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President

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January 6, 2026

Alice Busching Reynolds
President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: San Diego Gas & Electric Company Responses to the Commission's November 21, 2025 Letter Concerning Expediting Interconnection and Transmission Activities

Dear President Reynolds:

San Diego Gas & Electric Company (SDG&E) appreciates the Commission's focus on accelerating interconnections and transmission upgrades for new generation and energy storage resources. We share your sense of urgency to support grid reliability. SDG&E maintains a strong track record of timely interconnections and continues to implement process improvements, proactive procurement strategies, and enhanced customer engagement to ensure efficient, safe, and cost-effective delivery of interconnection and transmission projects.

Below, we provide responses to the specific requests outlined in your November 21, 2025 letter.

Please feel free to contact me at any time should you wish to discuss these matters further.

Sincerely,

Scott Crider
President
San Diego Gas & Electric

I. Interconnection Agreements – Report on Process and Timelines

SDG&E is committed to providing safe, reliable, and timely interconnection services to support projects achieving commercial operation. The company takes pride in its strong track record of delivering interconnections that meet customers' schedules and is currently on track to complete all necessary upgrades to meet the in-service dates for wholesale projects with executed Generator Interconnection Agreements (GIAs) and authorizations to proceed with construction activities. Similarly, SDG&E demonstrates industry leadership with a three-day average authorization time for interconnecting smaller systems under Electric Rule 21, leveraging an advanced integrated information system, a user-friendly customer portal, and highly optimized processes that streamline interactions for both staff and customers.

SDG&E performed a comprehensive review of all signed GIAs and associated transmission projects that could pose dependencies. This includes those referenced in the letter from President Reynolds dated November 21, 2025, that could be impacted by the phase out of the IRA tax credits. SDG&E confirms that no major transmission projects are required prior to 2027 to enable these resources to interconnect with our system. This positions projects well for timely interconnection once developers complete their own construction activities.

All interconnection facilities required for these projects are progressing according to GIA milestones and CAISO requirements. Design and procurement activities are underway to ensure timely delivery of critical components and construction readiness (see Appendix A for individual project updates). Success metrics include adherence to milestone dates, timely procurement of long-lead equipment, and completion of construction activities within scheduled windows.

Additionally, SDG&E has implemented several process enhancements to support wholesale interconnection projects and their transmission dependencies. These improvements include proactive measures such as early ordering of long-lead equipment, reserving manufacturing capacity, executing engineering and procurement agreements with developers to accelerate timelines, and providing developers with the ability to build. These actions are intended to help facilitate project developers' efforts to achieve their in-service dates.

Furthermore, to ensure timely delivery, SDG&E initiates project work promptly after GIAs execution and customers have satisfied their financial posting and notice-to-proceed requirements. For large projects, SDG&E assigns a dedicated project manager who serves as the single point of contact for customers, ensuring clear communication and effective coordination. SDG&E utilizes technology that supports a stage gate methodology to closely track progress and maintain schedule integrity with systemic checks and balances from planning stage throughout project closeout.

SDG&E's interconnection, project management, and operations teams meet regularly to monitor progress and identify potential risks. Staff identifies and evaluates critical path milestones and timely completions of each stage of a project. When SDG&E identifies risks that could impact in-service dates, director-level meetings are convened to address issues and allocate resources as needed.

Finally, SDG&E project managers engage with interconnection customers routinely and as needed to coordinate schedules and to provide support to developer challenges. These efforts ensure that interconnection processes remain streamlined and responsive to customer needs.

II. Staffing and Financial Resources

SDG&E's transmission and interconnection teams maintain sufficient staffing resources to meet the developers' schedules for interconnection of new wholesale generation and energy storage projects. The company has engineering, project management, and procurement personnel assigned to interconnection work. Resourcing is continuously assessed and adjusted based on interconnection queue volumes and project complexity. SDG&E has implemented workforce planning measures, including cross-training, to ensure scalability and responsiveness to increased interconnection activities.

Also, there are no concerns related to SDG&E's ability to invest in required substation, transmission, or interconnection equipment.

III. Efficient Procurement of Requisite Equipment

SDG&E proactively manages the procurement of long-lead equipment by forecasting needs early, leveraging bulk purchasing and design standardization through strategic partnerships, and maintaining close coordination with developers. These measures are designed to mitigate supply chain challenges and prevent delays in interconnection and transmission projects. Some of the key strategies implemented by SDG&E include:

- **Timely Ordering of Critical Equipment:** SDG&E places orders for transformers, circuit breakers, and other major components towards the beginning of the project cycle. This is typically done immediately after the GIA is executed and the customer authorizes SDG&E to proceed with construction activities. In some cases, SDG&E collaborates with customers to execute Engineering and Procurement agreements, which can facilitate early design work and potentially equipment ordering even before GIA execution.
- **Reserving Manufacturing Capacity:** To address extended lead times for major equipment such as transformers and circuit breakers, SDG&E reserves manufacturing slots with original equipment manufacturers. This approach secures production capacity, significantly reducing the risk of multi-year delays.
- **Vendor Diversification:** SDG&E certifies multiple vendors to reduce dependency on a limited number of manufacturers, thereby promoting supply chain resilience and flexibility.
- **Strategic Spare Management:** The company continuously reviews and maintains critical spare equipment to ensure readiness for emergencies and contingencies.

Furthermore, SDG&E engages project developers who elect to utilize the tariff's option to build, and SDG&E will utilize build-own-transfer agreements in such circumstances. The option to build provides developers with flexibility and helps accelerate project timelines, while maintaining compliance with utility specifications as well as regulatory and reliability standards.

IV. Timely Construction of Critical Transmission Network Upgrades and Facilitate Interconnection

SDG&E tracks all network upgrades required for resource interconnections and is committed to completing its scope of work by developer-requested timelines. Since its response to the Commission's March 11, 2022 letter regarding interconnection prioritization, SDG&E has provided routine project status updates to the Commission. As reflected in these communications, SDG&E has not experienced delays in completing network upgrades that impact the milestones of interconnection customers.

Furthermore, regarding the July 2025 and prior Transmission Development Forums (TDF), SDG&E clarified during meetings and in follow-up discussions with the Commission's staff, following SDG&E's 2025 SB1174 data request submissions, that the transmission upgrades included in TDF with in-service date shifts were not identified by the CAISO study processes as impacting generation resources with interconnection agreements. These project listings and in-service date updates were provided as part of the TDF solely to comply with CAISO's request and do not represent delays affecting interconnection timelines.

SDG&E works with developers in exploring various options, such as substation entry points for developers' generation tie lines (gen-ties) to interconnect. Gen-tie routing should be carefully and proactively evaluated by developers during early project planning stages. Consistent with tariffs and contractual obligations, SDG&E ensures fairness among developers, avoids cross-subsidization, and maintains safety and operational standards. To expedite efforts, developers work with landowners and appropriate jurisdictions to secure rights for their gen-ties. SDG&E also recommends that the State consider working with local municipalities to help streamline the permitting and easement processes for developers' gen-ties.

V. Ongoing Processes to Provide Transparency, Cost Savings, and Efficiency for New Transmission and Interconnection

SDG&E continues to participate in multiple information-sharing initiatives related to the interconnection process. These efforts are designed to review integration timing of new resources in support of California's clean energy goals. SDG&E's current participation includes:

- **Bi-annual TDF and Bi-annual Transmission Project Review (TPR):** SDG&E participates in these forums, providing updates on transmission and interconnection progress for stakeholders.
- **Integrated Energy Policy Report workshops:** SDG&E participates in California Energy Commission workshops, which include presentations and discussions related to addressing the state's pressing energy needs.
- **Meetings with Commission Staff:** SDG&E holds regular meetings with Commission staff to review individual interconnection projects.
- **CAISO Interconnection Process Enhancement (IPE) Initiative:** SDG&E contributes to CAISO's IPE stakeholder initiative. Through this initiative, SDG&E and other

stakeholders have successfully explored process improvements aimed at addressing both near-term and long-term interconnection challenges.

- **Senate Bill 1174 Reporting and Meetings:** SDG&E participates in SB 1174 reporting and stakeholder meetings to ensure compliance and provide information on interconnection and transmission development progress.

A notable recent outcome of the IPE initiative is the refinement of the intra-cluster study process which creates a pathway for "first-ready" projects to interconnect sooner than the completion of identified upgrades past 2035, provided sufficient system headroom exists. SDG&E sees this as a significant recent improvement that will help expedite resource interconnections.

Finally, SDG&E continues to evaluate opportunities to enhance clarity, efficiency, and cost-effectiveness across interconnection and transmission forums. Based on experience and customer feedback, SDG&E recommends to the CPUC and Governor's Office the following improvements:

- **Standardize and Consolidate Reporting Template Across Forums:** Adopt uniform reporting formats and combine processes where feasible to reduce cost and focus precious resources on interconnection. Currently, utilities spend significant time and resources maintaining separate templates for different forums. For example, data included in the TPR process could be leveraged for both the TDF and Senate Bill 1174 reporting, eliminating duplicative work and improving consistency.
- **Launch Statewide Initiatives to Address Supply Chain Challenges:** Establish collaborative efforts at the state level to incentivize manufacturers of long-lead equipment, such as transformers and circuit breakers, to prioritize California's utilities. This approach would help mitigate procurement delays, reduce project risk, and support timely delivery of interconnection and transmission upgrades.
- **Implement Permitting and Easement Reforms:** Work with state regulators and local municipalities to streamline permitting and easement processes for interconnection facilities. Additional reforms beyond General Order 95-E would enable developers to secure permits more quickly, reducing overall project timelines and accelerating resource integration.

Appendix A
Confidential Information in Grey

SDG&E's Updates to the Commission-Provided Project List (By CAISO Queue# or WDAT identifier):

Project Number	Project Name	CAISO Queue/ WDAT Identifier	Resource Type	Current Online-Date[1] (CAISO Report)	Project Status
1	UOS -Fallbrook 2 Energy Storage	Q1169	Storage	3/6/2026	
2	Ventasso Energy Storage	Q1662	Storage	1/31/2026	
3	Nighthawk	Q1673	Storage	3/1/2026	
4	North Johnson Energy Center	Q1047	Storage	4/1/2026	
5	Chula Vista Energy Center 2	Q1045	Storage	4/28/2026	
6	Kettle Solar One (Jacumba Valley Ranch)	Q1532	Solar and Storage	10/31/2026	
7	Haybarn Energy Reliability Center 'HERC' (Camp Pendleton)	WDAT 164	Storage	12/31/2027	
8	Empire II Starlight	Q1432	Solar and Storage	4/30/2027	
9	Yellow Pine 3	Q1654	Solar and Storage		
10	Kingsley (Big Rock 2)	Q1665	Solar and Storage	1/31/2030	
11	Compass (Captiva) Energy Storage	Q1806	Storage	6/1/2028	
12	Vulcan	Q1534	Solar and Storage	12/31/2027	
13	Sandpiper Storage	Q1657	Storage	04/15/26	
14	Mount Laguna Wind 2	Q1429	Wind	2/5/2031	
15	Sunrise Butte	Q1667	Solar and Storage	11/18/29	
16	Escondido Energy Center 2	Q1048	Storage	6/1/2030	
17	Seguro Storage	Q1821	Storage	11/14/2033	
18	Viento Fronterizo	Q1824	Wind	8/28/2032	
19	Desert Jewel Storage	Q2173	Battery	8/5/2029	
20	Mesa Heights	WDAT 162	Storage	08/15/26	

[1] Commercial Operation Date (COD)