San Diego Gas & Electric Company
Transmission Project Review Process

CPUC Energy Division Staff Comments on January 2025 TPR Process Project Spreadsheet

June 2, 2025

As part of the Transmission Project Review (TPR) Process approved by the California Public Utilities Commission (CPUC) in Resolution E-5252, CPUC Energy Division Staff (CPUC Staff) provides these comments to San Diego Gas & Electric (SDG&E) on its January 2025 TPR Process Project Spreadsheet.

Background

CPUC Resolution E-5252 established the TPR Process, with the goal to "provide the Commission and all Stakeholders semi-annually with current, specific, comprehensive, and system-wide transmission data for projects with capital additions to rate base in the last five years and forecasted or actual capital expenditures in the current year and future four years." [1]

On January 2, 2025, SDG&E provided the CPUC and Stakeholders with the most recent TPR Project Spreadsheet of transmission projects and programs. .

Summary of Projects in the Project Spreadsheet

SDG&E reported 322 projects and programs in the January 2025 Project Spreadsheet, with total expected capital spend, from 2020 to 2029, of $6.509 billion. This is $498 million more than the total for years 2019 to 2028 included in the July 2024 TPR Process Project Spreadsheet.

To provide visibility of SDG&E's actual and forecasted capital expenditures, Tables 1 and 2 show actual (2020-2024) and projected (2025-2029) capital expenditures by year, functional category, and primary purpose.

For 2020-2024, Poles/Wires expenditures totaled $1.29 billion (56.7% of total capital expenditures), with substantial spending under Asset Condition, Reliability, and Wildfire Mitigation purposes. Substation investments account for $567 million (25.1%), with significant spending for the purposes of Reliability and Load Growth. Generator Interconnection and Deliverability Allocation Procedure-related costs (GIDAP)[2] and "Other" categories, such as

[1] CPUC Resolution E-5252, Summary Section, page 3.

[2] Generator Interconnection and Deliverability Allocation Procedures (GIDAP) is a process to allow interconnection customers to submit interconnection requests for a new queue cluster (which opens annually but the approval process takes approximately two years). The GIDAP process includes two phases of study and negotiations between parties before the execution of the interconnection agreement (Large Generator Interconnection Agreements or LGIAs).

Reliability and Physical Security, also account for a sizable share of expenditures, highlighting the diversity of cost drivers.

Table 1 – Actual Capital Expenditures by Year, Functional Category, and Primary Purpose ($000)

Functional Category and Primary Purpose	2020	2021	2022	2023	2024
Poles/Wires					
Asset Condition	57,391	62,249	55,543	60,380	55,395
CAISO Transmission Planning Standards	11,159	3,764	2,181	706	70
Field Test Results	154	3	-	-	-
Load Growth	94,015	56,199	62,032	42,456	18,579
Local Capacity Requirement	2,207	5,793	1,324	8,230	14,969
Other	403	1,004	1,071	727	1,811
Policy	-	-	-	-	135
Reliability	30,595	57,553	68,809	60,464	81,259
Safety	4,840	699	120	1,317	4
Wildfire Mitigation	58,324	95,477	77,644	70,336	54,294
Work Requested by Others	1,145	309	2,396	(7,153)	10,028
Poles/Wires Total	**260,233**	**283,050**	**271,120**	**237,463**	**236,546**
Substation					
Age/End of Life	63	549	1,300	658	31
CAISO Transmission Planning Standards	497	29	-	-	(3)
Generator Interconnection	(47)	40	-	-	-
Load Growth	360	59	10	305	3,709
Location, Environmental Conditions	109	1	-	-	-
Other	125	-	-	-	432
Physical Security	1,329	280	743	1,151	-
Reliability	110,295	91,794	79,203	71,365	120.848
Safety	2,815	3,616	1,586	3,402	1,242
Wildfire Mitigation	6,887	9,565	12,968	14,345	9,969
Work Requested by Others	2,666	1,037	12,272	(586)	10
Substation Total	**125,100**	**106,971**	**108,082**	**90,640**	**136,238**
Other					
Address Results of Power Flow Analysis	(67)	-	-	-	-

Functional Category and Primary Purpose	2020	2021	2022	2023	2024
Age/End of Life	14,886	9,507	1,291	444	493
Local Capacity Requirement	589	101	151	109	3
Other	6,795	17,130	11,605	13,933	10,806
Physical Security	11,764	42,183	39,253	44,180	44,721
Policy	(23,818)	4,815	479	104	14
Reliability	7,344	23,733	17,394	26,302	29,451
Safety	441	548	196	171	233
Wildfire Mitigation	2,436	2,795	3,594	4,672	12,516
Other Total	**20,369**	**100,811**	**73,963**	**89,917**	**98,236**
GIDAP Total	2,959	5,407	1,908	(170)	8,472
Grand Total	**408,662**	**496,239**	**455,072**	**417,850**	**479,491**

Looking ahead to years 2025-2029, SDG&E projects continue high levels of spending in the Poles/Wires category, totaling $1.8 billion (63.6% of total capital expenditures), with substantial spending on Reliability and Wildfire Mitigation work. Substation investments are expected to account for $648 million (22.9% of total capital expenditures), with spending on Substation Reliability growing substantially, while some categories, such as GIDAP, see sharp fluctuations year to year.

Table 2 – Projected Capital Expenditures by Year, Functional Category, and Primary Purpose ($000)

Functional Category and Primary Purpose	2025	2026	2027	2028	2029
Poles/Wires					
Asset Condition	56,205	62,903	62,772	66,286	70,601
Load Growth	888	0	0	0	0
Local Capacity Requirement	2,872	0	0	0	0
Other	2,673	3,364	2,993	3,069	3,097
Policy	4,030	12,303	13,432	14,664	16,008
Reliability	108,655	149,464	233,388	273,147	206,163
Wildfire Mitigation	88,017	121,684	56,089	80,039	67,307
Work Requested by Others	13,846	2,321	115	117	118
Poles/Wires Total	**277,185**	**352,040**	**368,788**	**437,321**	**363,295**
Substation					
Load Growth	4,945	193,86	20,155	21,152	22,625

Functional Category and Primary Purpose	2025	2026	2027	2028	2029
Other	9,245	9,396	0	0	0
Reliability	110,235	101,580	87,107	117,413	117,384
Wildfire Mitigation	5,160	4,086	0	0	0
Substation Total	**129,584**	**134,449**	**107,262**	**138,566**	**140,009**
Other					
Age/End of Life	0	1,182	0	0	0
Other	15,025	2,987	198	216	232
Physical Security	24,745	17,842	0	0	0
Reliability	25,837	14,953	14,108	15,341	14,789
Safety	20	361	374	387	401
Wildfire Mitigation	28,699	30,096	34,943	38,660	35,905
Other Total	**94,325**	**67,421**	**49,622**	**54,604**	**51,326**
GIDAP Total	**-7,106**	**-3,971**	**32,778**	**53**	**36,462**
Grand Total	**493,988**	**549,938**	**558,451**	**630,543**	**591,091**

Project Spreadsheet Data Quality

In previous TPR submittals, SDG&E's Project Spreadsheet information did not meet the expectations of Resolution E-5252. In this January 2025 TPR Process cycle, SDG&E's data quality improved, but CPUC Staff still identified numerous errors.[3] While SDG&E issued corrections in data responses once errors were pointed out, CPUC Staff requests that SDG&E increases its efforts to review the information in the TPR Project Spreadsheet prior to issuance to reduce the number of reporting errors.

Required Authorization Documents were not Provided

While SDG&E submitted its January 2025 Project Spreadsheet, SDG&E did not provide accompanying documentation describing its project authorization, planning, and approval processes. CPUC Resolution E-5252, Attachment A, Sections 2.2 and 2.3, require that "Authorization Documents," defined as "Internal Utility documents used at any stage of a project for management authorization or re-authorization of the Project,"[4] and "Procedures," including "any procedures, standards, strategies, processes, or any documents created by the Utility to identify, propose, authorize, plan, prioritize, budget, and implement a Project included in the

[3] See the March 10, 2025 document "SDGE Response ED-SDGE_TPR2025-001" Q01-05(d) and (e) for errors in Capital Expenditure and FERC Dollars Ratebased, Q01-08 for errors in Capital Expenditure, and Q01-15 for errors in FERC Dollars Ratebased and construction start date.
[4] See Attachment A to Resolution E-5252, Definition 1.1.

TPR Process Project Spreadsheet," be provided.[5] SDG&E only provided project summary accounting information, known as "Work Order Authorizations" or "WOAs" along with its January 2025 TPR Process submittal. These documents appear to be primarily financial commitment approval documents, rather than technical information used to propose, authorize, and plan a project.[6]

CPUC Staff is concerned that SDG&E may not be providing important project information to the CPUC and Stakeholders. In responses to CPUC data requests for project technical documents[7], SDG&E provided a description of the scope of work, but not the requested project documentation detailing scope, schedule, alternatives, and other technical information.

When asked to provide "Internal Utility documents[8] used at any stage of a project for management authorization or re-authorization of the Project," SDG&E responded that its Technical Review Counsel (TRC) documents are not authorization documents but rather are used to "refine the scope and technical merits of a project." [9] However, SDG&E's own Approval and Commitment Policy indicates that "all approvals shall be retained with the *documentation supporting the commitment or cash disbursement*."[10]

In the same response, SDG&E stated that for projects that were put "on hold" and later re-activated, "a new TRC would need to be developed for scope and to determine priority based on budget and system needs."[9] However, SDG&E also claims that TRC documents are not relied upon for authorization, which runs contrary to SDG&E's argument that TRCs are necessary to reactivate projects. Additionally, SDG&E has not provided documentation to support how system needs and budget determinations are made for such re-activated projects.

CPUC Staff expects SDG&E to provide the required documents used by SDG&E management to approve or authorize capital spending with its July 2025 TPR Process submittal.

Updates to Project Identification Nomenclature

CPUC Staff appreciates SDG&E's efforts to add more transparency of what constitutes a "Program" (also called "Programmatic" item or "Blanket Work Order") and a "Project" (also called "Subproject") reflected in the January 2025 TPR Project Spreadsheet. The updated identification nomenclature allows the CPUC and Stakeholders to more readily identify both aggregated Program information, along with the detailed individual subprojects over $1 million

[5] See Attachment A to Resolution E-5252, Definition 1.9.
[6] See the March 10, 2025 document "SDGE Response ED-SDGE_TPR2025-001" for Q01-29 that describes the "Work Order Authorization (WOA)" process.
[7] See the March 10, 2025 document "SDGE Response ED-SDGE_TPR2025-001" for Q01-29, Q01-31, and Q01-41
[8] See Attachment A to Resolution E-5252, Definition 1.1.
[9] See the May 7, 2025 document "SDGE Response ED-SDGE_TPR2025-002" for Q02-01(b)
[10] See the May 7, 2025 document "SDGE Response ED-SDGE_TPR2025-002" for Q02-01(a), under "General Requirements."

in cost that are included in the aggregated Program capital expenditures.[11] This update will allow for better tracking of projects across time, as well as ensure that all projects with more than $1 million in capital expenditures are reflected in the Project Spreadsheets.

Data Request Responses

During SDG&E's January 2025 TPR cycle, CPUC Staff submitted, and SDG&E responded to, three sets of data requests, comprising 57 individual questions. SDG&E's responses were generally timely and complete, with the notable exceptions of responses requesting specific project technical documentation discussed above. CPUC Staff appreciates SDG&E's general responsiveness to the data requests and expects SDG&E to provide required and requested project and process documentation in future cycles.

Stakeholder Meeting

In addition to data responses, SDG&E engaged with the CPUC and Stakeholders in its TPR Stakeholder Meeting, which was held on April 1, 2025. SDG&E responded to questions from the CPUC and Stakeholders on the Project Spreadsheet. While CPUC Staff again requested that presentation materials be distributed by March 27, 2025, to allow adequate review time, SDG&E did not provide materials until the end of the business day on March 31. More timely distribution of the slide deck would enhance the effectiveness of the meeting discussion. In future cycles, earlier distribution of presentation materials will help enable a more productive exchange.

SDG&E presented information responsive to the CPUC's and Stakeholders' agenda topics and engaged in discussions that addressed the issues, including several overarching topics of specific programs and projects. For example, SDG&E confirmed an average cost of approximately $424,000 per pole in its wood to steel replacement program, and the CPUC Staff will issue data requests seeking detailed cost breakdowns in the next TPR cycle. CPUC and Stakeholders also raised concerns regarding gaps in TRC documentation, project reactivation practices, and the timing of procurement decisions for blanket programs such as the Corrective Maintenance Program (CMP). SDG&E also discussed a transition to new internal approval systems, which may affect the transparency and traceability of project approvals going forward.

These Stakeholder Meeting discussions are important because they directly affect the CPUC Staff's ability to assess rate recovery, ensure cost containment, and safeguard long-term grid reliability and interconnection efforts. CPUC Staff will continue to issue more targeted data requests and expect SDG&E to address the issues identified in this cycle's review, as well as to

[11] Resolution E-5252 requires the inclusion of "any FERC-jurisdictional electric transmission project with actual or forecasted costs of one million dollars or more..." in the Project Spreadsheet. See Resolution E-5252, p. 46 -- Definition 1.10 "Project".

continue improving the transparency and completeness of future submissions. CPUC Staff appreciates SDG&E's efforts to prepare for the Stakeholder Meeting and look forward to SDG&E providing this level of transparency during future Stakeholder Meetings.

Processes for Project Assessment and Approval

As discussed at the April 2025 TPR Stakeholder Meeting, SDG&E is piloting the integration of the Copperleaf platform into the FERC project portfolio, which is in the preliminary stages, and is currently being analyzed to inform the decision-making process for the portfolio.[12] It has not yet been used to make a formal decision on a project, but it is used in SDG&E's cost-benefit analysis. SDG&E also indicated that it uses risk calculators for assessing wildfire and asset-related risks.

CPUC Staff appreciates the increased rigor SDG&E is applying in determining the costs and benefits of projects and expect SDG&E will provide detailed technical information on its planning processes as part of the next TPR submittal.

Project Delays

Projects that are significantly delayed may affect system reliability and reduce the ability of new generation to interconnect to the transmission system. CPUC Staff notes that 25 projects in the Project Spreadsheet were delayed by five or more years. While CPUC Staff recognizes that some delays are attributed to external factors, others appear to result from SDG&E's internal decisions to place projects "on hold." CPUC Staff expects SDG&E to clearly explain the reason(s) for delays in future TPR submissions, particularly for projects that are newly-delayed or where delays have lengthened.

Direct Buried Cable Replacement Projects

Several Direct Buried Cable projects have been delayed or are "on hold," such as the Oceanside Sub Getaway and the Miramar 138 kV Cable Replacement Project, and SDG&E stated these projects are needed for safety and reliability.[13] The CPUC Staff asks SDG&E to clearly explain its strategy for completing conduit replacement projects in the July 2025 TPR submittal, given the safety and reliability importance SDG&E previously emphasized.

[12]See Slide 10 of the April 1, 2025 TPR Stakeholder Meeting presentation
[13] See the March 10, 2025 document "SDGE Response ED-SDGE_TPR2025-001" for Q01-30

Pole Replacement Costs

As mentioned above, at the April 1, 2025 TPR Stakeholder Meeting, SDG&E provided information on its pole replacement efforts under the Corrective Maintenance Program Non HFTD Blanket Program. SDG&E shared the number of poles replaced under this program since 2019 and provided a forecast for 2025 to 2029. Based on the data shared, CPUC Staff calculated that the average cost for SDG&E to replace a pole from 2019 to 2024 was just over $318,000, with costs expected to rise to over $453,000 per pole by 2029. However, five weeks later SDG&E provided different cost data showing the average pole replacement cost for 2019 to 2024 to be over $355,000, and the average pole replacement cost forecast for the 2025 to 2029 period at $424,298 per pole.[14] SDG&E should improve its efforts to ensure the information shared with the CPUC and TPR Stakeholders is correct and verifiable.

SDG&E provided a table[14] showing the "Average Costs Per Pole by Pole Type" since 2019. In 2024, the cost of a wood-to-steel pole replacement was $420,509. However, the individual pole cost just $17,792. It is difficult to understand how there can be $400,000 in additional costs for design, Project Management Office, construction, internal labor, indirect costs and AFUDC for every one of the 56 wood-to-steel pole replacements SDG&E executed in 2024. CPUC Staff acknowledges that some high-complexity projects may change the average cost per pole replacement, but the average cost reported by SDG&E per pole for wood-to-steel replacement was $290,479 in 2019, $318,842 in 2020, $314,648 in 2021, $375,285 in 2022, and $319,979 in 2023. During this period, the cost per steel pole was never more than the $17,792 in 2024. CPUC Staff will continue to work to understand the costs allocated to the pole replacement projects during the next TPR cycle.

Recommendations

Based on SDG&E's January 2025 Project Spreadsheet, data request responses, and the April 1, 2025 TPR Stakeholder Meeting, CPUC Staff have a number of recommendations for SDG&E's next TPR cycle, which begins on July 1, 2025.

- **Project Authorization Documentation:** SDG&E should provide "Authorization Documents," including internal documents used for project planning, scoping, and approval. Summary-level financial documents such as WOAs alone are insufficient for demonstrating project need or internal utility review.
- **TRC Documentation and Project Reactivation:** SDG&E should clarify the role of the TRC documents in its project authorization and reactivation process. If TRCs are used to evaluate reactivated projects for budgeting and priority, SDG&E should submit the underlying documentation to support its decision-making.

[14] See the May 7, 2025 document "SDGE Response ED-SDGE_TPR2025-002" for Q02-04

- **Data Quality Improvements:** SDG&E should implement validation checks prior to submission of future Project Spreadsheets, with specific attention to project IDs, alignment between in-service dates and cost entries, and elimination of input errors.
- **Direct Buried Cable Projects:** For conduit replacement and buried cable projects previously flagged as safety or reliability driven, SDG&E should clearly explain delays and provide an updated plan for completion in the July 2025 submission.
- **Pole Replacement Costs:** SDG&E should be prepared to provide a detailed cost breakdown for high-cost pole replacements in the next TPR cycle. This breakdown should include design, construction labor, equipment, internal overheads, and AFUDC, to support evaluation of unit cost escalation and potential cost containment strategies.
- **Timely Distribution of Meeting Materials:** To facilitate meaningful CPUC and Stakeholder participation, CPUC Staff requests that SDG&E distributes Stakeholder Meeting materials no later than two business days before each TPR Stakeholder Meeting.
- **Project Delay Justifications:** For any projects that are newly-delayed, or the delay is extended, SDG&E should provide a clear explanation for the delay, including whether the cause was internal, external, and whether the project has been formally placed "on hold."

CPUC Staff appreciates SDG&E's continued engagement in the TPR Process and encourages SDG&E to address the issues identified in these comments. SDG&E should direct any questions or comments to tprprocess@cpuc.ca.gov.