas & Electric Company (Public Version)
SDGE-17C	Updated Prepared Direct Testimony of Khoang T. Ngo on Behalf of San Diego Gas & Electric Company (Confidential Version)
SDGE-18	Updated Prepared Direct Testimony of Stacy Fuhrer on Behalf of San Diego Gas & Electric Company
SDGE-19	*Corrected* version of page SC-26 and Attachment E to Updated Prepared Direct Testimony of Stefan Covic on Behalf of SDG&E (Public Version)
SDGE-19C	*Corrected* version of page SC-26 and Attachment E to Updated Prepared Direct Testimony of Stefan Covic on Behalf of SDG&E (Confidential Version)
SDGE-20	*Corrected* version of Template D-2 and Template D-5 to Attachment G to the November Update (Public Version)
SDGE-20C	*Corrected* version of Template D-2 and Template D-5 to Attachment G to the November Update (Confidential Version)
SDCP-1	SDG&E Response to SDCP Data Request 2.05
SDCP-2	SDG&E Response to SDCP Data Request 2.06

SDCP-3	SDG&E Response to SDCP Data Request 2.07
SDCP-4	SDG&E Response to SDCP Data Request 2.08
SDCP-5	SDG&E Response to SDCP Data Request 2.09
SDCP-6	SDG&E Response to SDCP Data Request 2.10
SDCP-7	SDG&E Response to SDCP Data Request 3.26
SDCP-8	SDG&E Response to SDCP Data Request 4.09
SDCP-9	SDG&E Response to SDCP Data Request 4.10
SDCP-10	SDG&E Supplemental Response to SDCP Data Request 4.15
SDCP-11	SDG&E Supplemental Response to SDCP Data Request 4.17
SDCP-12	SDG&E Response to SDCP Data Request 5.03
SDCP-13	SDG&E Response to SDCP Data Request 6.01
SDCP-14	SDG&E Response to SDCP Data Request 6.02
SDCP-15	SDG&E Response to SDCP Data Request 6.04
SDCP-16	PCIA Model_2020 CAPBA Trigger 3 Mo._Gen Rev Alloc_Fuhrer.xlsx (Submitted with SDG&E Response to SDCP Data Request 3.26)-Confidential
SDCP-17	PCIA Model_2020 CAPBA Trigger 3 Mo._Equal Cents Alloc_Fuhrer.xlsx (Submitted with SDG&E Response to SDCP Data Request 3.26)-Confidential
SDCP-18	SDG&E Response – PCIA Model_2021 ERRA Forecast SDCP DR 4 Question 9.xlsx (Submitted with SDG&E Response to SDCP Data Request 4.09)-Confidential
SDCP-19	SDG&E Response – PCIA Model_2021 ERRA Forecast SDCP DR 4 Question 10.xlsx (Submitted with SDG&E Response to SDCP Data Request 4.10)-Confidential

SDCP-20	PCIA Model_2021 ERRA Forecast April_Fuhrer.xlsx (Submitted with SDG&E Response to SDCP Data Request 6.04)-Confidential
SDCP-21	SDG&E Response – SDCP DR_02 2021 ERRA Forecast Q2-10.xlsx (Submitted with SDG&E Response to SDCP Data Request 2.10)-Confidential
SDCP-22	Midway Solar (97WI ME LLC) PPA-Confidential
SDCP-23	Midway Solar (97WI ME LLC) PPA –Amendment 1-Confidential
SDCP-24	SDG&E GTSR PPA - 2012-12-13 70SM1 8ME – PPA RAM_Redacted
SDCP-25	SDG&E GTSR PPA - 2015-04-07 70SM1 8ME - Amendment 2
SDCP-26	SDG&E GTSR PPA - 2015-09-10 70SM1 8ME - Amendment 3
SDCP-27	SDG&E GTSR PPA - 2012-10-19 Cascade - PPA_Redacted
SDCP-28	SDG&E GTSR PPA - 2011-03-31 Desert Green-PPA_Redacted
SDCP-29	SDG&E GTSR PPA - 2011-03-31 Desert Green-Amendment 1
SDCP-30	SDG&E GTSR PPA- 2013-04-04 Maricopa - PPA_Redacted
SDCP-31	SDG&E GTSR PPA - 2011-04-11 SO20 - PPA_Redacted
SDCP-32	SDG&E GTSR PPA - 2011-04-11 SO21 - PPA_Redacted
SDCP-33	SDG&E GTSR PPA - 2011-04-11 SO22 - PPA_Redacted
SDCP-34	SDG&E GTSR PPA - 2011-04-11 SO23 - PPA_Redacted
SDCP-35	SDG&E GTSR PPA - 2012-12-13 TallBear - RAM PPA_Redacted
SDCP-36	SDG&E GTSR PPA - 2015-07-10 Tallbear - Amendment 2
SDCP-37	SDG&E Response to SDCP Data Request No. 5.4
SDCP-38	SDG&E July 31, 2020 Quarterly Update

SDCP-39	SDG&E April 30, 2020 Quarterly Update
SDCP-40	SDG&E 2018 Annual GTSR Progress Report
SDCP-41	SDG&E 2019 Annual GTSR Progress Report
SDCP-42	SDG&E 2018 Annual GTSR Tracking Report A.12-01-008
SDCP-43	SDG&E Response to SDCP Data Request 9.01
SDCP-44	SDG&E Response to SDCP Data Request 9.03
SDCP-45	SDG&E Supplemental Response to SDCP Data Request 9.03(d)
SDCP-46	SDG&E Response to SDCP Data Request 7.03
SDCP-47	CONFIDENTIAL – SDG&E Response to SDCP/CEA Data Request 11 Q10b.xlxs
SDCP-48	SDG&E Workpaper of Stacy Fuhrer, Class Avg Rates_2021 ERRA Forecast Nov Update_PUBLIC.xlsx
SDCP-49	CONFIDENTIAL – SDG&E Response to SDCP/CEA Data Request 11.19a
SDCP-50	SDG&E Response to SDCP/CEA Data Request 10.07
SDCP-51	SDG&E Response to SDCP/CEA Data Request 13.02
SDCP-52	Excerpts from Southern California Edison November Update and Pacific Gas & Electric Update
SDCP-53	SDG&E Workpaper of Stacy Fuhrer, CONFIDENTIAL – PCIA Model_2021 ERRA

	Forecast Nov Update.xlsx
SDCP-54	SDG&E Response to SDCP/CEA Data Request 14
UCAN-1	Direct Testimony of Samuel Golding
UCAN-2	SDG&E Response to UCAN Data Request 1
UCAN-3	SDG&E Responses to UCAN Data Request Set No. 2 (Confidential)

(END OF APPENDIX B)