

Application No.: A.26-06-XXX

Exhibit No.: SDGE-5

Witness: Sheri Miller

PREPARED DIRECT TESTIMONY OF

SHERI MILLER

ON BEHALF OF

SAN DIEGO GAS & ELECTRIC COMPANY

****REDACTED, PUBLIC VERSION****

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



JUNE 1, 2026

*Yellow highlighted information is confidential/privileged pursuant to applicable provisions of D.06-06-066,
G.O. 66-D, and Pub. Util. Code Sections 583 and 454.5(g)*

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ATTACHMENT A – 2025 MONTHLY ELECTRIC WAC CALCULATION SPREADSHEET
Confidential

ATTACHMENT B – 2025 GHG COST RECOVERY TEMPLATE C-2 -**Confidential**

ATTACHMENT C - 2025 & 2026 GHG COST TEMPLATE D-2 -**Confidential**

ATTACHMENT D – DECLARATION OF AARON FRANZ REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS PURSUANT TO D.16-08-024, *et al.*

1 from previous months were revised, or if the WAC changes, the current month's expense will also
2 include an amount that reflects the true-up of costs resulting from the changes.

3 **III. GHG COST RECOVERY**

4 D.21-05-004, which modified and replaced D.19-04-016 Attachment A, clarified the
5 balancing account cost recovery process for GHG, and added new required Templates C-2 and D-2,
6 was approved on May 6, 2021. Pursuant to Findings of Fact ("FOF") 4 and 5 in this Decision,
7 SDG&E records GHG costs in the same balancing accounts in which other costs related to the same
8 resources are recorded. In other words, SDG&E is not required to record all GHG costs in the
9 ERRA balancing account. Pursuant to Conclusions of Law ("COL") 5, SDG&E began using this
10 modified methodology in its ERRA Compliance application in 2021 for the 2020 Record Year. In
11 compliance with these requirements, SDG&E includes the new Template C-2 as Attachment B in
12 this testimony, which presents its 2025 GHG costs in the appropriate balancing accounts according
13 to the modified methodology.

14 GHG direct compliance costs recorded in record year 2025 were [REDACTED]
15 Attachment B of this testimony shows a summary of these transactions presented in compliance
16 with the D.21-05-004 methodology. These amounts include expense that was recorded to true-up
17 costs of prior months in the same GHG compliance period. These costs are also presented in
18 Attachment C of this testimony, which is the required Template D-2 that has been submitted in
19 SDG&E's 2027 ERRA Forecast filing.

20 **IV. PORTFOLIO CHARGE INDIFFERENCE AMOUNT ("PCIA") RESOURCES**

21 As Mr. Elliott explains in his testimony, conventional resources are considered covered
22 under the CARB GHG Compliance requirements if they exceed a specified limit of emissions in a
23 calendar year. This eligibility is reevaluated annually, and therefore resources may be subject to
24 compliance in some years and not subject to compliance in other years. For 2025 generation,

1 SDG&E had two PCIA-eligible conventional generators that were subject to compliance, namely
2 Palomar Energy Center and Desert Star Energy Center. The 2025 GHG expense for these two
3 resources was recorded in the Portfolio Allocation Balancing Account (“PABA”) in the appropriate
4 vintage subaccounts. The other PCIA-eligible conventional resources were below the emissions
5 threshold and therefore were not subject to the compliance obligation.

6 **V. LOCAL GENERATING BALANCING ACCOUNT (“LGBA”) RESOURCES**

7 The LGBA was approved in D.13-03-029 with the purpose of recording the revenues and
8 costs of generation where the Commission has determined that the resource is subject to a cost
9 allocation mechanism (“CAM”). This decision was issued to comply with Senate Bill (SB) 695,
10 which was signed in 2009 and required the net capacity costs of new generation resources needed
11 for system or local area reliability to be passed on to bundled service, direct access, and customer
12 choice aggregation customers. The net capacity costs were defined in Public Utility Code section
13 365.1 as being the cost of the resource less the value received for the energy and ancillary services.

14 SDG&E currently has contracts with two conventional resources, Carlsbad Energy Center
15 and Pio Pico Energy Center, that are approved for CAM recovery and were subject to GHG
16 compliance in 2025. The GHG compliance expense for these resources was recorded monthly in
17 LGBA.

18 **VI. CONCLUSION**

19 SDG&E’s recording of GHG expense in record year 2025 was consistent with the
20 calculations and reporting prescribed in revised D.21-05-004, as demonstrated by the testimony and
21 Attachments A, B, and C provided herein. Therefore, SDG&E requests that the Commission find
22 SDG&E in compliance with the requirements of D.21-05-004.

23 This concludes my prepared direct testimony.

1 **VII. QUALIFICATIONS**

2 My name is Sheri Miller. My business address is 8315 Century Park Court, San Diego, CA
3 92123. I am employed by SDG&E as an Energy Trading Operations & Support Principal in the
4 Settlements & Systems group in the Energy Supply organization. My responsibilities include
5 participating in ERRA proceedings as a witness, developing commodity recording and cost
6 recovery processes, and advising on regulatory and legislative matters that impact SDG&E's energy
7 and gas procurement settlements.

8 I joined SDG&E in October 2000, and since that time, I have held various positions at
9 SDG&E including Senior Accountant, Principal Accountant, Settlements Manager, and Principal
10 Settlements Advisor. I have experience with many aspects of SDG&E's accounting processes,
11 including approving the gas and electric commodity invoices and overseeing the reporting
12 processes.

13 I received a Bachelor of Science degree in Accounting and a Master of Business
14 Administration from National University. I am also a Certified Public Accountant licensed in the
15 state of California.

16 I have previously testified before the California Public Utilities Commission.

ATTACHMENT A

**SDG&E's 2025 MONTHLY ELECTRIC WAC
CALCULATION SPREADSHEET
TEMPLATE C-1**

ATTACHMENT B

**SDG&E's 2025 GHG COST RECOVERY
TEMPLATE C-2**

Confidential GHG data

Template C-2 The GHG Balancing Account Table is provided in this 2025 ERRR Compliance pursuant to A.13-08-002 Proposed Decision, OP 1 & 2.
Decision modifying Decision D.19-04-016, Attachment A

San Diego Gas & Electric				
DIRECT GHG COSTS 2025 (in millions)				
GHG Cost Category	ERRA	PABA	LGBA	Total
UOG				
Imported (out-of-state) UOG				
Tolling Contracts				
Subtotal				
Inventory Carrying cost				
2025 YTD expense in balancing account				
Adjustments related to 2024 activity				
Adjusted expense				

ATTACHMENT C

**SDG&E's 2025 & 2026 GHG COST
TEMPLATE D-2**

Template D-2: Annual GHG Emissions and Associated Costs

Line	Description	Year 2021		Year 2022		Year 2023		Year 2024		Year 2025		Year 2026		Year 2027	
		Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded
1	Direct GHG Emissions (MTCO2e)														
2	Utility Owned Generation (UOG)														
3	Tolling Agreements														
4	Energy Imports (Specified)														
5	Energy Imports (Unspecified)														
6	Qualifying Facility (QF) Contracts														
7	Contracts with Financial Settlement														
8	Subtotal														
9	Total Emissions (MTCO2e)														
10	Proxy GHG Price (\$/MT)	\$ 17.12	\$ 23.15	\$ 28.86	\$ 29.48	\$ 29.02	\$ 34.06	\$ 38.26	\$38.10	\$ 36.16		\$ 33.48		\$ 30.12	
11	GHG Costs (\$)														
12	Direct GHG Costs														
13	Direct GHG Costs - Financial Settlement														
14	Previous Year's Forecast Reconciliation (Line 16)														
15	Total Costs														
16	Forecast Variance (\$)														

CONFIDENTIAL INFORMATION Redacted

ATTACHMENT D

**DECLARATION OF AARON FRANZ REGARDING CONFIDENTIALITY OF
CERTAIN DATA/DOCUMENTS
PURSUANT TO D.16-08-024, *et al.***

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

**DECLARATION OF AARON FRANZ
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.16-08-024, *et al.***

I, Aaron Franz, do declare as follows:

1. I am the Manager of the Settlements & Systems group in the Electric and Fuel Procurement department for San Diego Gas & Electric Company (“SDG&E”). I have been delegated authority to sign this declaration by Adam Pierce, Vice President of Energy Procurement & Rates. I have reviewed Sheri Miller’s Prepared Direct Testimony (“Testimony”) in support of SDG&E’s “Application ... for Approval of: ERRR Compliance for Record Period 2025” (“Application”). I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information.

2. I hereby provide this Declaration in accordance with Decisions (“D.”) 16-08-024, D.17-05-035, and D.17-09-023 to demonstrate that the confidential information (“Protected Information”) provided in the Testimony is within the scope of data protected as confidential under applicable law.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 1st day of June, 2026, at San Diego.

/s/ Aaron Franz

Aaron Franz

ATTACHMENT D

SDG&E Request for Confidentiality on the following information in its Application for Approval of Its ERRA Compliance for Record Year 2025

Location of Protected Information	Legal Authority	Narrative Justification
<p>Attachment A (Schedule C-1), calculation and values of monthly GHG WAC, inventory balances, emissions expense, purchases, sales, and surrendered GHG instruments.</p> <p>Attachment B (Schedule C-2), GHG direct costs</p> <p>Attachment C (Schedule D-2), GHG costs & emissions</p> <p>Testimony page SM-2, line 14 GHG costs</p>	<p>D.14-10-033; D.16-08-024; D.17-05-035; D.17-09-023; Public Utilities Code Section 454.5(g).</p>	<p>GHG WAC calculations are confidential pursuant to D.14-10-033 Attachment A.</p> <p>GHG emissions: Disclosure of GHG recorded and forecast GHG costs would allow market participants to know SDG&E's recorded and forecasted GHG obligation, thereby compromising SDG&E's contractual bargaining power such that customer costs are likely to rise. Thus, the release of this non-public confidential information will unjustifiably allow market participants to use this information to the disadvantage of SDG&E's customers.</p>