ALJ/SNE/JMO/mln/mph **Date of Issuance 4/20/2021**

Decision 21-04-016 April 15, 2021

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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| In the Matter of the Application of San Diego Gas & Electric Company (U902E) for Approval of its Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation. | Application 10-07-009 |
| And Related Matter. | Application 19-03-002 |

**ORDER EXTENDING STATUTORY DEADLINE**

**Summary**

This decision extends the statutory deadline in these proceedings until August 30, 2021.

1. **Background; Need for Extension Order**

Pub. Util. Code § 1701.5(a) provides that ratesetting cases must be resolved within 18 months after initiation unless the Commission makes a written determination that the deadline cannot be met, including findings as to the reason, and issues an order extending that deadline. In these proceedings, the 18-month deadline for resolution was September 4, 2020. By Decision
(D.) 20-08-052, the Commission extended the deadline once to May 4, 2021.

On March 4, 2019, San Diego Gas and Electric Company (SDG&E) filed Application (A.) 19-03-002 for the authority to update marginal costs, cost allocation, and electric rate design. Numerous parties filed protests.

On June 12, 2019, the assigned Administrative Law Judge (ALJ) held a prehearing conference to discuss the issues of law and fact, determine the need for an evidentiary hearing, and discuss the schedule for resolving the matter.

On June 24, 2019, the assigned ALJ consolidated A.10-07-009 with
A.19-03-002. A.10-07-009 sought approval for SDG&E’s proposals for dynamic pricing and recovery of incremental expenditures required for implementation. The Commission resolved the application in D.12-12-004. SDG&E filed a Petition for Modification of D.12-12-004 on April 26, 2019. Because the scope of the Petition for Modification focused on questions of fact related to the Commission’s consideration of SDG&E’s proposal in this proceeding,
A.10-07-009 and A.19-03-002 were consolidated.

On July 11, 2019, Commissioner Genevieve Shiroma issued the "Scoping Memo and Ruling of Assigned Commissioner." The scoping memo and ruling identified the broad issue areas of marginal cost, revenue allocation, and rate design.

On November 25, 2019, the proceeding schedule was postponed by the assigned ALJ for two months to allow SDG&E additional time to serve updated testimony and workpapers that reflect its General Rate Case Phase 1 approved revenue requirement and other revenue requirement updates that occurred by January 1, 2020. On March 20, 2020, the intervenor testimony deadline was postponed by three weeks to allow SDG&E time to correct an error in its rate modeling calculations. On June 30, 2020, the proceeding schedule was again postponed in response to a joint request from parties to allow more time for settlement negotiations. On August 3, 2020, the ALJ granted separate requests from SDG&E and the Joint Advanced Rate Parties to postpone hearings by one month to allow more time for settlement negotiations and the filing of supplemental testimony on dynamic rates directed by the ALJ. On
August 10, 2020, at a telephonic status conference, parties confirmed that they were making progress on settlement discussions and the supplemental testimony.

On October 8, 2020, thirteen parties joined in filing a Joint Motion for Approval of the General Rate Case Phase 2 Settlement Agreement in this proceeding. The Settling Parties include California City County Street Light Association, California Farm Bureau Federation, California Large Energy Consumer Association, City of San Diego, Energy Producers and Users Coalition, Federal Executive Agencies, Public Advocates Office at the Commission,
San Diego Airport Parking, SDG&E, Small Business Utility Advocates, Solar Energy Industries Association, The Utility Reform Network, and Utility Consumers’ Action Network (Settling Parties). The Settlement Agreement is the result of several months of negotiations beginning May 21, 2020.

Evidentiary hearings on the Settlement Agreement and three disputed issues not addressed by the Settlement Agreement were conducted on
October 29, 2020 to October 30, 2020. The three disputed issues include a proposed Schools-only rate, an expired exemption on the small commercial rate load for electric vehicle fleets, and real time pricing. All parties appeared at the hearing, including those not party to the Settlement Agreement.

On December 4, 2020, the record was closed, and the case was submitted upon the filing of reply briefs. Pursuant to the Commission’s Rules of Practice and Procedure, a proposed decision resolving the case was to issue within
90 days of submission.

Separately on January 14, 2021, the Commission approved D. 21-01-017, which adopted 2021 electric procurement revenue requirement forecasts and greenhouse gas-related forecasts for SDG&E (2021 ERRA Forecast Decision).[[1]](#footnote-2)

Ordering Paragraph 8 of the 2021 ERRA Forecast Decision states,
“San Diego Gas & Electric Company shall use its 2021 bundled energy requirements forecast used to derive the Energy Resource Recovery Account revenue requirement adopted in this proceeding and the System Average Percent Change method to set the applicable bundled generation rates to be implemented pursuant to this decision.” The Settling Parties in the instant proceeding did not anticipate this change when the Settlement Agreement was reached.

On January 21, 2021, ALJ Jeanne McKinney issued a ruling reopening the record and directing 1) SDG&E to serve updated rate bill impacts to reflect the 2021 ERRA Forecast Decision, and 2) the Settling Parties to provide a joint statement on whether the 2021 ERRA Forecast Decision (D.21-01-017) conflicts with the Settlement Agreement. On February 26, 2021, the Settling Parties filed a Joint Motion for Admission of Addendum to the Settlement Agreement. The Addendum addresses the conflict between the original Settlement Agreement and D.21-01-017.

An extension of the statutory deadline until August 30, 2021 is necessary to consider the Addendum to the Settlement Agreement, publish a proposed decision, and allow the Commission sufficient time to deliberate and to issue its final decision.

# Waiver of Comment Period

Under Rule 14.6(c)(4) of the Rules of Practice and Procedure, the Commission may waive the otherwise applicable 30-day period for public review and comment on a decision that extends the 18-month deadline outlined in Pub. Util. Code § 1701.5(a). Under the circumstances of this case, it is appropriate to waive the 30-day period for public review and comment.

# Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner, and Jeanne McKinney and Susan Lee are the assigned ALJs in these proceedings.

Findings of Fact

1. SDG&E filed this application on March 4, 2019.
2. A prehearing conference was held on June 12, 2019.
3. On June 24, 2019, A.10-07-009 was consolidated with A.19-03-002.
4. On July 11, 2019, the scoping memo and ruling were issued.
5. On November 25, 2019, a ruling setting new dates for procedural schedule was issued.
6. On March 20, 2020, the intervenor testimony deadline was postponed by three weeks to allow SDG&E time to correct an error in its rate modeling calculations.
7. On June 30, 2020, the proceeding schedule was postponed in response to a joint request from parties to allow more time for settlement negotiations.
8. On August 3, 2020, the assigned ALJ granted separate requests from SDG&E and the Joint Advanced Rates Parties to postpone hearings by one month to allow more time for settlement negotiations and the filing of supplemental testimony on dynamic rates directed by the ALJ.
9. On August 10, 2020, at a telephonic status conference, parties confirmed that they were making progress on settlement discussions and the supplemental testimony.
10. On October 8, 2020, thirteen parties joined in filing a Motion for Approval of the General Rate Case Settlement Agreement in this proceeding after several months of negotiations.
11. On September 1, 2020, the Commission issued D.20-08-052 extending the statutory deadline until May 4, 2021.
12. On October 29, 2020 and October 30, 2020, the evidentiary hearings were held. All parties appeared at the hearing, including those not party to the Settlement Agreement.
13. On December 4, 2020, the record was closed, and the case was submitted upon the filing of reply briefs.
14. On January 14, 2021, the Commission approved D.21-01-017, the 2021 ERRA Forecast Decision, which contained certain changes, including Ordering Paragraph 8, not anticipated when the parties reached the Settlement Agreement.
15. On January 21, 2021, the assigned ALJ issued a ruling reopening the record to allow parties to address the 2021 ERRA Forecast Decision and its impact on the Settlement Agreement.
16. On February 26, 2021, the Settling Parties filed a Joint motion for Admission of the Settlement Agreement Addendum.
17. It is necessary to extend the statutory deadline to consider the Addendum to the Settlement Agreement, publish a proposed decision, and allow the Commission sufficient time to deliberate and to issue its final decision.

# Conclusion of Law

Pursuant to the authority granted to the Commission under Pub. Util. Code § 1701.5(a), the statutory deadline should be extended to August 30, 2021.

**IT IS ORDERED** that the statutory deadline for completion of these proceedings is extended until August 30, 2021.

This order is effective today.

Dated April 15, 2021, at San Francisco, California.

MARYBEL BATJER

President

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

DARCIE HOUCK

Commissioners

1. SDG&E filed this annually required application (A. 20-04-014) on May 8, 2020, also commonly referred to as the ERRA Proceeding. The ERRA proceeding provides for recovery of electric energy procurement related costs associated with residual net short procurement requirement to serve the bundled electric service customers of utilities. [↑](#footnote-ref-2)