

Application of SAN DIEGO GAS & ELECTRIC)
COMPANY for authority to update its gas and)
electric revenue requirement and base rates)
effective January 1, 2028 (U 902-M))

Application No.: A.26-06-XXX

Exhibit No.: (SDGE-09-RRWP)

REASONABLENESS REVIEW
WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF SNEHA R. PARMAR
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

JUNE 2026



Workpaper SDGE-09-RRWP Category/Witness Area	Climate Adaptation Vulnerability Assessment Memorandum Account (CAVAMA) Memorandum Account / Multiple Witness Areas
---	--

Description (\$ in thousands)	DESCRIPTION					
	Prior Years Spend					
	2021	2022	2023	2024	2025	Total
Capital Expenditures Labor	-	-	-	-	-	-
Capital Expenditures Non-Labor	-	-	2,022	633	-	2,655
Capital Expenditures Direct Costs Subtotal	-	-	2,022	633	-	2,655
Capital Expenditures Indirect Costs	-	-	68	39	-	106
Capital Total	-	-	2,090	672	-	2,762
O&M Labor	178	238	261	262	183	1,123
O&M Non-Labor	180	231	776	1,543	1,661	4,392
O&M Direct Costs Subtotal	359	468	1,037	1,806	1,845	5,514
O&M Indirect Costs	129	205	188	205	159	886
O&M Total	487	673	1,225	2,011	2,003	6,400
Units						
Resilience Center	-	-	-	1	-	1
Imputed Authorized Direct Capital \$	-	-	-	-	-	-
Imputed Authorized Direct O&M \$	-	-	-	-	-	-

Direct Cost Breakdown by Cost Category:

(\$ in thousands)	Prior Years Spend					
	2021	2022	2023	2024	2025	Total
Wildfire and Climate Resilience Center (WCRC)						
Capital	-	-	2,022	633	-	2,655
Labor	-	-	-	-	-	-
Non-Labor	-	-	2,022	633	-	2,655
O&M	-	-	-	-	-	-
Labor	-	-	-	-	-	-
Non-Labor	-	-	-	-	-	-
Wildfire and Climate Resilience Center (WCRC) Total	-	-	2,022	633	-	2,655
Climate Adaptation OIR Activities						
Capital	-	-	-	-	-	-
Labor	-	-	-	-	-	-
Non-Labor	-	-	-	-	-	-
O&M	359	468	1,037	1,806	1,845	5,514
Labor	178	238	261	262	183	1,123
Non-Labor	180	231	776	1,543	1,661	4,392
Climate Adaptation OIR Activities Total	359	468	1,037	1,806	1,845	5,514
Total	359	468	3,059	2,439	1,845	8,169

Business Purpose:

The Climate Adaptation and Vulnerability Assessment Memorandum Account (CAVAMA) records the incremental costs incurred by SDG&E to comply with climate adaptation requirements adopted by the California Public Utilities Commission (CPUC) through the Climate Adaptation Order Instituting Rulemaking (OIR R.18-04-019) and related proceedings. These requirements direct utilities to assess climate-driven impacts to infrastructure, operations, and communities using forward-looking climate science, and to integrate those findings into utility planning, engagement, and regulatory filings.

CAVAMA provides the authorized mechanism to track costs associated with conducting climate vulnerability assessments, engaging stakeholders, communities, and partners, and applying climate data and assessment results to other proceedings such as RAMP, WMP, and IEPR. The account also records capital costs for the Wildfire and Climate Resilience Center (WCRC), which supports climate- and wildfire-informed coordination, situational awareness, and operational readiness.

Project Justification:

CAVAMA was established to support compliance with climate adaptation obligations adopted through the Climate Adaptation OIR, which extend beyond traditional utility planning, engineering, and operations. CPUC proceedings increasingly require utilities to demonstrate that climate hazards, vulnerability analyses, and stakeholder input are incorporated into planning, risk management, and investment decisions. At the time these requirements were adopted, meeting them required new analytical work, specialized expertise, and cross-functional coordination that were incremental to base activities. Consistent with the OIR, the Commission authorized use of a memorandum account to track the incremental costs associated with implementing climate vulnerability assessments and related engagement, analysis, and reporting. CAVAMA supports activities including development and execution of the Climate Adaptation Vulnerability Assessment (CAVA), community and stakeholder engagement, collaboration with academic and research institutions, and integration of climate considerations into regulatory filings and long-term planning. Annual progress toward ongoing compliance obligations has been documented through annual advice letter filings* as required in the Climate Adaptation OIR. CAVAMA also records costs associated with the WCRC, which supports coordination and application of forward looking climate and wildfire information into an operational context. As climate adaptation activities mature and become embedded in standard utility practices, SDG&E anticipates sunsetting the CAVAMA by December 31, 2027 and will reconcile any costs incurred and booked to the CAVAMA subsequent to filing this GRC Application to be included as part of a reasonableness review in its 2032 GRC or other applicable proceeding.

*Update on the Climate Change Adaptation Team Initiatives in Compliance with Decision (D.) 20-08-046, 2020-2025 advice letters available at: <https://tariffsprd.sdge.com/sdge/filings/?utilId=SDGE&bookId=ELEC&flngStatusCd=Approved>

2026 advice letter available at: <https://tariffsprd.sdge.com/sdge/filings/?utilId=SDGE&bookId=ELEC&flngStatusCd=Effective>

Project Scope:

Wildfire and Climate Resilience Center (WCRC) - For CAVAMA (Capital Project), the project scope only included the Resilience Zone component of the WCRC. It encompasses the buildout of a dedicated, multi-use space within an existing SDG&E facility to support community-facing education, outreach, and engagement on wildfire and climate resilience. This includes areas designed for public workshops, stakeholder convenings, and hands-on training focused on wildfire safety, emergency preparedness, and climate adaptation. The space enables SDG&E SMEs to translate evolving climate science and operational practices into accessible, actionable information for customers and communities, while fostering partnerships with local leaders, academia, and other stakeholders. As part of the broader WCRC, the Resilience Zone complements core emergency management and scientific functions by ensuring that community engagement and education are institutionalized, scalable, and aligned with SDG&E's long-term climate resilience objectives.

Climate Adaptation OIR Activities - CAVA OIR O&M activities encompass the ongoing labor and targeted external support required to implement CPUC-directed climate adaptation requirements. This includes conducting climate vulnerability assessments, coordinating cross-functional inputs, supporting regulatory filings, and executing stakeholder engagement. The scope relies on specialized scientific and regulatory expertise, with non-labor costs supporting climate data development, hazard analysis, and vulnerability modeling through partnerships with academic institutions and national laboratories, ensuring SDG&E leverages best available science to inform adaptation planning.

Cost Drivers:

CAVAMA costs are primarily driven by CPUC-directed climate adaptation requirements and related regulatory proceedings. Key cost drivers include labor required to manage and execute climate vulnerability assessments, coordinate cross-functional inputs, support regulatory filings, and conduct required stakeholder engagement. These activities require specialized scientific and regulatory expertise and sustained coordination across planning, risk, engineering, operations, meteorology, and regulatory teams.

Non-labor costs reflect the need for targeted external support, including support needed for climate science analysis, data processing, vulnerability assessments, and community engagement. This also includes partnerships with academic institutions and national laboratories** to develop high-resolution climate data, examine climate-driven hazards such as extreme heat and wildfire, and assess infrastructure and operational vulnerabilities using best available science. Leveraging these partnerships allows SDG&E to access specialized modeling capabilities and peer-reviewed research as needed.

One-time, non-recurring capital costs recorded under CAVAMA relate to the Resilience Zone section of the WCRC***, which supports the inclusive stakeholder engagement objectives underpinning CAVA by offering a dedicated space to conduct climate hazard outreach and community education.

**SDG&E CAVA, Section 7.8, available at <https://www.sdge.com/sites/default/files/documents/2025-05/SDGE%20CAVA%20-%20Supplemented%20250519.pdf?nid=28966>

**SDG&E CAVA, Section 7.7, available at <https://www.sdge.com/sites/default/files/documents/2025-05/SDGE%20CAVA%20-%20Supplemented%20250519.pdf?nid=28966>

Project Timing and Phases:

The CAVAMA associated activities and milestones have been detailed in annual advice letters beginning with the establishment of CAVAMA in 2020. Below are high-level summaries of this timeline.

a. 2020 (Advice Letter 3614 E / 2907 G, Accepted September 25, 2020)

SDG&E established the Climate Adaptation Vulnerability Assessment Memorandum Account (CAVAMA) to support development of its climate vulnerability assessment and community engagement activities pursuant to Decision (D.) 20-08-046. The Commission-directed compliance timeline established that SDG&E's Community Engagement Plan is due in 2024 and its Climate Adaptation Vulnerability Assessment (CAVA) is due in 2025, setting the framework for subsequent climate adaptation work.

b. 2021 (Advice Letter 3722 E, Accepted March 31, 2021)

SDG&E formally established its Climate Advisory Group (CAG), which held its first meeting in December 2020, to provide cross-functional oversight of climate adaptation activities. Climate hazard projections were completed in June 2020, and SDG&E conducted a pilot circuit-level vulnerability workshop in November 2020, with vulnerability assessment scoping, technical analysis, and community outreach activities continuing throughout 2021.

c. 2022 (Advice Letter 3981 E, Accepted April 1, 2022)

SDG&E expanded its climate adaptation governance by launching the Adaptation Management Team, creating a consistent forum for coordination across business units. Community engagement activities broadened with distribution of a survey to more than 400 community-based organizations and local governments, and SDG&E subject matter experts worked with consultants to further understand potential impacts of climate hazards on a variety of SDG&E assets, operations, and services.

d. 2023 (Advice Letter 4191 E, Accepted March 31, 2023)

SDG&E established the Equity-First Community Climate Coalition (EC3) following outreach to 506 community-based organizations, academic institutions, and local governments, providing a structured mechanism for ongoing community input. SDG&E also produced initial asset-level vulnerability scores and formally created the Wildfire & Climate Science division to consolidate wildfire mitigation, climate adaptation, and resilience functions.

e. 2024 (Advice Letter 4423 E, Accepted April 1, 2024)

SDG&E advanced both community engagement and technical analysis by transitioning its vulnerability assessment to CMIP6 climate science and Shared Socioeconomic Pathways (SSPs). SDG&E published a draft Community Engagement Plan on March 4, 2024 to its website and hosted three public webinars in March 2024 to educate community members on the CEP and how they can review and comment.

f. 2025 (Advice Letter 4636 E/E-A, Accepted March 31, 2025)

On February 12, 2025, SDG&E hosted a public CAVA workshop 90-days prior to filing as required by the Climate Adaptation OIR at its newly opened Wildfire & Climate Resilience Center, providing an overview of CAVA methodology, preliminary results, and community engagement activities. In May 2025, SDG&E completed initial CAVA vulnerability scoring for SME evaluation, expanded engagement with Tribal Nations and disadvantaged vulnerable communities, and sent out a post-CAVA engagement survey.

g. 2026 (Advice Letter 4816 E, Filed March 31, 2026)

SDG&E filed its first CAVA in May 2025. Following the filing, SDG&E focused on post-CAVA integration and methodological refinement, including further analysis of adopting a Global Warming Level (GWL) framework consistent with updated Commission direction. SDG&E continued to gather responses to the post-CAVA engagement survey, with a joint survey report due in May 2026, and began preparations for the next CAVA filing scheduled for May 2028. During this time, SDG&E continued to sustain community engagement through the EC3, Tribal partners, and the Wildfire & Climate Resilience Center.

Approval Process/Procurement Process:

The project followed standard internal governance processes, including documented scope, cost, and justification materials, cross-functional review by Facilities and Supply Management, and formal approval through established authorization protocols. Procurement combined competitive bidding and use of pre-qualified vendors under existing Master Service Agreements (MSAs) with negotiated rates to ensure cost control and efficiency. General Contractors were competitively bid through Supply Management using formal evaluation criteria, including cost, experience, schedule, and safety performance, with documented scoring to support selection. For the Audio-Visual (AV) scope, a single design-build vendor under MSA was retained to preserve system integration and reduce delivery risk, with additional negotiation to enhance cost transparency and limit change order exposure. Other components (furniture, security, art, graphics, signage) were sourced from MSA vendors with standardized pricing. Across all scopes, vendor selection emphasized cost reasonableness, technical capability, past performance, and delivery certainty, with transparency and fairness maintained through Supply Management oversight, negotiated rate structures, and documented evaluation processes.

Risk Identification and Mitigation:

N/A

Consideration of Alternative Solutions:

N/A

Coordination with Similar Programs

CAVAMA activities are coordinated with existing SDG&E programs and governance structures to avoid duplication and support consistent application of climate information. Climate analysis and engagement efforts are coordinated through internal forums, including SDG&E's Climate Advisory Group and cross-departmental outreach coordination structures, to align work across departments and proceedings. CAVAMA is also coordinated with SDG&E's wildfire mitigation and emergency management activities, particularly through the WCRC. The WCRC provides a shared coordination point for integration of climate and wildfire information into planning, operations, and emergency response activities, helping avoid redundant analytical tools and data streams across internal groups.

Stakeholder Impact and Engagement:

Stakeholder engagement under CAVAMA includes collaboration with academic and research institutions and direct engagement with communities, particularly disadvantaged and vulnerable communities. Academic partnerships support the development of high-resolution climate data and independent scientific analysis to inform climate vulnerability assessments and planning decisions. Community engagement activities include development and implementation of the Community Engagement Plan and Equity-First Adaptation Framework, ongoing advisory input from community-based organizations, climate readiness workshops and information sessions, targeted tribal engagement, and survey efforts to gather feedback. Engagement outcomes indicate improved understanding of climate risks and adaptation strategies and support continued participation. CAVAMA also supports coordination through the Wildfire and Climate Resilience Center (WCRC), which serves as a centralized venue for engagement and communication with communities and external partners on climate adaptation efforts at both the utility and regional levels.

Utility Benchmarking:

The level of staffing, use of specialized external expertise, and targeted investment in climate analytics and engagement under CAVAMA are consistent with emerging regulatory practices and proportional to approaches used by peer investor-owned utilities responding to similar climate adaptation mandates. SDG&E regularly coordinates with other California IOUs, including through routine inter-utility meetings, to maintain alignment on scope, methods, and regulatory expectations. The associated activities and costs are reasonable given the technical complexity of climate adaptation requirements and their application across multiple proceedings.