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Regulatory Affairs
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August 30, 2021

ADVICE LETTER 3838-E
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: SAN DIEGO GAS & ELECTRIC COMPANY SUMMER GENERATION
AVAILABILITY INCENTIVE AGREEMENT WITH MARINE CORPS AIR
STATION MIRAMAR**

PURPOSE

San Diego Gas & Electric Company (SDG&E) hereby requests approval of this advice letter by the California Public Utilities Commission (CPUC or Commission) in accordance with Section 9.3.2 of GO-96B. On September 1, 2021 SDG&E plans to effectuate the agreement with Marine Corps Air Station Miramar (Miramar) as described below and included as Attachments A and B.

SDG&E will provide a Summer Generation Availability Incentive from September 1, 2021 through October 31, 2021 to Miramar, in return for 6MW of electric generation run up to five times per calendar month from 4:00pm – 9:00pm when this generation is called upon by SDG&E for additional grid support. In return, Miramar will be compensated for this generation.

BACKGROUND

Electric grid reliability remains of utmost importance to SDG&E, the CPUC, and California. In September 2020, after extreme heat waves in California, SDG&E sought to waive certain charges incurred by entities who exported energy to the grid when called upon to do so during times of system stress¹. These entities, working in the best interest of supporting grid reliability to prevent power outages incurred significant costs to provide this grid support, a portion of which will be reimbursed per Resolution E-5133. The Commission also granted a prospective tariff waiver to customers who provide grid support when called upon to do so if certain criteria are met.²

The Electric Load Reliability Program (ELRP) approved in D.21-03-056 provides up to \$1,000 per MWh for entities to run onsite generation. SDG&E expects this program to be successful, and has customers signed up to participate. Additionally, the California State Emergency

¹ See SDG&E Advice Letter 3618-E.

² See SDG&E Advice Letter 3817-E.

Program (CSEP) was recently enacted which provides \$2,000 per MWh to further encourage customers to run onsite generation during times of system stress.

However, the ELRP and CSEP may not be enough to alleviate electric grid constraints during likely heatwaves of September and October 2021. In mid-July, the CPUC, Miramar, and SDG&E met to discuss onsite generation that Miramar could provide during times of grid need. Because of its unique operational characteristics Miramar cannot necessarily participate in the ELRP or CSEP, but they do have onsite generation that can be used for electric grid support. This agreement will encourage Miramar to operate their onsite generation in a non-emergency state, to ideally prevent an emergency state from being called. It is also intended to supplement the CPUC and California efforts to compensate entities for generation provided during times of system stress.

SDG&E will provide Miramar a Summer Generation Availability Incentive, in which Miramar will provide 6MW of generation up to five times per calendar month from 4:00pm – 9:00 pm Monday-Friday when called upon by SDG&E with at least 48 hours notice for the period of September 1, 2021 through October 31, 2021. Miramar will be compensated for this generation.

Pursuant to Section 9.3.2 of GO96-B, at all times, a utility other than a telephone corporation may provide service (other than resale service) to a government agency for free, or at reduced rates and charges, or under terms and conditions otherwise deviating from its tariffs then in effect. The utility may begin such service without prior Commission approval, but the utility shall promptly submit an advice letter to the appropriate Industry Division to notify the Commission of the utility's provision of such service and of the rates, charges, terms and conditions under which the service is provided. Although the advice letter may be effective pending disposition under General Rule 7.5.3, the Commission may determine, in an appropriate proceeding, the reasonableness of such service.

It is under this authority that SDG&E will provide Miramar this Generation Availability Incentive beginning September 1, 2021.

DISCUSSION

SDG&E and Miramar seek to ensure consistent and reliable energy generation during times of peak system demand on days when SDG&E expects grid constraints, but an ELRP or a CSEP event may not or has not yet been called. To the extent the generation provided by Miramar alleviates the need to call an ELRP or a CSEP event, one could consider it a success. Miramar's expected inability to participate in an ELRP or a CSEP event means their available generation would likely sit idle without an agreement such as this. SDG&E believes it is necessary to plan for a scenario in which the grid needs the generation provided by Miramar along with generation provided by other customers participating in the ELRP or CSEP.

The total incentive paid for this generation will not exceed approximately \$110,000. Miramar will receive this monthly incentive on its bill, and any revenue under-collections resulting from payment of this incentive will flow into the corresponding balancing accounts. Because all customers will benefit from the payment of this incentive for generation provided for SDG&E's grid support needs, SDG&E proposes that the cost of these incentives be recovered from all customers through balancing accounts. Balancing accounts will be trued up through the already existing year end regulatory account balance filings which, once approved, will be implemented

into electric rates with the annual consolidated filing. The proposal for cost recovery in this Advice Letter is identical to that approved in Advice Letter 3618-E.

EFFECTIVE DATE

SDG&E believes this submittal is subject to Energy Division disposition and should be classified as Tier 3 pursuant to GO 96-B. However, pursuant to Section 9.2.3 of GO 96-B, SDG&E will make this advice letter effective September 1, 2021 and respectfully requests a prompt Resolution approving this submittal.

PROTEST

Anyone may protest this advice letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received by September 20, 2021, which is 21 days after the date this advice letter was submitted to the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. A copy of the protest should also be sent via e-mail to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Greg Anderson
Regulatory Tariff Manager
E-mail: GAnderson@sdge.com and
SDGETariffs@sdge.com

NOTICE

A copy of this submittal has been served on the utilities and interested parties shown on the attached list and to the service list of R.20-11-003 by providing them a copy hereof either electronically or via the U.S. mail, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by email to SDGETariffs@sdge.com.

/s/ Clay Faber

CLAY FABER
Director – Regulatory Affairs



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person:

Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

General Order No. 96-B
ADVICE LETTER SUBMITTAL MAILING LIST

cc: (w/enclosures)

Public Utilities Commission
CA. Public Advocates (CalPA)

R. Pocta
F. Oh

Energy Division

M. Ghadessi
M. Salinas
L. Tan
R. Ciupagea
K. Navis
Tariff Unit

CA Energy Commission

B. Penning
B. Helft

Advantage Energy

C. Farrell

Alcantar & Kahl LLP

M. Cade
K. Harteloo

AT&T

Regulatory

Barkovich & Yap, Inc.

B. Barkovich

Biofuels Energy, LLC

K. Frisbie

Braun & Blaising, P.C.

S. Blaising
D. Griffiths

Buchalter

K. Cameron
M. Alcantar

CA Dept. of General Services

H. Nanjo

California Energy Markets

General

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Cameron-Daniel, P.C.

General

City of Poway

Poway City Hall

City of San Diego

L. Azar
J. Cha
D. Heard
F. Ortlieb
H. Werner
M. Rahman

Clean Energy Renewable Fuels, LLC

P. DeVille

Clean Power Research

T. Schmid
G. Novotny

Commercial Energy

J. Martin
regulatory@commercialenergy.net

Davis Wright Tremaine LLP

J. Pau

Douglass & Liddell

D. Douglass
D. Liddell

Ellison Schneider Harris & Donlan LLP

E. Janssen
C. Kappel

Energy Policy Initiatives Center (USD)

S. Anders

Energy Regulatory Solutions Consultants

L. Medina

Energy Strategies, Inc.

K. Campbell

EQ Research

General

Goodin, MacBride, Squeri, & Day LLP

B. Cragg
J. Squeri

Green Charge

K. Lucas

Hanna and Morton LLP

N. Pedersen

JBS Energy

J. Nahigian

Keyes & Fox, LLP

B. Elder

Manatt, Phelps & Phillips LLP

D. Huard
R. Keen

McKenna, Long & Aldridge LLP

J. Leslie

Morrison & Foerster LLP

P. Hanschen

MRW & Associates LLC

General

NLine Energy

M. Swindle

NRG Energy

D. Fellman

Pacific Gas & Electric Co.

M. Lawson
M. Huffman
Tariff Unit

RTO Advisors

S. Mara

SCD Energy Solutions

P. Muller

SD Community Power

L. Fernandez

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

C. Frank

SPURR

M. Rochman

Southern California Edison Co.

K. Gansecki

TerraVerde Renewable Partners LLC

F. Lee

TURN

M. Hawiger

UCAN

D. Kelly

US Dept. of the Navy

K. Davoodi

US General Services Administration

D. Bogni

Valley Center Municipal Water Distr

G. Broomell

Western Manufactured Housing

Communities Association

S. Dey

Copies to

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hpayne3@gmail.com
puainc@yahoo.com
AKanzler@anaheim.net

Service List

R.20-11-003

ATTACHMENT A
ADVICE LETTER 3838-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 35298-E	LIST OF CONTRACTS AND DEVIATIONS, Sheet 23	Revised 32206-E
Revised 35299-E	TABLE OF CONTENTS, Sheet 1	Revised 35272-E
Revised 35300-E	TABLE OF CONTENTS, Sheet 8	Revised 35060-E



LIST OF CONTRACTS AND DEVIATIONS

Sheet 23

<u>Name and Location of Customer</u>	<u>Type or Class of Service</u>	<u>Execution and Expiration Dates</u>	<u>Commission Authorization Number & Date</u>	<u>Most Comparable Regular Tariff/Rule Schedule Number</u>	<u>Contract Differences</u>
Jamul Indian Village of California; Special Contract #310	Commercial	9/8/2015 (Upon Completion)	GO 96-B Rule 8.2.3	Electric Rules 15 & 16	Includes special allowance structure and payment schedule
Comverge Inc.	Residential Commercial	1/15/2017 through 1/31/2018	D.16-06-029	None	Master Service Agreement
Sendero Community	Residential	May 2013 Through May 2016	GO 96-B Industry Rule 5.3(5)	Rule 18	Allow >3 years for refund
Marine Corps Air Station Miramar	Commercial/ Government	9/1/2021 thru 10/31/2021	GO 96-B Section 9.3.2	n/a	n/a

N
N
N

23P6

Advice Ltr. No. 3838-E

Decision No. _____

Issued by
Dan Skopec
Vice President
Regulatory Affairs

Submitted Aug 30, 2021

Effective _____

Resolution No. _____



TABLE OF CONTENTS

Sheet 1

The following sheets contain all the effective rates and rules affecting rates, service and information relating thereto, in effect on the date indicated herein.

	<u>Cal. P.U.C. Sheet No</u>
TITLE PAGE	16015-E
TABLE OF CONTENTS	35299, 35273, 31243, 33380, 34809, 35058-E 34811, 35300, 35022, 32352, 33383, 31804-E 31805, 31174, 33419, 31176, 31177-E
 PRELIMINARY STATEMENT:	
I. General Information	8274, 30670, 34739-E
II. Balancing Accounts	
Description/Listing of Accounts	19402, 32302, 35010-E
California Alternate Rates for Energy (CARE) Balancing Acct	26553, 26554-E
Rewards and Penalties Balancing Account (RPBA).....	21929, 23295-E
Transition Cost Balancing Account (TCBA).....	31213, 31214, 31215, 31216, 31631, 31632-E
Post-1997 Electric Energy Efficiency Balancing Acct (PEEEBA)	22059, 30893-E
Tree Trimming Balancing Account (TTBA).....	27944, 19422-E
Baseline Balancing Account (BBA).....	35268, 35269-E
Energy Resource Recovery Account (ERRA).....	26358, 26359, 26360, 26361, 31631, 31632-E
Low-Income Energy Efficiency Balancing Acct (LIEEBA).....	19431, 19432-E
Non-Fuel Generation Balancing Account (NGBA).....	31217, 31218, 31219, 25575-E
Electric Procurement Energy Efficiency Balancing Account (EPEEBA)	30675-E
Common Area Balancing Account (CABA).....	28770-E
Nuclear Decommissioning Adjustment Mechanism (NDAM)...	30676-E
Pension Balancing Account (PBA).....	29835, 27949-E
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA)	29836, 27951-E
Community Choice Aggregation Implementation Balancing Account (CCAIBA).....	19445-E
Electric Distribution Fixed Cost Account (EDFCA).....	31453, 22813, 21116-E
Rate Design Settlement Component Account (RDSCA)	26555-E
California Solar Initiative Balancing Account (CSIBA)....	30647, 30648, 30649-E
SONGS O&M Balancing Account (SONGSBA).....	30998, 30999-E
On-Bill Financing Balancing Account (OBFBA).....	30677-E
Solar Energy Project Balancing Account (SEPBA)....	22078-E
Electric Program Investment Charge Balancing Acct (EPICBA)	30102, 30103, 27692-E
Tax Equity Investment Balancing Account (TEIBA)	22797-E
California Energy Systems 21 st Century Balancing Acct (CES-21BA)	30678-E
Greenhouse Gas Revenue Balancing Account (GHGRBA).	30820-E
Local Generation Balancing Account (LGBA).....	28765-E
New Environmental Regulatory Balancing Account (NERBA).....	27955, 27956-E
Master Meter Balancing Account (MMBA).....	31664, 31665-E
Smart Meter Opt-Out Balancing Account (SMOBA).....	26898, 26899-E

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Advice Ltr. No. 3838-E

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Resolution No. _____



TABLE OF CONTENTS

Sheet 8

COMMODITY RATES

<u>Schedule No.</u>	<u>SERVICE</u>	<u>CAL. P.U.C. SHEET NO.</u>
EECC	Electric Energy Commodity Cost	34859, 34860, 34861, 33216, 34862, 34863-E 34864, 34865, 34866, 33222, 33223, 33224-E 34801, 32176, 30588, 30589, 34867, 34868-E 34869, 34870, 34871, 33230, 33231, 32832-E 32832, 32833, 32834
EECC-TOU-DR-P	Electric Commodity Cost - Time of Use Plus	33232, 29436, 25548, 26613, 32177, 32178-E 33233, 29940-E
EECC-TOU-A-P	Electric Commodity Cost – Time of Use Plus	30597, 33234, 33235, 30600, 26537, 32179-E 33236, 29446-E
EECC-TOU-PA-P	Electric Commodity Cost – Time of Use Plus	33237, 33238, 32519, 30605, 30606, 32181-E 32520, 33239-E
EECC-TBS	EECC – Transitional Bundled Service	22903, 22904, 32183, 19750-E
EECC-CPP-D	EECC Critical Peak Pricing Default...	34872, 34873, 34874, 30613, 32185, 32186-E 32187, 32188, 32531, 34875, 34876, 32537-E
EECC-CPP-D-AG	EECC, Critical Peak Pricing Default Agricultural	33245, 33246, 33247, 30625, 32190, 30627-E 29462, 30184, 33248, 33249, 30630-E

CONTRACTS & DEVIATIONS

23877, 5488, 5489, 6205, 6206, 5492, 16311-E
22320, 5495, 6208, 6209, 8845, 6109, 5902-E
5750, 8808, 8809, 6011, 8001, 8891, 35059-E
28762, 35298-E

RULES

<u>RULE NO.</u>	<u>SERVICE</u>	<u>CAL. P.U.C. SHEET NO.</u>
1	Definitions.....	20584, 20585, 32191, 32192, 20588, 27101, 22066, 18413-E 14584, 24475, 19394, 24671, 24476, 22068-E 15591-15600, 15601, 15602, 15603, 20415-E
2	Description of Service.....	
3	Applications for Service.....	15484, 15485-E
T4	Contracts.....	15488, 15489, 15490-E
5	Special Information Available for Customers.....	31461, 31462-E
6	Establishment & Re-establishment of Credit.....	20223, 25228-E
7	Deposits.....	33373, 20228-E
8	Notices.....	17405-E
9	Rendering and Payment of Bills.....	25230, 29075, 20142, 33374-E
10	Disputed Bills.....	31463, 31464-E
11	Discontinuance of Service.....	33375, 33376, 31645, 31467, 31646, 31469, 31470, 31680-E 30248, 32049-E
12	Rates and Optional Rates.....	23252-E
13	Temporary Service.....	19757-E
14	Shortage of Elec Supply/Interruption Delivery.....	4794-E
15	Distribution Line Extensions.....	33802-33816-E
16	Service Extensions.....	33817-33831-E
17	Meter Reading.....	26153, 24705-E
18	Meter Tests and Adjustment of Bills.....	16585, 22130, 22131-E

(Continued)

San Diego Gas & Electric Advice Letter 3838-E
August 30, 2021

ATTACHMENT B



August 30, 2021

RE: Agreement Between San Diego Gas & Electric and Marine Corps Air Station Miramar Regarding a Summer Generation Availability Incentive

To Whom It May Concern:

Pursuant to Section 9.2.3 of California General Order 96-B (Emergency Service; Service to Government Agencies) and under the terms of this agreement, the Marine Corps Air Station Miramar (Miramar) Account ending in 2768 will receive a monthly electric generation availability incentive on its bill for the maximum contracted generation of 6MW to help prevent 2021 summer grid emergencies. As shown in the table below, the monthly generation availability incentive provided to the Miramar account will be payable on a per event basis (up to 5 events per calendar month) with a maximum payout equal to the difference between the Schedule AL-TOU primary substation non-coincident demand charge billed to the account and the Schedule S primary substation contract demand charge. The monthly generation availability incentive will be provided for the period of September 1, 2021 through October 31, 2021, for generation provided by Miramar as set forth in the Special Conditions.

1. Generation Availability Incentive

MIRAMAR MONTHLY GENERATION AVAILABILITY INCENTIVE APPLIED TO ACCOUNT ENDING 2768		
Line No.		
1	Maximum Generation Contact Demand (kW)	6,000
2		
3	Schedule AL-TOU Primary Substation Non-Coincident Demand Charge (\$/kW)	\$17.24
4	Schedule S Primary Substation Contract Demand Charge (\$/kW)	\$8.01
5		
6	Demand Charge Difference (\$/kW): Line 3 minus Line 4	\$9.23
7		
8	Monthly Bill Generation Incentive (\$): Line No. 1 multiplied by Line No. 6	<u>\$55,380</u>
9		
10	Maximum Times A Request for Generation can be Made Per Month	5
11		
12	<u>Incentive Paid Per Event: Line No. 8 divided by Line No. 10</u>	<u>\$11,076</u>

Notes:

(1) The monthly generation availability incentive shown in the table above reflects the Maximum Generation Contract Demand on Account ending in 2768.

(2) The monthly generation availability incentive shown in the table above reflects the current Schedule AL-TOU primary substation non-coincident demand charge effective March 1, 2021 per SDG&E Advice Letter 3696-E-A. The monthly generation incentive will be based on the Schedule AL-TOU primary substation non-coincident demand charge billed at the time the incentive is provided.


(3) The monthly generation availability incentive shown in the table above reflects the current Schedule S primary substation contract demand charge effective February 1, 2021 per SDG&E Advice Letter 3669-E-A. The monthly generation incentive will be based on the Schedule S primary substation contract demand charge billed at the time the incentive is provided.

2. Special Conditions


1. Miramar agrees to run 6MW of generation for the period of 4:00pm – 9:00pm, per event, up to 5 events per calendar month under the Generation Availability Incentive when called upon by SDG&E to do so. The incentive of \$11,076 will be paid for such generation on a per event basis, not to exceed a total of \$55,380 per calendar month.
2. SDG&E will provide at a minimum forty-eight hour notice any calendar day of the week to Miramar prior to the date generation is requested. For example, if generation is requested on a Friday, SDG&E will inform Miramar of the request to provide generation on Wednesday by 4:00pm, if not earlier. For generation to be provided on Monday, shall be requested by 4:00pm on Saturday.
3. Miramar may participate in both the Summer Generation Availability Incentive and the Emergency Load Reduction Program (ELRP), or California State Emergency Program (CSEP), but may not receive an incentive from the ELRP or CSEP and the Summer Generation Availability Incentive, for the same event. If the ELRP or CSEP is called and Miramar participates in one of those programs, they will be compensated for the production under the terms of the ELRP or CSEP. If Miramar participates in the ELRP or CSEP for a given event, this will not count as one of the five days in which they may be called upon to provide generation under the Summer Generation Availability Incentive. If SDG&E has called on Miramar for generation under the Summer Generation Availability Incentive, and the ELRP or CSEP is subsequently called, Miramar may choose to be compensated under the terms of one of those programs, rather than the Summer Generation Availability Incentive.
4. Generation provided by Miramar will only be provided Monday – Friday.
5. This agreement is in effect for the period of September 1, 2021 through October 31, 2021.
6. There will be no non-performance penalties for a request that goes unserved.

Thank you for your participation in this incentive program. For any questions, please contact your SDG&E Federal Accounts Manager.

Accepted and agreed to:

 8/30/2021

Jaime R. Flores, Contracting Officer

 8/30/21

SDG&E – Joseph Pierzina,
Federal Accts. Manager