

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

San Diego Gas & Electric Company

Docket No. ER21-2193-000

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION ON OFFER OF SETTLEMENT**

The California Independent System Operator Corporation (CAISO) submits these comments supporting the Offer of Settlement and Explanatory Statement filed in this docket by San Diego Gas & Electric Company (SDG&E) on March 3, 2023.

I. Background

On July 14, 2021, the CAISO filed a protest to SDG&E's initial cost recovery application in this docket. Since then, the CAISO and SDG&E engaged in multiple formal and informal settlement discussions regarding SDG&E's application.

II. Comments

SDG&E's March 3 filing accurately reflects the culmination of the parties' settlement discussions and appropriately resolves the disputed issues in this docket. Below the CAISO provides brief comments on each of the settlement's three main articles.

Article 1 – The CAISO finds that a “black box” settlement figure of \$5 million is an appropriate negotiated payment to SDG&E and the CAISO further agrees to provide that payment to SDG&E through the CAISO's market settlements process as soon as feasible should the Commission approve the settlement. The CAISO intends to recover the cost of the payment through a *pro rata* allocation to total measured demand on

February 13-16, 2021. This allocation methodology provides a reasonable proxy of how the CAISO would have recovered the costs under section 11.8.6 of its tariff had those costs been incurred through the normal bid cost recovery process.

Article II – The CAISO also supports SDG&E providing the stipulated informational report. This report would provide parties beneficial transparency about how the payment called for in Article I corresponds to other cost recovery mechanisms available to SDG&E.

Article III – The CAISO agrees that the general provisions provide parties the needed certainty about the ultimate effect of the settlement.

III. Conclusion

The CAISO supports SDG&E's March 3 filing and strongly encourages the Commission to approve that filing as soon as practical to bring this matter to a definitive conclusion.

/s/ David S. Zlotlow

Roger E. Collanton
General Counsel
Anthony Ivancovich
Deputy General Counsel
Andrew Ulmer
Assistant General Counsel
David S. Zlotlow
Lead Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
(916) 351-4400
dzlotlow@caiso.com

Counsel for the California Independent
System Operator

Dated: March 23, 2023

CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 23rd day of March, 2023.

/s/ Anna Pascuzzo

Anna Pascuzzo

An employee of the California ISO