

Proceeding No.: A.20-04-014  
Exhibit No.: \_\_\_\_\_  
Witness: Stacy Fuhrer

**PREPARED SUPPLEMENTAL TESTIMONY OF STACY FUHRER**  
**RE SOLAR ON MULTIFAMILY AFFORDABLE**  
**HOUSING PROGRAM FUNDING ON BEHALF OF**  
**SAN DIEGO GAS & ELECTRIC COMPANY**

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



**August 14, 2020**

## TABLE OF CONTENTS

I.	OVERVIEW AND PURPOSE.....	1
II.	2021 REVENUE REQUIREMENT .....	2
III.	RATES FOR RETURN OF THE GHG ALLOWANCE REVENUES .....	2
IV.	SUMMARY AND RELIEF REQUESTED .....	5



2. Section III – 2021 Rates for the Return of GHG Allowance Revenues;
3. Section IV – Summary and Relief Requested; and
4. Section V – Qualifications.

## **II. 2021 REVENUE REQUIREMENT**

SDG&E requests the recovery in rates of the following additional 2021 revenue requirement<sup>3</sup> presented in the supplemental testimony of SDG&E witness Khoang Ngo:

1. 2021 DAC-SASH Revenue Requirement of \$0.592 million (\$0.600 million including FF&U) for the recovery of California Public Utilities Commission (“Commission”) approved clean energy program funding as set forth in the Testimony of Khoang T. Ngo.<sup>4</sup>

## **III. RATES FOR RETURN OF THE GHG ALLOWANCE REVENUES**

In compliance with D. 12-12-033, the GHG allowance revenues eligible for return to customers is based on the GHG Allowance Revenues forecast of \$121.114 million (\$122.570 million including FF&U) presented in the supplemental testimony of SDG&E witness Stefan Covic, adjusted for the following:

1. Reconciliation of 2019 forecasted with 2019 year-end actuals recorded in GHG Revenue Balancing Account (“GHGRBA”) presented in the Prepared Direct Testimony of SDG&E witness Khoang Ngo of \$(0.985) million (including FF&U);
2. GHG expenses related to customer outreach and education and administrative costs presented in the Prepared Direct Testimony of SDG&E witness April Bernhardt of \$0.060 million (including FF&U) that will be recorded in the GHG Customer

---

<sup>3</sup> The revenue requirement figures in this testimony exclude FF&U unless otherwise noted.

<sup>4</sup> D.18-06-027, Ordering Paragraph (“OP”) 8, DAC SASH costs not recovered through GHG Allowance revenues shall be collected through the public purpose program (“PPP”) charge. Accordingly, the revenue requirement associated with DAC SASH includes no rate impact in this application.

1 Outreach and Education Memorandum Account (“GHGCOEMA”) and the GHG  
2 Administrative Costs Memorandum Account (“GHGACMA”); and

- 3 3. Solar on Multifamily Affordable Housing (“SOMAH”) Program funding<sup>5</sup> of  
4 \$12.111 million (\$12.258 million including FF&U) for 2021 and the SOMAH 2020  
5 true-up funding request of \$5.619 million (\$5.687 million including FF&U).<sup>6</sup> In  
6 addition, Disadvantaged Community Single-Family Solar Homes (“DAC-SASH”) Program  
7 funding of \$0.437 million (\$0.442 million including FF&U),<sup>7</sup> the DAC –  
8 Green Tariff (“DAC-GT”) Program funding of \$0 million (\$0 million including  
9 FF&U), and the Community Solar Green Tariff (“CSGT”) Program funding of \$0  
10 million (\$0 million including FF&U), also presented in the supplemental testimony  
11 of SDG&E witness Stefan Covic.<sup>8</sup>

12 Updated Table 3 below provides the current authorized and proposed GHG Allowance  
13 revenues to determine the GHG Allowance revenues eligible for return to customers.  
14

---

<sup>5</sup> D.17-12-022 OP4 requires the investor-owned-utilities (“IOUs”) to “each shall reserve 10% of the proceeds from the sale of greenhouse gas allowances defined in Public Utilities Code Section 748.5 through its annual Energy Resource Recover Account (“ERRA”) proceedings for use in the Solar on Multifamily Affordable Housing program, starting with its ongoing 2018 ERRA forecast proceeding.” Furthermore, D.20-04-012 OP6 extends SOMAH funding through June 30, 2026.

<sup>6</sup> D.20-04-012 OP5 requires the IOUs to provide July 1 through December 31, 2020 SOMAH funding as a true-up value in their applicable ERRA forecast proceeding.

<sup>7</sup> D.18-06-027 OP8 authorizes \$1.030 million (\$1.042 million including FF&U) from GHG Allowance revenues. However, in 2021 SDG&E has exhausted the 15% cap set by § 748.5(c) so SDG&E is requesting only \$0.437 million (\$0.442 million including FF&U) through set aside GHG Allowance revenues and the remainder will be recovered through PPP rates.

<sup>8</sup> On August 2, 2019, SDG&E filed AL 3412-E and separately on January 31, 2020 SDG&E filed AL 3501-E. SDG&E is waiting for approval of AL 3412-E, currently suspended by the Commission, and AL 3501-E is contingent on the approval of 3412-E.

1  
2

**Updated Table 3**  
**GHG Allowance Revenues<sup>9</sup> Eligible for Return to Customers**

	<b>Current Authorized<sup>10</sup> (\$000)</b>	<b>Proposed (\$000)</b>	<b>Change (\$000)</b>	<b>Change (%)</b>
GHG Allowance Revenues	\$(112,373)	\$(121,114)	\$(8,741)	7.8%
Interest	\$136	\$236	\$100	73.8%
GHG Expenses <sup>11</sup>	\$29	\$59	\$30	103.3%
Clean Energy/Energy Efficiency Program Costs	\$21,361	\$18,167	\$(3,194)	-15.0%
FF&U	\$(1,103)	\$(1,245)	\$(142)	12.9%
Prior Year GHGRBA Revenue Return True-Up <sup>12</sup>	\$1,311	\$(985)	\$(2,296)	-175.2%
<b>GHG Allowance Revenues Eligible for Return to Customers</b>	<b>\$(90,639)</b>	<b>\$(104,882)</b>	<b>\$(14,243)</b>	<b>15.7%</b>

3  
4  
5  
6  
7  
8

The Emissions Intensive and Trade Exposed (“EITE”) and Small Business Volumetric Return has ended as of 2020.<sup>13</sup> As such, the GHG Allowance revenues eligible for return to customers will be allocated to all residential customers on an equal cents-per-household basis, which will be credited to customers semi-annually as a bill credit, also known as the Residential Semi-Annual CCC.<sup>14</sup> Updated Table 4 below presents the remaining GHG Allowance revenues

<sup>9</sup> All values exclude FF&U unless otherwise noted.

<sup>10</sup> Authorized by D.20-01-005 and effective February 1, 2020 per AL 3500-E.

<sup>11</sup> GHG Expenses include utility outreach and administrative costs, including IT billing and program management costs, as well as statewide outreach costs.

<sup>12</sup> D.14-10-033, Finding of Fact (“FOF”) 15 allows utilities to use a balancing account to maintain a record of allowance revenues.

<sup>13</sup> *See generally* D.12-12-033. The Commission is currently reviewing the possible continuation of the EITE as well as the Small Business Volumetric Return past 2020 in R. 20-05-002. The Commission is also considering near-term solutions regarding these programs specific to 2021. SDG&E will update this testimony in its November Update once the Commission provides guidance on the future of these programs.

<sup>14</sup> D.15-07-001, Conclusion of Law (“COL”) 29 stated that beginning January 1, 2016, the GHG offset for upper tier residential customers should be eliminated and that the revenue return allocated to residential customers will consist solely of the semi-annual CCC.

1 available for return through the Residential CCC of \$104.882 million, which results in a semi-  
 2 annual Residential CCC of \$38.79.

3 **Updated Table 4**  
 4 **GHG Allowance Revenues<sup>15</sup> Eligible for Return through Residential CCC**

	<b>Current Authorized (\$000)<sup>16</sup></b>	<b>Proposed (\$000)</b>	<b>Change<sup>17</sup> (\$000)</b>	<b>Change (%)</b>
<b>GHG Allowance Revenues Eligible for Return</b>	\$ (90,639)	\$ (104,882)	\$ (14,243)	15.7%
EITE Customer Return Revenues	\$427	\$-	\$ (427)	-100.0%
Small Business Volumetric Return Revenues	\$2,902	\$-	\$ (2,902)	-100.0%
<b>Residential CCC Revenues</b>	\$87,310	\$104,882	\$17,572	20.1%
<b>Residential Semi-Annual CCC (\$/semi-annual)</b>	\$32.28	\$38.79	\$6.51	20.2%

5  
 6 **IV. SUMMARY AND RELIEF REQUESTED**

7 Consistent with the rate recovery proposed in this supplemental testimony, SDG&E  
 8 requests the following additional relief in the Commission’s forthcoming decision in this  
 9 proceeding:

- 10 1. Approve for recovery in PPP rates: (1) the 2021 DAC SASH revenue requirement  
 11 of \$0.600 million as set forth in the Supplemental Testimony of Khoang T. Ngo.

12 This concludes my prepared supplemental testimony.

13  
 15 Includes FF&U.

16 Authorized by D.20-01-005 and effective February 1, 2020 per AL 3500-E.

17 Difference may not equal due to rounding.