

Clean Energy Alliance: Regulatory Update

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August 29, 2024

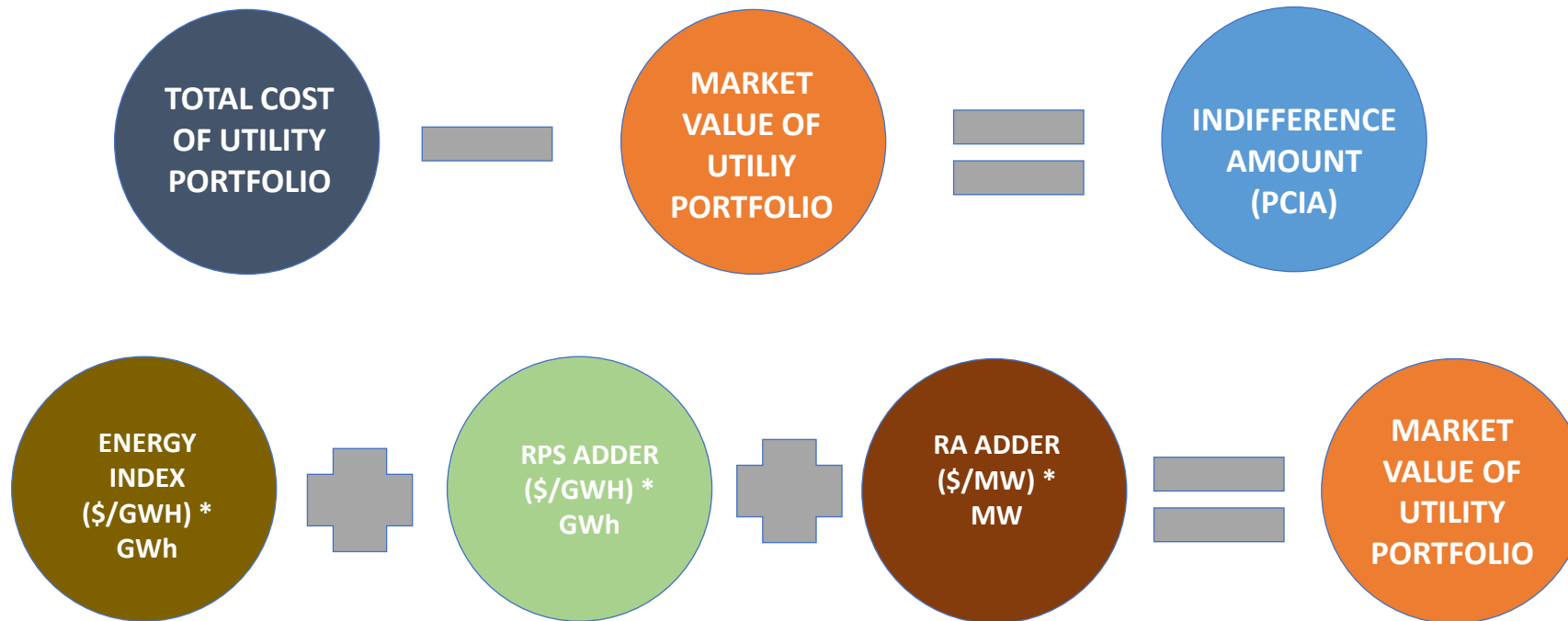
Overview

- Refresher on Power Charge Indifference Adjustment (PCIA) Ratesetting
- SDG&E 2025 Energy Resource Recovery Account (ERRA) Forecast Case (A.24-05-010)
- Quick Hits: Bill Presentment Issues

Setting PCIA Rates



Setting PCIA Rates



Developments in the ERRRA

- Out of Scope: Proposal to Cap RA Adder
- Testimony on how to value:
 - Common costs
 - Renewable energy SDG&E uses to meet RPS requirements
 - SDG&E's RA capacity

Quick Hit

SDG&E Phase II General Rate Case Opening Brief

- How the PCIA is presented on customers' bills
- Seeking a fair playing field

QUESTIONS?

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Duration of CEA's Power Charge Indifference Adjustment Obligations

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Example PCIA Revenue Requirement by Vintage

\$000s

	UOG Legacy	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Portfolio Costs	12,390	509,726	100,433	193,555	44,490	1,908	1,381	1,570	-	7,142	191	25,919	-	166,190	-	-			1,064,894
Portfolio Market Value	1,583	380,516	68,020	167,748	46,644	3,702	887	3,718	-	18,072	1,278	42,131	-	78,107	-	-			
Total Forecasted Indifference	13,972	890,242	168,453	361,303	91,134	5,610	2,267	5,289	-	25,214	1,468	68,050	-	244,297	-	-			1,064,894
PABA True Up Balance	10,537	24,292	75,752	72,699	12,357	37,489	2,387	(39,067)	38,525	(51,247)	10,006	2,470	(44,873)	70,066	46,174	(122,141)			194,228
ERRA True Up Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,800		48,800
Total Revenue Requirement																			

PCIA Vintaging

Each municipality’s PCIA obligation is based on the following:

- Customers are assigned a vintage based on when those customers departed SDG&E’s service for CEA service.
- Generation assets are assigned to each vintage.
- Customers are responsible for assets assigned to their vintage *and* all assets in prior vintages

PCIA Vintaging

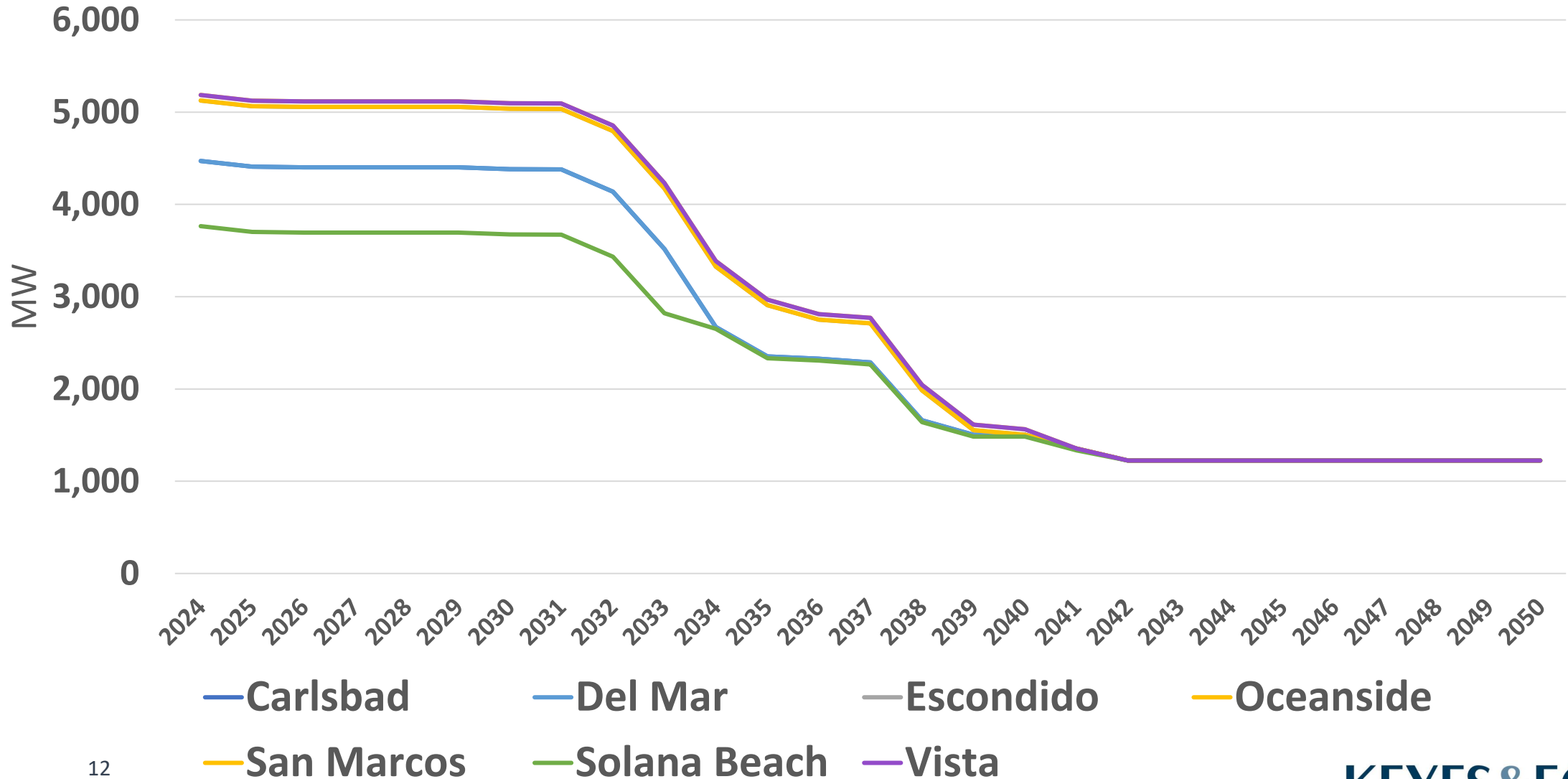
Generation assets “roll out” of the PCIA at:

- The end of the contract term for third-party-owned generation
- The original “end of life date” for a utility-owned generator

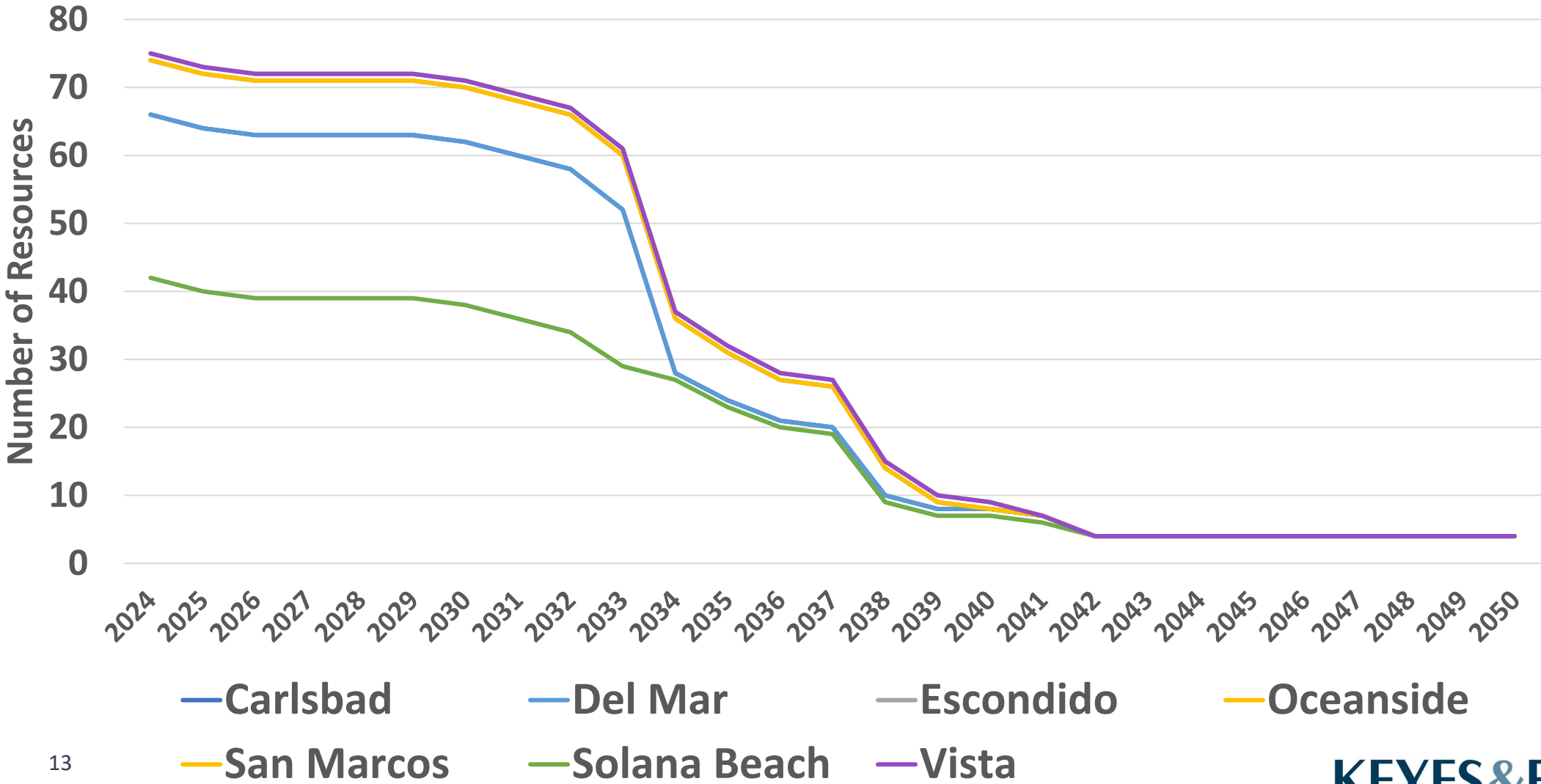
CEA's PCIA Vintages

Solana Beach	2017
Carlsbad	2020
Del Mar	2020
Escondido	2022
San Marcos	2022
Oceanside	2023
Vista	2023

PCIA Obligations By Municipality (MW)



PCIA Obligations By Municipality (Resources)



Still Work to Be Done

Policing Vintaging:

- Whether there should be “Forever PCIA” assets
- Contract amendments and extensions
- Commission cases establishing vintages for specific procurement orders

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