

Proceeding No.: A.14-04-

Exhibit No.: _____

Witness: Benjamin A. Montoya

DIRECT TESTIMONY OF
BENJAMIN A. MONTOYA
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY

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

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

April 15, 2014



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1 costs addressed in this testimony.¹ My statement of qualifications can be found at the end of my
2 testimony.

3 My testimony makes reference to the following, which are attachments located directly
4 after my statement of qualifications: Attachment A: SDG&E 2015 ERRR and LG Expenses;
5 Attachment B: SDG&E 2015 URG Delivery Volumes; Attachment C: SDG&E 2015 Long-
6 Term Power Purchase, CTC & Qualifying Facility (“QF”) Detail; and Attachment D: SDG&E
7 2015 Renewable Resource Detail.

8 **II. 2015 FORECAST OF ENERGY REQUIREMENTS AND SUPPLY RESOURCES**

9 **A. ENERGY REQUIREMENTS FORECAST**

10 The forecast of SDG&E’s 2015 bundled load requirement is based on the California
11 Energy Commission’s (“CEC’s”) 2013 Integrated Energy Policy Report (“IEPR”) forecast,
12 adopted December 11, 2013. Using this forecast and adjusting for direct access load, SDG&E
13 projects that the energy requirements for its bundled load for 2015 will be [REDACTED]. This
14 forecast is [REDACTED] or [REDACTED] lower than SDG&E’s forecasted bundled energy forecast for 2014
15 ([REDACTED]).

¹ The associated, direct testimony of SDG&E witness Benjamin A. Montoya in the GHG OII addresses SDG&E’s forecast of GHG compliance obligations for 2015.

1 **B. SUPPLY RESOURCE FORECAST**

2 **1. Qualifying Facilities Contracts**

3 In 2015, SDG&E will have about 230 MW of capacity under contract with eight QFs.²
4 The five largest QF contracts account for 220 MW or 96% of total QF capacity. All QFs are
5 located in the SDG&E service area except for the Yuma Cogeneration Associates (“YCA”)
6 plant, a 56.5 MW natural gas-fired plant in Arizona, the output of which is imported into the
7 CAISO.

8 SDG&E’s QF contracts are a combination of must-take and dispatchable resources.
9 SDG&E is obligated to pay the contract price for all delivered QF generation and schedule it into
10 the CAISO market. SDG&E has executed a contract with Goal Line, and anticipates executing
11 an amendment with YCA, which allows SDG&E to have more economic dispatch rights in each
12 of these contracts. SDG&E forecasted the plants’ dispatch in accordance with these terms. The
13 forecast of QF energy supply in 2015 is ██████████, a decrease of ██████████ from the forecasted
14 amount for 2014 (██████████).

15 **2. Renewable Energy Contracts**

16 The 2015 forecast of renewable energy supply from CPUC approved contracts is 4,859
17 GWh, which includes 545 GWh of Renewable Energy Credits (“RECs”) quantities that are
18 delivered to SDG&E in conjunction with existing non-renewable imports. This forecast is a
19 decrease of 56 GWh from the forecast for 2014 (4,915 GWh). A table detailing SDG&E’s
20 monthly renewable contracts is provided in Attachment D.

21 For 2015, SDG&E forecasts it will receive 4,928 GWh of bundled renewable energy
22 from 44 contracts that include wind, solar, biogas, biomass, and hydro technologies. The

² The actual number of active QF contracts is over 50, but many of these QF resources only serve on-site load and do not deliver net energy to SDG&E. As a result, these are not included in the production cost model run. The eight QFs referenced above deliver net energy to SDG&E and are included in the model.

1 forecasted quantity is based on forecasts of full deliveries from the projects currently on-line and
2 operating and a probability weighting for those projects still under development but planned to
3 be in effect in 2015.³

4 In addition, SDG&E expects to receive 545 GWh of unbundled renewable energy credits
5 from various out-of-state wind projects. The renewable energy credits are delivered by tagging
6 the physical deliveries of energy imports that SDG&E has already accounted for in its 2015
7 forecast. SDG&E also forecasts RPS Sales in 2015 for a total of 615 GWh based on SDG&E's
8 efforts to manage its overall RPS compliance and renewable power costs.

9 3. SDG&E-Owned Dispatchable Generation

10 SDG&E owns the following generating facilities:

- 11 • the 575 MW Palomar Energy Center ("Palomar") combined cycle power plant,
- 12 • the 495 MW Desert Star Energy Center ("Desert Star") combined cycle power
13 plant,
- 14 • the two 48 MW Miramar Energy Facility ("Miramar I and II") simple cycle
15 combustion turbine units, and
- 16 • the 45 MW Cuyamaca Peak Energy Plant simple cycle combustion turbine.

17 These units are dispatched by the CAISO for generation and Ancillary Services ("A/S") awards
18 based on economic merit.⁴

19 The forecasted generation for Palomar in 2015 is [REDACTED], an increase of [REDACTED]
20 from the forecast for 2014 ([REDACTED]). The forecasted generation for Miramar I & II

³ SDG&E did not include renewable energy quantities or costs associated with the Sustainable Communities Photovoltaic program because costs for this program are not charged to ERRRA.

⁴ SDG&E's dispatch model considered only generation dispatched for energy and not for A/S. The rationale for this approach is that the CAISO co-optimizes market awards between energy and A/S based on the opportunity cost of capacity and, therefore, the economic benefit (and ERRRA contribution) of using capacity for generation is equivalent to using capacity for A/S.

1 (collectively, "Miramar") in 2015 is [REDACTED], a decrease of [REDACTED] from the forecast for 2014
2 ([REDACTED]). The forecasted generation for Cuyamaca in 2015 is [REDACTED], a decrease of [REDACTED]
3 from the forecast for 2014 ([REDACTED]). The forecasted generation for Desert Star in 2015 is [REDACTED]
4 [REDACTED] an increase of [REDACTED] from the forecast for 2014 ([REDACTED]).

5 4. SDG&E-Contracted Generation

6 SDG&E has a number of resources under contract in its resource portfolio in 2015. The
7 largest of these contracts is further described below:

- 8 • the Otay Mesa Energy Center ("OMEC") Power Purchase Agreement ("PPA"), a
9 604 MW combined-cycle plant,
- 10 • the Orange Grove PPA, made up of two simple cycle peaking units for a
11 combined 99 MW,
- 12 • the Wellhead El Cajon Energy Center, a 48 MW simple cycle peaking unit,
- 13 • the Wellhead Escondido Energy Center, a 45 MW simple cycle peaking unit,
- 14 • the Morgan Stanley PPA that provides firm and shaped deliveries at the
15 Northern Oregon Border ("NOB").

16 The forecasted generation from OMEC for 2015 is [REDACTED], a decrease of [REDACTED]
17 from the forecast for 2014 ([REDACTED]). The Orange Grove contract is forecasted to generate [REDACTED]
18 [REDACTED] during 2015, a decrease of [REDACTED] from the forecast for 2014 ([REDACTED]). The Wellhead
19 El Cajon Energy Center is forecasted to generate [REDACTED] during 2015, a decrease of [REDACTED] from
20 the forecast for 2014 ([REDACTED]). The Wellhead Escondido Energy Center is forecasted to
21 generate [REDACTED] during 2015, a decrease of [REDACTED] from the forecast for 2014 ([REDACTED]). The
22 Morgan Stanley contract is forecasted to deliver [REDACTED], a decrease of [REDACTED] from the
23 forecast for 2014 ([REDACTED]).

1 SDG&E also enters into contracts each year to meet its CPUC resource adequacy (“RA”)
2 requirements. Under a RA contract, SDG&E receives the right to show this capacity as meeting
3 its RA obligation but SDG&E does not have rights to dispatch the units. For 2015, SDG&E is
4 forecasting it will enter into contracts for ██████████ of capacity, a decrease of ██████████ from the
5 forecast for 2014.

6 5. Market Purchases and Surplus Sales

7 Under the Market Redesign and Technology Upgrade (“MRTU”), there is no requirement
8 that SDG&E’s bundled load and SDG&E-controlled generation quantities that clear the market
9 must balance. If, in any hour, the quantity of SDG&E’s bundled load requirements purchased
10 from the CAISO is greater than SDG&E-controlled generation sold to the CAISO, the difference
11 may be viewed as equivalent to a market purchase.⁵ SDG&E forecasts that the quantity of
12 ██████████ will be ██████████ in 2015, a decrease of ██████████ from the
13 forecast for 2014 (██████████).

14 III. 2015 FORECAST OF ERRRA EXPENSES

15 The forecasted results contained in this Application were developed using a production
16 cost model. This model uses the characteristics of the units, including heat rate, variable
17 Operating and Maintenance (“O&M”) costs, and other factors that impact the plant’s dispatch,
18 and natural gas and market prices to produce a least-cost dispatch of the portfolio of resources.
19 The natural gas and market price forecasts were derived using a recent (March 3, 2014)
20 assessment of 2015 market prices based on the average of forward prices over the previous 22
21 market trading days.

⁵ In some hours the quantity of SDG&E’s bundled load requirements purchased from the CAISO is less than SDG&E-controlled generation sold to the CAISO. The difference may be viewed as equivalent to a market sale and the costs and revenues for such transactions are accounted for in the forecast by the total fuel expenses and total ISO Supply revenues.

1 Electric procurement expenses incurred by SDG&E to serve bundled load are recorded to
2 the ERRA. These expenses include, but are not limited to, costs and revenues for energy and
3 capacity cleared through the MRTU markets, power purchase contract costs, generation fuel
4 costs, market energy purchase costs, CAISO charges, brokerage fees and hedging costs.
5 SDG&E expects to incur \$1,192 million of ERRA costs in 2015 (see Attachment A).⁶ This
6 forecast is \$4 million less than the \$1,196 million forecasted for 2014.⁷ The key drivers behind
7 the forecast are an increase in renewable generation costs and higher gas prices, which are offset
8 by a lower load forecast and other cost decreases.

9 The remainder of this testimony will discuss in more detail the costs of specific ERRA
10 items.

11 **A. LOAD ISO CHARGES**

12 The CAISO supplies and sells all energy and A/S to SDG&E to meet SDG&E's bundled
13 load requirement. Based on forecasted prices for energy and A/S, SDG&E expects to incur
14 charges totaling [REDACTED] for load requirements in 2015 from the CAISO. SDG&E also
15 calculates the indirect GHG cost that is imbedded in the market prices paid for market purchases
16 and deducts this cost from Load ISO Charges. The [REDACTED] is net of the forecasted indirect
17 GHG costs. GHG quantities and costs are presented in the GHG Cost and Revenue Forecast and
18 Reconciliation Application, and therefore, not included herein.

19 **B. SUPPLY ISO REVENUES**

20 In the CAISO market, all generation from SDG&E's resource portfolio is sold to the
21 CAISO. Based on forecasted prices for energy, SDG&E expects to receive revenues totaling
22 [REDACTED] for generation produced in 2015.

⁶ Does not include Franchise Fees and Uncollectibles ("FF&U").

⁷ Application ("A.") 13-09-017 is pending Commission approval.

1 **C. GENERATION FUEL**

2 **1. Palomar, Desert Star, Miramar and Cuyamaca (Fuel Expenses that**
3 **are Recovered through ERRA)**

4 In 2015, the ERRA expense for generation fuel purchased by SDG&E for Palomar,
5 Miramar I & II, Desert Star and Cuyamaca is forecasted to be [REDACTED].⁸ These forecasted
6 expenses include “in lieu” gas fees for Palomar, Miramar I & II and Cuyamaca, which are also
7 recovered in ERRA. These costs are calculated based on SDG&E’s forecasted fuel usage for
8 these plants and the applicable tariffs, Schedule GP-SUR⁹ and Schedule EG.¹⁰

9 **D. CONTRACTED ENERGY PURCHASES**

10 **1. Qualifying Facilities**

11 All QFs are under contract with SDG&E through as-available capacity or firm capacity
12 PURPA contracts. These contracts include provisions for both energy and capacity payments.
13 The energy payments for QFs that are under firm capacity PURPA contracts are forecasted using
14 the SDG&E Short-Run Avoided Cost (“SRAC”) formula.¹¹ For the dispatchable contracts,
15 SDG&E pays fuel, variable O&M and capacity payments. Most of these contracts, whether
16 PURPA or dispatchable, are considered Competition Transition Charge (“CTC”) QF contracts,¹²
17 and the ERRA expenses are based on delivered energy multiplied by the market benchmark
18 price. Any costs, including capacity payments, greater than the market price benchmark are
19 booked to the TCBA. For the purposes of ERRA accounting, ERRA expenses for CTC QF
20 contracts are recorded on Line 18 of Attachment C, “Qualifying Facilities (Up To Market),” and

⁸ Capital and non-fuel operating costs for these plants are recovered through the Non-Fuel Generation Balancing Account (“NGBA”) as required by D.05-08-005, Resolution E-3896 and D.07-11-046.

⁹ Customer-procured Gas Franchise Fee Surcharge.

¹⁰ Natural Gas Intrastate Transportation Service for Electric Generation Customers.

¹¹ The derivation of the SRAC price for QF contracts is posted monthly on an SDG&E website: <http://www2.sdge.com/SRAC/>.

¹² CP Kelco contract is not considered a CTC contract.

1 are forecasted to be [REDACTED] in 2015. Attachment C details the breakdown of all the units
2 discussed in this section and shows the associated costs, both ERRA and TCBA, and the forecast
3 energy deliveries. Additionally, SDG&E calculates the indirect GHG cost embedded in the
4 market price that flow through the SRAC formula, and SDG&E deducts these costs from the
5 TCBA. The [REDACTED] is net of the forecasted indirect GHG costs. GHG quantities and costs
6 are quantified and discussed in my testimony in the separate and concurrently filed GHG Cost
7 and Revenue Forecast and Reconciliation Application.

8 **2. Renewable Energy Contracts**

9 SDG&E's renewable energy contracts usually contain an energy payment only and no
10 capacity payment. In 2015, SDG&E's renewable energy portfolio will include a cost for all the
11 renewable power delivered based on contract prices and the renewable energy credits described
12 in Section II under "Renewable Energy Contracts." All costs associated with these contracts are
13 booked as ERRA expenses and are forecasted to be \$548 million for 2015. Attachment D details
14 the renewable projects by fuel type, their costs and forecasted energy deliveries.

15 **3. Other Purchased Power Contracts**

16 SDG&E's forecast of total costs for non-renewable power purchase contracts in 2015 is
17 [REDACTED]. These costs cover capacity payments and variable generation costs for OMEC,
18 Orange Grove, Wellhead El Cajon and several smaller contracts. The largest components in this
19 category are capacity and generation costs for the OMEC unit, expected to be [REDACTED], and
20 Resource Adequacy capacity costs, expected to be [REDACTED]. The Morgan Stanley contract
21 is also included in this category and is expected to cost [REDACTED]. In lieu gas fees for OMEC
22 are recovered in ERRA. This cost is calculated based on SDG&E's forecasted OMEC fuel usage
23 and the applicable tariffs, Schedule GP-SUR and Schedule EG. Escondido Energy Center

1 forecasted costs and associated CAISO revenues are accounted for in the LGBA. Attachment A
2 details the breakdown of LG expenses.

3 **E. CAISO RELATED COSTS**

4 SDG&E forecasts the miscellaneous CAISO costs to be [REDACTED] in 2015. SDG&E
5 also forecasts the cost of the FERC Fees and Western Renewable Energy Generation Information
6 System (WREGIS) to be [REDACTED] in 2015.

7 **F. HEDGING COSTS**

8 SDG&E's resource portfolio has substantial exposure to gas price volatility as a result of
9 fuel requirements for its gas-fired resources as well as the gas price-based pricing formula for its
10 QF contracts. To manage this exposure, SDG&E expects to continue its hedging activity, and
11 will book the resulting hedging costs and any realized gains and losses from hedge transactions
12 to ERRA consistent with its CPUC-approved hedge plan. The current estimate of hedging costs
13 for 2015 is a credit of [REDACTED], calculated as the marked-to-market profit/loss of hedges
14 already in place, plus expected broker fees. The profit/loss of these and future hedges placed
15 will rise and fall with market prices. Therefore, the final cost or savings will not be known until
16 the settlement process has been completed for the hedge transactions.

17 SDG&E may also trade short-term financial power products to hedge its long or short
18 position against potentially volatile CAISO market clearing prices. SDG&E does not include a
19 forecast of net cost or benefit from these power hedges due to the unpredictability of market
20 prices relative to the price of the hedges.

21 **G. CONVERGENCE BIDS**

22 SDG&E's primary use of convergence bids is to hedge certain operational risks in the
23 day-to-day management of its portfolio. It is not possible to forecast the gains or losses

1 associated with potential convergence bidding activity because of the unpredictable relationship
2 between day-ahead and real-time prices. Therefore, SDG&E did not forecast an ERRA
3 revenue/charge for convergence bids.

4 **H. CONGESTION REVENUE RIGHTS (“CRRs”)**

5 Market participants, including SDG&E, were allocated CRRs for which they can
6 nominate source and sink P-nodes to match those in their portfolio. If congestion arises between
7 the source and sink P-nodes, the CAISO will pay the market participant holding the CRR the
8 congestion charges to offset the congestion costs incurred. SDG&E expects its CRRs to generate
9 revenues from the CAISO to offset congestion costs incurred within its portfolio. However,
10 expected revenues were not forecast for the 2015 ERRA forecast because SDG&E assumed
11 congestion-free clearing prices to develop forecasts for load requirement costs and generation
12 revenues. A forecast of CRR revenues would have required SDG&E to forecast offsetting
13 market-congestion prices at various P-nodes over the 2015 period, which would have introduced
14 complexity and additional uncertainty into the forecast.

15 Market participants, including SDG&E, are offered the ability to purchase CRRs through
16 an auction process. SDG&E may elect to participate in the annual and monthly auction
17 processes to procure the incremental CRRs. Since the incremental CRRs volumes cannot be
18 forecasted, the incremental CRR costs and revenues also cannot be forecasted.

19 **I. INTER-SCHEDULING COORDINATOR TRADES (“ISTS”)**

20 In the CAISO market, SDG&E may transact ISTs bilaterally with counterparties to hedge
21 long or short positions. Under an IST purchase, SDG&E pays the counterparty the contracted
22 energy price and in return receives payment from the CAISO based on the market clearing price.
23 Under an IST sale, SDG&E receives payment from the counterparty based on the contracted

1 energy price and in return pays the market clearing price to the CAISO. For IST purchases and
2 sales, the payment to, or revenue from, the counterparty is largely offset by the respective credit
3 from, or payment to, the CAISO. Because ISTs are used as a hedge against unknown market
4 prices, SDG&E does not include a forecast of the net cost or benefit from these transactions.

5 **IV. CONCLUSION**

6 In conclusion, SDG&E requests that the CPUC find that the input assumptions used to
7 develop the ERRRA, CTC and LG revenue requirements are reasonable and should be approved.

8 This concludes my direct testimony.
9

1 **V. QUALIFICATIONS**

2 My name is Benjamin A. Montoya. My business address is 8330 Century Park Court,
3 San Diego, California, 92123.

4 I have been employed as a Principal Resource Planner in the Resource Planning group of
5 SDG&E since 2000. Prior to that, I was employed at various levels of increasing responsibility
6 in the following SDG&E departments: Gas Engineering, Gas Operations, Gas Control, and Gas
7 System Planning. I have been employed with SDG&E for almost 28 years.

8 I received a B.S. in Engineering from the United States Naval Academy and a Masters of
9 Business Administration from the University of San Diego. I am a licensed professional
10 Mechanical Engineer in the state of California.

11 I have previously testified before the Commission on issues related to both gas system
12 planning and electric resource planning.

Attachment A

ATTACHMENT A - SDG&E 2015 ERRAs and LGBA EXPENSES		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	EXPENSES (\$)												
2	Load ISO Charges (Energy & A/S Costs)												
3	Supply ISO Revenues												
4	Contract Costs (non-CTC)												
5	Contract Costs (CTC up to mkt)												
6	Generation Fuel												
7	CAISO Misc Costs												
8	Hedging Costs (inc. Broker Fees)												
9	Contract Costs - CHP Costs (AB1813)												
10	Customer Incentives - SPP_DR 20/20												
11	Rewards/Penalties - Palomar Energy Ctr.												
12	WREGIS Costs												
13	ISO CRRs Costs												
14	ISO Convergence Bidding Costs												
15	Rebalancing Costs (OMEC)												
16	Purchased Tradable Renewable Energy Credits (TREC's)												
17	Sales Tradable Renewable Energy Credits (TREC's)												
18	Net Surplus Compensation Costs (AB920)												
19	Authorized Disallowances												
20	Greenhouse Gas & Carrying Costs												
21	Total Balancing Account Expenses												
	Line 4 Contract Costs (non-CTC)												
	Olay Mesa Energy Center PPA payment												
	Olay Mesa Energy Center Energy Costs												
	Lake H												
	C												
	El Cajon Energy Center Peaker												
	Orange Grove Peaker												
	NRG Capacity												
	Calpeak Capacity												
	Cabrillo 2 Capacity												
	Morgan Stanley Index												
	Renewable												
	Line 4												
	Line 5 Contract Costs (CTC up to mkt)												
	Line 5 Total												
	Line 6 Generation Fuel												
	P												
	Deser												
	Miramar												
	Miramar 2												
	Cuyamaca												
	Line 6												
	In Lieu Gas												
	P												
	Olay Mesa Energy												
	M												
	Miramar 2												
	Cuyamaca												
	Total In Lieu Franchise												
	Line 8 Hedging Costs (inc. Broker Fees)												
	Hedging												
	Broker												
	Line 8												
	Market Purchases and Sales												
	Total Sales Revenue												
	Net Short												
	LGBA Expenses												
	Escondido Energy Center cost												
	Escondido Energy Center ISO revenue												
	Total LGBA Expense												

\$ 1

\$

Attachment D

ATTACHMENT D - SDG&E 2015 RENEWABLE RESOURCE DETAIL													
Power Purchase Delivers (GWh)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2015
BIO GAS													
MM Prima Deshecha Energy LLC	3.3	3.1	3.1	3.4	3.2	3.3	3.7	3.8	3.7	3.3	3.3	3.3	40.3
MM San Diego LLC- Miramar Landfill	2.2	2.0	2.2	2.1	2.2	2.1	2.2	2.2	2.2	2.2	2.1	2.2	25.9
Otay Landfill 1	1.0	0.9	1.0	1.0	0.9	1.0	1.1	1.2	1.2	1.0	1.0	1.0	12.2
Otay Landfill 2	1.0	0.9	1.0	0.9	1.0	0.9	1.2	1.2	1.2	1.0	1.0	1.0	12.4
Otay Landfill 3	2.0	1.8	2.1	1.9	2.1	1.9	2.2	2.0	2.2	2.0	2.0	2.0	24.0
San Marcos Landfill	0.9	0.9	1.0	0.9	0.9	0.9	1.0	1.0	1.0	1.0	0.9	1.0	11.3
Sycamore Landfill	0.7	0.6	0.7	0.7	0.7	0.7	0.9	0.9	0.8	0.8	0.7	0.7	8.9
Subtotal	11.2	10.1	11.0	10.9	11.1	10.8	12.3	12.4	12.2	11.2	10.9	11.1	135.0
BIO MASS													
Blue Lake	4.1	3.3	4.3	3.3	4.2	4.1	7.2	8.2	7.9	4.4	4.1	3.8	58.9
Subtotal	4.1	3.3	4.3	3.3	4.2	4.1	7.2	8.2	7.9	4.4	4.1	3.8	58.9
OTHER													
Rancho Penasquitos	1.4	1.3	1.3	1.4	1.4	1.3	2.6	2.5	2.7	1.4	1.5	1.3	20.1
Subtotal	1.4	1.3	1.3	1.4	1.4	1.3	2.6	2.5	2.7	1.4	1.5	1.3	20.1
SOLAR													
NLP Valley Center Solar	-	-	-	-	-	-	-	1.8	1.5	1.1	1.0	0.9	6.2
NRG Borrego Solar	4.6	4.8	6.5	7.1	7.9	7.5	6.7	6.6	6.1	6.3	5.1	4.6	73.8
Sol Orchard	1.9	1.6	2.5	2.6	2.7	2.6	2.6	2.6	2.3	2.2	2.0	1.8	27.6
Arlington Valley Solar	18.4	20.4	32.0	34.2	36.9	37.4	33.7	31.2	28.2	24.0	18.3	17.0	331.7
Calipatria Solar	-	-	-	2.7	2.7	2.7	2.5	2.1	2.1	1.8	1.1	1.3	18.8
Campo Verde	19.3	21.3	33.5	35.9	38.6	39.2	35.3	32.7	29.6	25.1	19.2	17.8	347.4
Catalina Solar	13.2	15.9	24.8	23.4	28.2	27.7	26.4	26.0	23.1	17.3	14.9	13.4	254.2
Centinela Solar1	22.2	23.0	31.1	34.2	37.8	35.9	32.2	31.9	29.5	30.2	24.5	22.3	354.6
Centinela Solar2	5.8	5.6	7.8	8.0	8.4	8.1	8.0	7.9	7.2	7.0	6.2	5.7	85.8
Desert Green	0.6	0.6	0.9	1.1	1.2	1.2	1.1	1.0	0.8	0.7	0.6	0.5	10.1
LanEast	-	-	-	-	-	-	-	-	-	-	-	-	0.1
Rugged Solar	-	-	-	-	-	-	-	-	-	-	-	-	0.5
Tierra Del Sol	-	-	-	-	-	-	-	-	-	-	-	-	0.3
LanWest	-	-	-	-	-	-	-	-	-	-	-	-	0.0
Imperial Valley Solar I	23.9	28.9	45.0	42.6	51.3	50.3	48.0	47.2	42.0	31.4	27.1	24.4	462.2
MarcopataWest Solar	-	0.1	2.1	2.8	3.4	3.5	3.5	3.2	2.8	2.4	1.8	1.2	26.6
TanBearSeville	-	-	-	-	2.8	2.7	2.7	2.7	2.4	2.1	1.8	1.6	21.7
SolarGen2	18.9	20.8	32.8	35.0	37.7	38.3	34.5	32.0	28.9	24.5	18.7	17.4	339.6
Brownfield	-	-	-	-	-	-	-	-	-	-	0.1	0.8	0.8
CascadeSunEdison	3.3	3.5	4.6	4.7	5.4	5.7	5.3	4.7	4.8	4.2	3.8	3.6	53.6
Victorville Landfill Solar	-	-	-	-	-	-	-	-	-	-	-	-	0.9
Csolar IV South	15.6	18.8	29.3	27.7	33.4	32.7	31.2	30.7	27.3	20.4	17.6	15.9	300.4
VictorMesa/Western Antelope	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	2.9
Subtotal	147.8	165.7	253.2	265.0	298.7	295.6	274.0	264.3	238.8	200.7	163.7	152.3	2,719.7
WIND													
Glacier Wind (TREC)	55.9	49.5	49.4	48.8	47.1	43.4	32.4	28.0	35.0	44.5	52.6	58.7	545.3
Kumeyaay	15.5	13.2	15.3	13.1	15.7	11.1	7.7	5.3	5.7	10.9	10.7	13.3	137.4
Coram Energy	1.1	1.2	2.1	2.5	3.1	3.0	2.6	1.9	1.7	1.8	1.4	1.4	23.7
Energia Sierra Juarez	-	-	-	-	1.3	22.5	14.2	15.2	23.1	41.5	29.2	43.4	190.4
Iberdrola Renewables	9.8	7.4	10.4	9.4	5.6	5.1	3.4	3.1	5.2	5.7	7.8	6.5	81.2
Manzana Wind	29.9	21.5	29.8	29.1	16.1	14.1	13.7	12.3	20.8	17.4	23.2	25.1	253.1
Oak Creek Wind Power	0.2	0.3	0.8	0.7	0.7	0.9	0.9	0.7	0.5	0.5	0.4	0.3	6.9
Oasis PowerPartners	5.3	8.2	12.6	14.1	16.9	16.3	11.9	12.7	9.4	6.1	7.9	5.0	128.4
Ocotillo Express	93.4	70.3	89.6	89.9	53.8	48.3	32.7	29.4	49.5	54.2	74.3	81.1	776.4
PacificWind	38.4	27.5	40.8	34.4	22.8	19.2	19.1	17.3	29.1	22.9	29.4	33.9	333.3
San Geronimo	-	1.5	3.0	4.0	4.5	4.5	3.5	3.2	2.8	2.5	1.4	0.9	32.0
Tahachapi Wind	-	-	-	-	-	-	-	-	-	-	0.6	1.1	1.7
WTE/FPL Acquisition	1.0	1.5	3.6	3.1	3.4	4.4	4.1	3.1	2.5	2.3	1.9	1.4	32.3
Subtotal	250.2	202.0	287.4	249.0	190.9	191.7	148.2	132.1	185.2	210.1	240.8	274.3	2,540.0
RPS SALES													
Noble America Energy Solutions LLC II	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(200.0)
Pilot Power Group	(9.6)	(9.6)	(9.6)	(9.6)	(9.6)	(9.6)	(9.6)	(9.6)	(9.6)	(9.6)	(9.6)	(9.6)	(115.0)
Exelon II	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(300.0)
Subtotal	(51.3)	(51.3)	(51.3)	(51.3)	(51.3)	(51.3)	(51.3)	(51.3)	(51.3)	(51.3)	(51.3)	(51.3)	(615.0)
Total Power Purchase Costs (\$000)													
BIO GAS	\$ 870	\$ 784	\$ 864	\$ 838	\$ 859	\$ 833	\$ 949	\$ 959	\$ 935	\$ 867	\$ 839	\$ 864	10,459.0
BIO MASS	\$ 408	\$ 330	\$ 427	\$ 334	\$ 424	\$ 408	\$ 724	\$ 818	\$ 792	\$ 436	\$ 409	\$ 382	5,891.6
OTHER	\$ 77	\$ 68	\$ 69	\$ 77	\$ 74	\$ 71	\$ 137	\$ 135	\$ 145	\$ 77	\$ 79	\$ 72	1,079.9
SOLAR	\$ 18,808	\$ 21,067	\$ 31,998	\$ 33,234	\$ 37,502	\$ 37,038	\$ 34,328	\$ 33,121	\$ 29,910	\$ 25,223	\$ 20,622	\$ 19,094	341,944.6
WIND	\$ 18,784	\$ 14,369	\$ 20,593	\$ 18,747	\$ 12,712	\$ 13,412	\$ 10,373	\$ 9,526	\$ 14,504	\$ 15,997	\$ 18,204	\$ 21,121	188,343.1
WIND (REC)	\$ 1,424	\$ 1,261	\$ 1,258	\$ 1,243	\$ 1,200	\$ 1,106	\$ 825	\$ 713	\$ 892	\$ 1,133	\$ 1,341	\$ 1,496	13,891.9
RPS SALES	\$ (1,162)	\$ (1,162)	\$ (1,162)	\$ (1,162)	\$ (1,162)	\$ (1,162)	\$ (1,162)	\$ (1,162)	\$ (1,162)	\$ (1,162)	\$ (1,162)	\$ (1,162)	(13,940.0)
Subtotal	\$ 39,208	\$ 36,717	\$ 54,046	\$ 53,311	\$ 51,688	\$ 51,707	\$ 46,175	\$ 44,112	\$ 46,016	\$ 42,571	\$ 40,333	\$ 41,866	547,670.1

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION
OF BENJAMIN A. MONTOYA**

A.14-04-XXX

Application of San Diego Gas & Electric Company (U 902-E)
for Adoption of its 2015 Energy Resource Recovery Account Revenue Requirement,
Competition Transition Charge Revenue Requirement, and Local Generation Balancing Account
Revenue Requirement Forecasts

I, Benjamin A. Montoya, declare as follows:

1. I am a Principal Resource Planner for San Diego Gas & Electric Company (“SDG&E”). I included my Prepared Direct Testimony (“Testimony”) in support of SDG&E’s April 15, 2014 Application for Adoption of its 2015 Energy Resource Recovery Account (“ERRA”), Competition Transition Charge (“CTC”), and Local Generation Balancing Account (“LGBA”) revenue requirement forecasts. Additionally, as a Principal Resource Planner, 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
BAM-2 lines 14-16	V.C	LSE Total Energy Forecast – Bundled Customer; confidential for the front three years
BAM-3 lines 8-9	IV.B	Forecast of Qualifying Facility Generation; confidential for three years
BAM-4 lines 16-21	IV.A	Forecast of IOU Generation Resources; confidential for three years
BAM-5 lines 12-19	IV.F	Forecast of Post-1/1/2003 Bilateral Contracts; confidential for three years
BAM-6 line 1	VI.A	Utility Bundled Net Open Position for Capacity; confidential for the front three years
BAM-6 lines 9-10	IV.J	Forecast of Wholesale Market Purchases; confidential for the front three years
BAM-7 lines 12 and 14	II.A.2, V.C	Utility Electric Price Forecasts; confidential for three years, LSE Total Energy Forecast, confidential for the front three years
BAM-7 line 20	II.A.2, II.B.1, II.B.3, II.B.4	Utility Electric Price Forecasts; confidential for three years, Generation Cost Forecasts of Utility Retained Generation, confidential for three years, Generation Cost Forecasts of QF Contracts, confidential for three years, Generation Cost Forecasts of Non-QF Bilateral Contracts, confidential for three years
BAM-8 line 2	II.B.1	Generation Cost Forecasts of Utility Retained Generation, confidential for three years
BAM-8 line 18 and BAM-9 line 2	II.B.3	Generation Cost Forecast of QF Contracts; confidential for three years
BAM-10 lines 3, 5-7	II.B.4	Generation Cost Forecast of Non-QF Bilateral Contracts; 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.

BAM-10 lines 13 and 15	II.A.2	Utility Electric Price Forecasts; confidential for three years
BAM-10 line 22	I.A.4	Long-term Fuel (gas) Buying and Hedging; confidential for three years
Attachment A - SDG&E 2012 ERRA Expenses	XI	Monthly Procurement Costs; confidential for three years
Attachment B - SDG&E 2012 URG Delivery Volumes		
<ul style="list-style-type: none"> • Cuyamaca, Palomar, Desert Star, and Miramar data 	IV.A	Forecast of IOU Generation Resources; confidential for three years
	IV.E	Forecast of Pre-1/1/2003 Bilateral Contracts; confidential for three years
<ul style="list-style-type: none"> • QF data 	IV.B	Forecast of Qualifying Facility Generation; confidential for three years
<ul style="list-style-type: none"> • Otay Mesa, Celerity, Kelco, Lake Hodges, Wellhead, and Orange Grove data 	IV.F	Forecast of Post-1/1/2003 Bilateral Contracts; confidential for three years
<ul style="list-style-type: none"> • Market Purchase data 	IV.J	Forecast of Wholesale Market Purchases; confidential for the front three years
<ul style="list-style-type: none"> • Surplus Energy Sold data 	IV.K	Forecast of Wholesale Market Sales; confidential for the front three years
Load Requirement data	V.C	LSE Total Energy Forecast – Bundled Customer; confidential for the front three years
Attachment C - SDG&E 2012 Long-Term Power Purchase, CTC and Qualifying Facility Detail		
<ul style="list-style-type: none"> • QF data 	IV.E	Forecast of Pre-1/1/2003 Bilateral Contracts; confidential for three years
	IV.B	Forecast of Qualifying Facility Generation; confidential for three years
<ul style="list-style-type: none"> • Long-Term Power Purchase CTC data 	II.B.4	Generation Cost Forecast of Non-QF Bilateral Contracts; confidential for three years
<ul style="list-style-type: none"> • CTC QF & Non CTC QF data 	II.B.3	Generation Cost Forecast of QF Contracts; confidential for three years
<ul style="list-style-type: none"> • TCBA Expenses data 	II.B.3 and	Generation Cost Forecast of QF Contracts; confidential for three years
	II.B.4	Generation Cost Forecast of Non-QF Bilateral Contracts; confidential for three years

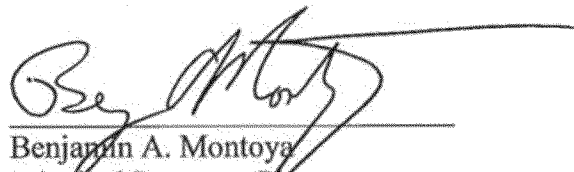
4. I am not aware of any instances where the Protected Information has been disclosed to the public. To my knowledge, no party, including SDG&E, has publicly revealed any of the Protected Information.

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

6. 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 15th day of April, 2014, at San Diego, California.



Benjamin A. Montoya
Principal Resource Planner
San Diego Gas & Electric Company