Proceeding No.: A.13-09-
Exhibit No.:
Witness: Ana Garza-Beutz

DIRECT TESTIMONY OF

ANA GARZA-BEUTZ

ON BEHALF OF

SAN DIEGO GAS & ELECTRIC COMPANY

*****redacted, public version*****

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

September 27, 2013

SDGE

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DIRECT TESTIMONY OF
ANA GARZA-BEUTZ
ON BEHALF OF SDG&E

I. INTRODUCTION

My testimony presents San Diego Gas & Electric Company's ("SDG&E's") 2014 cost forecast for Greenhouse Gas ("GHG") compliance obligations under the California Air Resources Board's ("CARB") Cap-and-Trade Program pursuant to Assembly Bill ("AB") 32. Acquisition of allowances began with a November 2012 auction and compliance obligations began on January 1, 2013. In SDG&E's currently pending 2013 ERRA Forecast Proceeding, Application ("A.")12-10-002, SDG&E requested cost recovery of its forecasted GHG-related costs for 2013.

In a separate and closely related proceeding, A.13-08-002 et al. (the "GHG Proceeding"), Administrative Law Judge ("ALJ") Jeanne M. McKinney recently issued a Ruling indicating that the California Public Utilities Commission (" Commission") will determine the "information and approvals necessary to incorporate GHG costs and revenues into 2014 rates and to issue the first climate dividend."[1] The Ruling further specified that Phase 1 of the proceeding will, among other things, determine whether SDG&E (and the other utilities') 2013 and 2014 costs and revenue amounts are reasonable.[2] In addition, the Ruling noted that "2014 GHG cost forecasts will be litigated and approved in this proceeding" and that "[t]hese forecasts will then be adopted in the applicable Energy Resource Recovery Accounts (ERRA) or Energy Cost Adjustment Clause Account (ECAC) decision by reference."[3] The Ruling is preliminary in that it notes that

[1] A.13-08-002 et al., *Administrative Law Judge's Ruling Consolidating Related Proceedings, Setting a Prehearing Conference, and Requiring Parties to Submit Prehearing Conference Statement and Supplemental Information*, issued September 5, 2013 and filed September 9, 2013 ("Ruling") at 4.
[2] *Id.*
[3] *Id.*

parties may still comment on the scope of the GHG Proceeding and respond to various questions posed in the Ruling.[4]

On August 1, 2013, SDG&E presented a preliminary GHG cost forecast for 2014 in the direct testimony of SDG&E witness David T. Barker in the GHG Proceeding. As Mr. Barker stated in his testimony, the GHG costs and revenues presented in his testimony need to be replaced with updated outputs from SDG&E's 2014 ERRA forecast. As stated in A.13-08-005,[5] Mr. Barker will file amended testimony in the GHG Proceeding to update the 2014 GHG volumes and costs, in order to align the forecasts in both proceedings.

Because it presently appears that the Commission has determined to consider and approve all 2013 and 2014 GHG costs and revenue issues in its GHG Proceeding's Phase 1, SDG&E will not be seeking recovery of its 2014 GHG-related forecasted costs as part of this proceeding in lieu of their full consideration in the GHG Proceeding's Phase 1, which the Ruling states will receive a Proposed Decision in November 2013. SDG&E understands that the Commission's GHG determinations from Phase 1 will then be incorporated into the instant ERRA Application proceeding.[6] In that way, the outcomes from the GHG Proceeding will be incorporated into the Commission's Decision in SDG&E's ERRA Forecast Proceeding concurrently, and without delaying either proceeding. With these various considerations in mind, I am submitting SDG&E's 2014 GHG cost forecast on an information basis only, presuming that the Commission will consider SDG&E's substantive showing as presented in the GHG Proceeding. SDG&E will seek

[4] *Id.* at 5.

[5] A.13-08-005 states in footnote 6 that "SDG&E may update this forecast when SDG&E files its 2014 ERRA Forecast of GHG prices and emissions."

[6] If, however, the Commission alters this procedural course, then SDG&E respectfully reserves its right to re-submit and establish its GHG showing in the subject proceeding.

to withdraw this testimony in the event the Commission reviews and approves SDG&E's 2013 and 2014 GHG costs in A.13-08-002 et al., as is currently expected.

II. BACKGROUND

A. AB 32 BACKGROUND

The Global Warming Solutions Act of 2006, also referred to as AB 32, establishes a goal of reducing California's GHG emissions to the 1990 level by 2020. The statute grants CARB broad authority to regulate GHG emissions to reach this target. CARB's Scoping Plan includes a recommendation that California adopt a portfolio of emissions reduction measures, including a California GHG Cap-and-Trade Program that can link with other programs to create a regional market system.[7]

In October 2011, CARB released its Final Regulation Order, which was approved by its Board and by the Office of Administrative Law ("OAL") in December 2011.[8] The CARB regulations create a GHG emissions allowance Cap-and-Trade system, with compliance obligations in the electricity sector applicable to "first deliverers of electricity"[9] that emit more than 25,000 metric tons of GHGs. The regulation requires that first deliverers of electricity, except publicly-owned utilities, purchase all of the allowances and offsets[10] required to meet their compliance obligations.[11]

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[7] CARB Resolution 11-32 at 3.

[8] The CARB Final Regulation Order from December 2012 is available at: http://www.arb.ca.gov/regact/2010/capandtrade10/capandtrade10 htm.

[9] "First deliverers of electricity" is defined in Section 95811(b) of CARB's Final Regulation Order as electricity generators inside California and importers of electricity from outside of California.

[10] An allowance is a limited tradable authorization to emit up to one metric ton of carbon dioxide equivalent; and an offset is a project that reduces GHG in sectors outside of those covered in the Cap-and-Trade Program. *See* Section 5801of CARB's Final Regulation Order for these definitions.

[11] Section 95892(b)(2) of CARB's Final Regulation Order describes that the publicly owned utilities are able to use their free allowances for compliance while investor owned utilities are not.

More recently, on June 24, 2013, the OAL approved a rulemaking for Linkage in the Cap-and-Trade Regulation. The new regulation will take effect October 1, 2013. In addition, the Board will consider new amendments to the regulation on October 24, 2013.[12]

B. GHG PROCUREMENT AUTHORITY BACKGROUND

Decision ("D.")12-01-033, which approved SDG&E's proposed 2012 Long-Term Procurement Plan ("LTPP"), directed SDG&E to make certain revisions including adding information associated with SDG&E's GHG compliance obligations and to submit a conformed version of the LTPP via an advice letter compliance filing. In response to this directive, SDG&E filed Advice Letter ("AL") 2362-E-A on July 25, 2012. This conformed version of SDG&E's 2012 LTPP included Appendix F: Green House Gas/AB 32 Compliance Plan. In Appendix F, SDG&E explained that, similar to its expected energy supply dispatch needs, SDG&E will regularly forecast and track projected GHG requirements related to emissions. In its plan, SDG&E committed to incorporate its latest forecast of GHG costs into each annual ERRA forecast filing.

SDG&E received a Final Resolution approving AL 2362-A-E on September 27, 2012. Thus, SDG&E's GHG procurement plan (Appendix F) is now incorporated into SDG&E's authorized 2012 LTPP and guides SDG&E's procurement of GHG products.[13]

C. GHG COST RECOVERY BACKGROUND

In D.12-04-046, approving Tracks I and III of the LTPP proceeding,[14] and AL 2387-E,[15] the Commission granted SDG&E authority to recover costs associated with the Cap-and-Trade

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[12] New amendments are related to cost containment, offset supply, resource shuffling, CHP, legacy contracts, offset program implementation, allowance allocation and others. See http://www.arb.ca.gov/regact/2013/capandtrade13/capandtrade13notice.pdf for more details.

[13] *See* AB 57, Sec. 2, (Stats. 2002, Ch. 835). *See also* California Public Utilities Code ("P.U. Code") §§ 454.5(c)(3) and 454.5(d)(2).

[14] Ordering Paragraph ("OP") 10 of D.12-04-046 in Rulemaking ("R.") 10-05-006, issued on April 24, 2012, approved on April 19, 2012.

[15] AL 2387-E was filed on July 20, 2012, approved on August 23, 2012, and effective on August 20, 2012.

Program through its ERRA. Subsequently, on December 20, 2012, in the GHG Order Instituting Rulemaking ("GHG OIR"),[16] the Commission adopted a Cap-and-Trade GHG allowance revenue allocation methodology and directed the investor-owned utilities ("IOUs") to create a sub-account for authorized GHG costs and a separate balancing account for GHG revenues, in order to allow costs to be offset by revenues generated from the sale of allowances allocated to them by the CARB. D.12-12-033 directed the utilities to defer recovery of GHG compliance costs until the Commission finalized the methodology of return of allowance revenues.[17] As directed in that decision, SDG&E modified its ERRA preliminary statement through AL 2452-E-A (approved on March 6, 2013 and effective January 22, 2013) to create a sub-account in the ERRA for these authorized costs and to create a new GHG Revenue Balancing Account. The particulars related to the accounting of GHG-related costs are addressed in the direct testimony of SDG&E witness Sheri S. Miller. Also, as mandated by D.12-12-033, SDG&E was required to file its 2014 GHG forecast in a separate application by August 1, 2013. SDG&E filed a 2014 GHG Forecast in its August 1, 2013 GHG Proceeding Application (A.13-08-005, consolidated into A.13-08-002 et al.). Thus as stated above, the GHG Proceeding forecast will be amended to update the 2014 GHG volumes and costs to align the forecasts in both proceedings. Approval and cost recovery is being requested in the forthcoming amended testimony of A.13-08-005.

D. GHG COST CATEGORIES

The costs in this testimony are broken down into three categories of GHG costs: direct current costs; direct future costs; and indirect costs. SDG&E defines direct current costs as the cost of procuring compliance instruments that can be used for the current compliance year. Direct

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[16] R.11-03-012.
[17] D.12-12-033 at 217, OP 20.

current costs are further broken down into two categories: direct current cost for compliance instruments that have yet to be purchased and direct current costs for compliance instruments whose costs were incurred in prior years.[18] SDG&E defines direct future costs as the cost of procuring compliance instruments that can be used for future compliance years. On January 1, 2013, SDG&E began to use an inventory accounting method for direct future costs, so that direct future costs incurred in 2014 will not be addressed in the 2014 GHG cost forecast. For example Vintage 2017 allowances will be offered for sale at the 2014 CARB auctions; any costs incurred to purchase Vintage 2017 allowances in 2014 will not be addressed in the 2014 GHG forecast, but rather in the 2017 GHG cost forecast. SDG&E defines indirect costs as current GHG compliance costs embedded in the price of electricity, which are passed on from sellers. Section IV.A, below, addresses direct current GHG costs associated with SDG&E's Utility Retained Generation ("URG") plants, procurement of electricity from tolling agreements, and electricity imports attributed to SDG&E for compliance. Section IV.B, below, addresses the approximate indirect GHG costs expected to be embedded in electricity prices charged by third parties to SDG&E under contract for various supplies.[19]

III. CARBON PRICE FORECAST METHODOLOGY

To forecast GHG-related costs, SDG&E used [redacted] The allowance price forecast used by SDG&E was [redacted]

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[18] Direct current costs for compliance instruments whose costs were incurred in prior years can be either for: (1) prior vintages that were purchased in CARB current auction(s) and then banked for future use or (2) current vintages that were purchased in prior year(s) as future vintages in CARB advanced auction(s).

[19] Indirect GHG costs are an approximation based on the assumptions outlined below.

[redacted]

IV. 2014 GHG COMPLIANCE COST FORECAST

A. DIRECT CURRENT GREENHOUSE GAS COSTS

Under CARB's Cap-and-Trade Program, the "first deliverer of electricity" within California must surrender one allowance or offset credit for each metric ton of GHG emissions. Accordingly, SDG&E will have a direct compliance obligation for GHG emissions from burning natural gas at its utility-owned power plants, such as the Palomar Energy Center ("Palomar"),

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[20] A metric ton is equal to 2,204.6 pounds.

[21] Vintage 2014 quotes for CCOs are not liquid at this time and thus Vintage 2013 quotes are used. Additionally Vintage 2013 offsets may be used to fulfill 2014 compliance obligations.

[22] Section 3.5 of D.12-04-046, the Decision on Tracks I and III of the LTPP Proceeding, states that IOUs may only purchase offsets if the "purchase contract requires the seller to assume the risk of invalidation and to post appropriate collateral."

[23] SDG&E also purchased [redacted]. The price of these allowances was [redacted] of SDG&E's forecasted 2014 purchases. Thus the [redacted] allowance portion is further broken down by [redacted] at the new allowance price of [redacted]

Miramar Energy Facility I and II (collectively, "Miramar") and the Cuyamaca Peak Energy Plant ("Cuyamaca"). For purposes of the calculation of the compliance obligation, SDG&E used a factor of 117 pounds per Million British Thermal Units ("MMBtu") of natural gas or 0.05307 MT per MMBtu.[24] SDG&E forecasts that its utility-owned power plants will emit [redacted] MT of CO_2e in 2014, an increase of [redacted] from the 2013 forecast ([redacted]).[25] [redacted] the AB 32 compliance cost to procure allowances for GHG emissions from SDG&E-owned power plants is forecast to be [redacted]

In addition, SDG&E has agreements with some generators which stipulate that if SDG&E is dispatching the plant, it will provide compliance instruments to a generator for it to use for GHG compliance. These agreements include Otay Mesa Energy Center ("OMEC") and a few peaking units. The compliance obligation for these agreements, like that for SDG&E's utility-owned plants, is estimated by calculating the product of the forecast of MMBtu burned and the emission factor of 0.05307 metric tons/MMBtu. SDG&E forecasts that generators with such agreements will emit [redacted] of GHG emissions in 2014, an increase [redacted] from the forecast for 2013 ([redacted]). [redacted]

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[24] CARB's Mandatory Reporting Regulations requires use of emission factors from federal regulations - 40 Code of Federal Regulation ("CFR") Section 98. For pipeline natural gas, there are three components – CO2, CH4, and NO2. Table C-1 of 40 CFR Section 98 provides an emissions rate for CO2 of 0.05302 MT/ MMBtu. Table C-2 of 40 CFR Section 9 gives a default emission factor for CH4 of 0.000001 MT/MMBtu. Based on a Global Warming Potential of 21, results in a CO2e emission rate of 0.00002 MT/MMBtu. The default NO2 emission rate is given as 0.0000001 MT/MMBtu, and the Global Warming Potential is 310, resulting in a CO2e emission rate of 0.00003 MT/MMBtu. Combining the 3 elements results in an overall emission rate of 0.05307 MT/MMBtu or converting to pounds, 117 lbs./MMBtu (0.05307 MT x 2204.6 lbs./MT).

[25] In this ERRA forecast application, as in its past forecast applications, SDG&E forecasts energy production from its portfolio using the Ventyx Planning and Risk software. The simulated dispatch is based on a forecast of power, gas, and GHG prices, physical constraints of each generating unit, and contractual limitations. SDG&E's forecast methodology economically dispatches resources in a least-cost manner as directed by the Commission, rather than dispatching resources to just meet SDG&E's forecast of bundled customer demand. Under the least-cost dispatch principle, a generating resource or contract is dispatched if its marginal operating cost is less than the market price of power, while simultaneously observing all operating constraints.

[redacted] the compliance costs for which SDG&E will be contractually responsible are estimated to be [redacted]

An entity that delivers out-of-state electricity to a delivery point inside California is also responsible for the GHG emissions associated with generation of that electricity. For known imports, called "specified sources," GHG emissions related to the output of the plants delivered to California are based on a share of the emissions of the plant. SDG&E has a contract with Yuma Cogeneration Associates ("YCA") in Arizona and owns the Desert Star Energy Center ("Desert Star") combined cycle plant in Nevada, both of which are specified sources. The compliance obligation for Desert Star is estimated by calculating the product of the forecast of the fuel burned, the emission factor, the forecasted allowance price and the fraction delivered to California. For YCA, a combined heat and power facility, since the thermal use is unknown to SDG&E, estimates emissions based on the CARB default emissions factor, 0.428 MT per MWh. SDG&E forecasts that these imports will incur a compliance obligation of [redacted] which is a decrease of [redacted] from the 2013 forecast ([redacted]). The forecast of specified imports represents an estimated cost of [redacted]. The decrease from last year is primarily due to the expiration of the Boardman contract.

In addition to specified sources, importing of "unspecified sources" also generates a compliance obligation. SDG&E has a long-term power contract categorized as "unspecified," which SDG&E expects to import into California. SDG&E also expects to procure additional market imports from unspecified sources. The Cap-and-Trade compliance obligation for these unspecified imports is calculated by multiplying the number of megawatt-hours ("MWh") imported times the CARB default rate, as stated in its regulation (currently 0.428 MT per MWh),[26] and adjusted upward by two percent to account for transmission losses between the point of generation and the California border. SDG&E estimates these emissions to create a compliance obligation of [redacted] MT at a cost of [redacted] for 2014. Finally, the Cap-and-Trade regulations provide a "Renewable Portfolio Standard ("RPS") adjustment" equal to the default emission rate multiplied times the MWh from eligible renewable resources, as measured at the point of generation. CARB recognizes that the building of new renewable generation outside California reduces GHG. The RPS adjustment reduces the GHG compliance burden created by assigning the default emission rate, 0.428 MT/MWh to the GHG-free renewable energy, as measured at the point of generation, but the adjustment does not account for the transmission losses from the point of generation to California.[27] The 2014 RPS Adjustment associated with SDG&E out-of-state renewable energy is forecasted to be 373,000 MT, providing an offset of [redacted].

Based on the above, SDG&E forecasts a total amount of current direct GHG costs of [redacted] million for 2014. [redacted]

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[26] CARB's Cap-and-Trade Regulation, Section 95852(b)(1)(B).

[27] *See* Section 95852(b)(1) of CARB's Final Regulation Order for the calculation of the RPS Adjustment reduction.

[redacted] The net direct current cost for 2014 is [redacted]

B. INDIRECT GREENHOUSE GAS COSTS

SDG&E, along with all other purchasers of wholesale electricity, will be subjected to indirect GHG compliance costs that generators incur and pass on to their buyers. This indirect additional cost of GHG compliance will be embedded in the market price of electricity procured in the wholesale market from third parties, thereby increasing SDG&E's cost to purchase wholesale electricity in 2014, as well as from suppliers under contracts that include market-based prices. SDG&E's forecast of the overall cost of electricity from third parties and in the wholesale market therefore includes an estimate of embedded GHG costs.[28] These GHG costs that are inherently already embedded in 2014 electricity cost forecasts in this filing, were removed from the costs forecasted in the direct testimony of SDG&E witness Andy Scates and are not listed separately in order to avoid double-counting. As a result, the indirect GHG compliance costs have been excluded from SDG&E's 2014 ERRA revenue requirement in accordance with D.12-12-033.

The cost of GHG will affect both market purchases and contracts based on the price of energy (such as combined heat and power ("CHP") facilities), because the price of energy will change in tandem with the change in the GHG allowance prices, as sellers of electricity demand higher revenues to offset the costs related to GHG.

The indirect GHG cost is roughly estimated on an annual basis calculated for both net market purchases and CHP contracts, as the MWh of electricity production are multiplied by the CARB default rate for unspecified electricity of 0.428 MT/MWh and the forecasted allowance

[28] Indirect costs are an estimate since it is unknown how much GHG cost was passed on by all sources of power from market purchases.

price of [redacted]/MT.[29] SDG&E estimates that its 2014 market purchases will have emitted [redacted] MT and thus the indirect GHG costs are estimated to be [redacted] for 2014. But again, these costs that are embedded in electricity market prices have been removed from, and thus not included in, the 2014 ERRA revenue requirement SDG&E is seeking in this Application.

C. SUMMARY

To comply with the Commission's directives in the LTPP and the Joint Implementation Plan filed in the GHG OIR, SDG&E provides a forecast of the GHG compliance costs for 2014 of [redacted] million, (includes [redacted] million direct GHG costs plus [redacted] million of indirect GHG costs). However, this forecast is informational only since recovery and approval is requested by SDG&E in A.13-08-005.[30]

This concludes my direct testimony.

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[29] Net market purchases are total SDG&E market purchases less market sales on an annual basis. SDG&E recognizes that indirect GHG costs are very difficult to measure since it can depend on the average mix of generation in each hour of the year and when market purchases and market sales occur. Using the CARB default rate is adequate until the Commission adopts a method for calculating these costs. For CHP, SDG&E does have aggregate data showing its CHP fleet has GHG emissions comparable to natural gas generation, similar to the CARB default factor.

[30] If, however, the Commission alters its procedural course to approve GHG recovery costs as part of D.12-12-033, then SDG&E respectfully reserves its right to re-submit and establish its GHG showing in the subject proceeding.

VI. QUALIFICATIONS

My name is Ana Garza-Beutz. My business address is 8315 Century Park Court, San Diego, CA 92123. I am employed by SDG&E. My current title is Senior Energy Administrator in the Electric & Fuel Procurement Department of SDG&E. My responsibilities include managing SDG&E's GHG portfolio, which includes development of Greenhouse Gas procurement and hedging strategies.

I joined SDG&E in November 2003, and have held various positions with increasing levels of responsibility within the Electric & Fuels Procurement Department. Prior to joining SDG&E, I worked as a Risk Analyst with Sempra Energy.

I received a Bachelor of Arts degree in Mathematics from the California Polytechnic State University San Luis Obispo and a Master of Arts in Mathematics from the University of California Santa Barbara.

I have not previously testified before the Commission.

BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA

DECLARATION
OF ANA GARZA-BEUTZ

A.13-09-XXX
Application of San Diego Gas & Electric Company (U 902-E)
for Adoption of its 2014 Energy Resource Recovery Account Revenue Requirement,
Competition Transition Charge Revenue Requirement, and Local Generation Balancing Account
Forecasts

I, Ana Garza-Beutz, declare as follows:

1. I am a Senior Energy Administrator for San Diego Gas & Electric Company ("SDG&E"). I included my Prepared Direct Testimony ("Testimony") in support of SDG&E's September 27, 2013 Application for Adoption of its 2014 Energy Resource Recovery Account ("ERRA"), Competition Transition Charge ("CTC"), and Local Generation Balancing Account ("LGBA") revenue requirement forecasts. Additionally, as the Senior Energy Administrator, I am thoroughly familiar with the facts and representations in this declaration, and if called upon to testify I could and would testify to the following based upon personal knowledge.

2. I am providing this Declaration to demonstrate that the confidential information ("Protected Information") in support of the referenced Application falls within the scope of data provided confidential treatment in the IOU Matrix ("Matrix") attached to the Commission's Decision ("D.") 06-06-066 (the Phase I Confidentiality decision). Pursuant to the procedure adopted in D.08-04-023, I am addressing each of the following five features of Ordering Paragraph 2 of D.06-06-066:

- that the material constitutes a particular type of data listed in the Matrix;
- the category or categories in the Matrix the data correspond to;
- that SDG&E is complying with the limitations on confidentiality specified in the Matrix for that type of data;
- that the information is not already public; and
- that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.

3. The Protected Information contained in my Testimony constitutes material, market sensitive, electric procurement-related information that is within the scope of Section 454.5(g) of the Public Utilities Code.[1] As such, the Protected Information is allowed confidential treatment in accordance with the Matrix, as follows:

Confidential Information	Matrix Reference	Reason for Confidentiality and Timing
AGB-6 line 17 through AGB-7 line 12 (GHG forecast price methodology)	I.A.2	Natural Gas Information: Forecasts (gas): Utility gas price forecasts; confidential for three years
AGB-7, line 9 (GHG Forecast Price)	I.A.2	Natural Gas Information: Forecasts (gas): Utility gas price forecasts; confidential for three years
AGB-7 Footnote 23 (GHG forecast price methodology including SDG&E GHG market holdings)	I.A.2	Natural Gas Information: Forecasts (gas): Utility gas price forecasts; confidential for three years
AGB-8, line 4-5 (GHG Emission Forecasts)	IV.A	Forecast of IOU Generation Resources; confidential for three years
AGB-8, line 6 (GHG Forecast Price)	I.A.2	Natural Gas Information: Forecasts (gas): Utility gas price forecasts; confidential for three years
AGB-8, line 7 (GHG Cost Forecast)	II. B.1	Cost Forecast Data – Electric: Generation Cost Forecasts of Utility Retained Generation; confidential for three years
AGB-8, line 14-15 (GHG Emission Forecasts)	IV.F	Resource Planning Information – Electric: Forecast of Post-1/1/2003 ("New World") Bilateral Contracts
AGB-9, line 1 (GHG Forecast Price)	I.A.2	Natural Gas Information: Forecasts (gas): Utility gas price forecasts; confidential for three years
AGB-9, line 2 (GHG Cost Forecast)	II.B.4	Cost Forecast Data – Electric: Generation Cost Forecasts: Non-QF Bilateral Contracts; confidential for three years
AGB-9, line 13-14 (GHG Emission Forecasts)	IV.A IV.B	Resource Planning Information – Electric: Forecast of IOU Generation Resources; confidential for three years Resource Planning Information – Electric: Forecast of Qualifying Facility Generation; confidential for three years

[1] In addition to the details addressed herein, SDG&E believes that the information being furnished in my Testimony is governed by Public Utilities Code Section 583 and General Order 66-C. Accordingly, SDG&E seeks confidential treatment of this data under those provisions, as applicable.

AGB-9, line 15 (GHG Cost Forecast)	II. B.1 II. B.3	Cost Forecast Data – Electric: Generation Cost Forecasts of Utility Retained Generation; confidential for three years Cost Forecast Data – Electric: Generation Cost Forecasts of QF Contracts; confidential for three years
AGB-10, line 4 (GHG Emission Forecasts)	IV.J	Resource Planning Information: Forecast of wholesale market purchases; confidential for three years
AGB-10, line 4 (GHG Cost Forecast)	II.B.7	Cost Forecast Data – Electric: Generation Cost Forecasts: Non-contractual and spot purchases of energy and capacity; confidential for three years
AGB-10, line 13 (GHG Forecast Price)	I.A.2	Natural Gas Information: Forecasts (gas): Utility gas price forecasts; confidential for three years
AGB-10, line 15 (GHG Cost Forecast)	II. B.1	Generation Cost Forecasts of Utility Retained Generation; confidential for three years
AGB-10 Lines 15-19 (SDG&E GHG historical purchases and their banking for future use)	I.A.4	Natural Gas Information: Forecasts (gas): Long-term fuel (gas) buying and hedging plans; confidential for three years
AGB-10, line 20 (GHG Emission Forecasts)	IV.A	Forecast of IOU Generation Resources; confidential for three years
AGB-10, line 21 (GHG Forecast Price)	I.A.2	Natural Gas Information: Forecasts (gas): Utility gas price forecasts; confidential for three years
AGB-11, line 1-2 (GHG Cost Forecast)	II. B.1	Generation Cost Forecasts of Utility Retained Generation; confidential for three years
AGB-12, line 1 (GHG Forecast Price)	I.A.2	Natural Gas Information: Forecasts (gas): Utility gas price forecasts; confidential for three years
AGB-12, line 2 (GHG Emission Forecasts)	IV.J	Resource Planning Information: Forecast of wholesale market purchases; confidential for three years
AGB-12, line 2 (GHG Cost Forecast)	II.B.7	Cost Forecast Data – Electric: Generation Cost Forecasts: Non-contractual and spot purchases of energy and capacity; confidential for three years
AGB-12, line 8 (GHG Cost Forecast)	II. B.1	Generation Cost Forecasts of Utility Retained Generation; confidential for three years

4. The information in the table above is also required to be kept confidential pursuant to the rules of the Air Resources Board as promulgated in Article 5, the Cap-and-Trade Regulation, section 95914 (c). The Regulation requires Bidding Strategies to be confidential. SDG&E is thus required to keep its pricing forecasts and emission forecasts confidential since they are part of its future bidding strategy. SDG&E's historical auction awards reveal SDG&E's prior bidding strategies and thus prior auction results are also be required to be kept confidential.

5. I am aware of one instance where the confidential information from page 10, lines 16-17 of my testimony was inadvertently disclosed to the public. I am not aware of any instances where the confidential information described in my testimony was intentionally disclosed to the public.

6. SDG&E will comply with the limitations on confidentiality specified in the Matrix for the Protected Information.

7. The Protected Information cannot be provided in a form that is aggregated, partially redacted, or summarized, masked or otherwise protected in a manner that would allow further disclosure of the data while still protecting confidential information.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 24th day of September, 2013, at San Diego, California.

Ana G Beutz

Ana Garza-Beutz
Senior Energy Administrator
San Diego Gas & Electric Company