

Application No.: A.22-05-025
Exhibit No.: SDGE-10
Witness: Sheri Miller

PREPARED REBUTTAL TESTIMONY OF
SHERI MILLER
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



September 12, 2022

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1 concerning GTSR that are currently being discussed in more than one proceeding at the
2 Commission, in this response SDG&E will only discuss those items that are in scope of its 2023
3 ERRA Forecast proceeding. In addition, SDG&E notes that after the intervenor testimony was
4 received by SDG&E, and before my rebuttal testimony was submitted, the Commission issued a
5 ruling in Application (“A”).22-05-022, *et al.*,³ which immediately suspended SDG&E’s
6 EcoChoice, Green Tariff program.⁴ This ruling directed SDG&E to “quickly disenroll customers
7 from its Green Tariff option who will remain on their otherwise applicable rate.”⁵ No specific
8 timeline was given for the suspension. However, in light of the directive to immediately
9 terminate the EcoChoice enrollment status of all of its EcoChoice customers, SDG&E presumes
10 that there will be no further EcoChoice customer usage, especially in 2023.

11 In their testimony, the CCA Parties disagree with the cost of the excess generation of the
12 Green Tariff dedicated generation being included in PABA, although they do not disagree that
13 Senate Bill (“SB”) 43 directs utilities to apply any excess generation towards its Renewables
14 Portfolio Standard (“RPS”) portfolio.⁶ SDG&E has included excess generation costs in its 2023
15 ERRA Forecast to be recovered in the Power Charge Indifference Adjustment (“PCIA”)
16 mechanism, because that is the established mechanism for recovering the cost of its RPS
17 portfolio.⁷ The CCA Parties disagree with this treatment and argue that there are “unique
18 circumstances” of the GTSR program that justify disregarding the normal cost recovery process

³ Application of Pacific Gas and Electric Company for Review of the Disadvantaged Communities – Green Tariff, Community Solar Green Tariff and Green Tariff Shared Renewables Programs.

⁴ Administrative Law Judge’s Ruling Granting Request for Green Tariff Suspension, dated August 25, 2022.

⁵ *Id.*, at Ordering Paragraph (“OP”) 1.

⁶ Direct Testimony of Bencomo-Jasso, pp. 18-19.

⁷ D.18-10-019, OP 7.

1 of RPS contracts, namely, that the contracts were procured solely for bundled customers and
2 should therefore be recovered in ERRRA.⁸ Their argument is based on references to decision
3 (“D.”) 15-01-051, which they claim support the idea that GTSR contract costs must be recovered
4 exclusively from bundled customers. However, upon reviewing that decision, it is evident that
5 the intention of D.15-01-051 was to have any excess generation absorbed by the much larger
6 RPS program, as it states that “because the GTSR Program is very small in comparison to RPS,
7 transferring overprocurement to RPS would not result in unjust or unreasonable rates for
8 ratepayers.”⁹ D.15-01-051 goes on to state that “therefore, we find that the RPS backstop, as
9 required by statute, ... is reasonable and compliant with law.”¹⁰ Therefore, the CCA Parties’
10 argument is contrary to Commission precedent and directives.

11 I would also like to address the subject of contract vintaging with regard to the GTSR
12 dedicated contracts. As stated above, SDG&E intends to comply with the cost recovery rules for
13 RPS, which include the PCIA mechanism. The PCIA mechanism requires that the vintage of an
14 individual PCIA-eligible contract correspond to the year that the contract was signed, as was
15 agreed to in the PCIA Working Group One Report.¹¹ There is no regulatory guidance providing
16 for a different treatment of vintaging GTSR contracts and yet SDCP and CEA argue that the
17 contracts should be PCIA vintage 2023, which would not comply with the established cost
18 recovery rules. They argue that only vintage 2023 will ensure that costs are allocated to the

⁸ Direct Testimony of Bencomo-Jasso, p. 19-20.

⁹ D.15-01-051, p.52.

¹⁰ *Id.*, at p.53.

¹¹ Pacific Gas and Electric Company and California Community Choice Association Working Group One Report on Brown Power, RPS and RA True-up (Issues 1 through 7), Exhibit A, page 3, footnote 1.

1 correct customers.¹² SDG&E disagrees with this argument because the contracts were signed in
2 years prior to 2023 on behalf of bundled customers who had the option of participating in the
3 GTSR Program, and many if not most of those customers have at this point left SDG&E bundled
4 service. Therefore, using a 2023 vintage *would not* allocate the costs to the correct customers,
5 who have already departed bundled service for the most part in 2021 and 2022, but instead
6 would create a cost shift to remaining bundled customers.

7 Finally, SDG&E clarifies here that the GTSR dedicated contracts will be included in the
8 PCIA Renewable Energy Certificate (“REC”) Voluntary Allocation process. This inclusion will
9 again be confirmed in the October Update of SDG&E’s 2023 ERRR Forecast. Additionally, as
10 previously stated, SDG&E will correct any noted errors when filing its October Update.

11 **III. SDG&E’S TREATMENT OF THE MODIFIED CAM PROCUREMENT IN THE**
12 **2023 ERRR FORECAST FILING IS APPROPRIATE AND WILL PROVIDE THE**
13 **NECESSARY UPDATED ACCOUNTING IN ITS OCTOBER UPDATE**

14 Regarding the implementation of the Modified Cost Allocation Mechanism (“MCAM”),
15 as SDCP and CEA note, SDG&E did file its implementation Advice Letter (“AL”) 4043-E on
16 July 18, 2022. The AL was suspended for Staff review, and the ending date of the suspension is
17 December 15, 2022. In its May filing, SDG&E included its D.19-11-016 procurement costs in
18 the Resource Adequacy Procurement Memorandum Account (“RAPMA”), because a final
19 approval of the MCAM advice letter had not yet been issued. The timing and outcome of the
20 disposition of AL 4043-E will determine how SDG&E presents its D.19-11-016 costs in its
21 October Update filing.

22 If AL 4043-E is approved in advance of its October filing, SDG&E will include the
23 approved cost allocation and recovery treatment of the D.19-11-016 resources and related

¹² Direct Testimony of Bencomo-Jasso, p.22.

1 revenues in its October update testimony and workpapers. The cost recovery will follow the
2 directives in D.22-05-015 regarding the treatment of the relevant costs and revenues.

3 In its testimony, the CCA Parties submit a series of tables purporting to set forth the
4 appropriate accounting framework/methodology for the MCAM.¹³ The CCA Parties ask that
5 SDG&E address their proposed accounting framework in rebuttal testimony and reflect their
6 accounting framework in the October Update.¹⁴ However, since AL 4043-E remains pending,
7 SDG&E declines to address the CCA Parties' accounting framework at this time as it is still
8 speculative in nature.

9 **IV. CONCLUSION**

10 This concludes my prepared rebuttal testimony.

¹³ Direct Testimony of Bencomo-Jasso, pp. 23-29.

¹⁴ *Id.* at p. 29.