



SDG&E TPR Stakeholder Meeting

2026 – Cycle 1





Welcome

Agenda

Item
Welcome, Agenda & Logistics
Utility Prioritization Ranking (Field #25)
AACE Class – Project Cost Estimate Maturity (Field #48)
Cost-Benefit Analysis Field Utilization (Field #66)
SCADA, Telecommunications, EMS and Automation-related Infrastructure
TPR Process Project Spreadsheet Data Quality and Management
Allowance for Funds Used During Construction (AFUDC)
Supply Chain Constraints and Advance Procurement
Direct Buried Cable Replacement and Transmission Failing Cable Replacements
Break (if needed)
Umbriel IV Remote End 500 kV Switchyard Project (Row 175)
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Projects with Major Cost Discrepancies (Original vs. Current)
Direct Buried Cable Replacement Initiative
[Programmatic] Transmission Failing Cable Replacement (Row 188)
Miguel BK 82 Expansion (Row 318)
Golden Pacific Powerlink (GPP) Project (Row 190)
Corrective Maintenance Programs (Rows 106, 133)
Wrap-Up

Virtual Meeting Logistics

Meeting Agreements

- No confidential information will be discussed.
- Please be mindful that others in this virtual meeting may also have questions.
- Mute your line if you are not speaking.
- AI recording bots are not permitted and will be removed from the meeting.

Engaging in Discussion

- SDG&E SMEs will present and then take live questions.
- Please raise your hand (icon) and wait to be called on.
- When asking questions, please state your name and organization.
- Detailed questions that cannot be addressed in the meeting should be addressed via stakeholder questions and comments due on April 16.

Important

- SDG&E welcomes stakeholder ideas and feedback on how to improve this meeting in written comments.

SDG&E TPR Process – Remaining Schedule

Event	Date
Stakeholder Meeting	March 27
Stakeholders' questions and comments related to Stakeholder Meeting	April 16
Written responses to questions and comments related to Stakeholder Meeting	May 7
Last day for Stakeholders to submit project-specific, follow-up questions to SDG&E	May 12
Written responses from SDG&E to Stakeholder project-specific follow-up questions	May 26
Last day for Stakeholders to submit comments to SDG&E. There is no expectation of written responses.	June 1



Utility Prioritization Ranking (Field #25)
Jennifer Ebner

Utility Prioritization Ranking (Field #25)

Provide any updates in the prioritization process. Has a “prioritization effort” been conducted since the prior submittal and if so, does the January 2026 PS submittal reflect any changes as a result?

- There have not been changes to the overall prioritization framework and ranking criteria since the July 2025 submittal.
- As previously noted, as new budgets are approved, they are included in the existing framework and assigned a corresponding project driver/utility prioritization ranking number.
- Prioritization efforts were conducted in October 2025, and the January 2026 project spreadsheet submittal reflects any changes resulting from those efforts.



AACE Class – Project Cost Estimate Maturity (Field #48)
Brandon Pate

AACE Class – Project Cost Estimate Maturity (Field #48)

Provide any updates in SDG&E’s efforts towards “alignment from other engineering disciplines in this method of cost estimating and standardize across the organization using progressively more accurate Class estimates as the projects mature”. Provide any updates on any timelines, if any, for “finalizing this methodology”.

How does SDG&E plan to mitigation any circumstances that will prevent meeting the goals of “following AACE classifications by the end of 2026”, and “submit[ting] AACE classifications by the January 2027 Process Cycle.

In response to DR 02-01 SDG&E makes reference to existing cost estimating practice, please provide details about the existing cost estimating practices, and provide an example of that cost estimating for both a transmission project and a substation project.

- In our effort to incorporate the AACE classification system, SDG&E conducted discovery sessions in January and February of 2026. The framework and its classification parameters will be drafted into a procedure to provide guidance to applicable internal stakeholders in early Q2 with the intent of obtaining feedback and finalizing the procedure by late Q2 / early Q3.
- Efforts towards alignment have begun with circulating the intent to implement the AACE framework to SDG&E's engineering disciplines (transmission, substation, distribution, etc.). These are some of the internal stakeholders that will be solicited for feedback on writing the procedure and ensuring the current state estimating practices can fit into the AACE classification definitions.
- SDG&E is mitigating circumstances that could prevent the stated goal of implementing AACE by the end of 2026 with early awareness communication, expediting the development of the procedure, and incorporating the requirement of AACE classification assignment to applicable projects within the January 2027 Process Cycle data collection.
- Existing cost estimating practices already involve principles similar to that of the AACE system's progressive classification methodology. Transmission projects currently follow a 30/60/90%/IFC schedule, and substation projects follow a 20/40/60/80%/IFC schedule. The percentages are not directly aligned with the complete design of a portion of the project, but rather with steps developed by each discipline to align with certain milestones of a project, identification of scope, and contingencies relevant to the understanding of that scope.



Cost-Benefit Analysis Field Utilization (Field #66)

John Anderson

Cost-Benefit Analysis Field Utilization (Field #66)

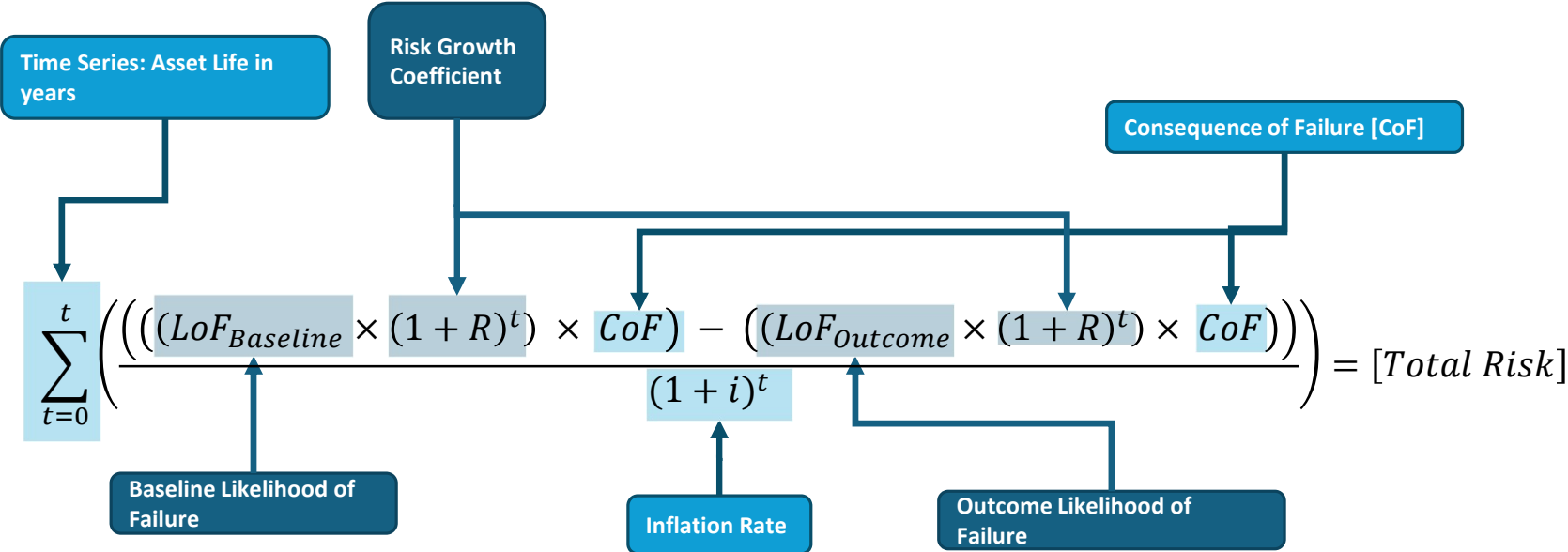
Explain, with a side-by-side before/after comparison, each Field 66 methodology change used in the January 2026 TPR cycle, including:

- 1. The transmission reliability change from customer-outage consequences to transmission resiliency/loss-of-redundancy;**
- 2. The wildfire risk changes from fixed annual risk reduction to asset failure curves and from coarse to granular asset-to-wildfire consequence mapping;**
- 3. The addition of capacity risk-reduction benefits for transmission capacity projects;**
- 4. The service-life/depreciation change for electronic security monitoring components under Section C391.2; and**
- 5. The direct-buried cable restoration-time/consequence-of-failure correction.**

For each change, please identify the prior method, revised method, effective date, governance/approval basis, all affected projects/programs, whether the change was applied portfolio-wide or selectively, and the isolated quantitative effect on each flagged project's Field 66 value.

- All changes are effective as of Q3 2025 for all CPUC and FERC Base Capital Projects.

Cost-Benefit Analysis Field Utilization (Field #66) – Risk Theory



The transmission reliability change from customer-outage consequences to transmission resiliency/loss-of-redundancy

$$\sum_{t=0}^t \left(\frac{\left((LOF_{Baseline} \times (1 + R)^t) \times CoF \right) - \left((LOF_{Outcome} \times (1 + R)^t) \times CoF \right)}{(1 + i)^t} \right) = [Total Risk]$$

Element	Prior Method (Jul/Aug 2025)	Revised Method (Jan 2026)
Reliability Benefit Decrease	Customer outage consequences (SAIDI/SAIFI-based)	Transmission resiliency and loss-of-redundancy impacts
Consequence of Failure	Direct customer interruptions attributed to transmission assets	System-level resiliency impacts reflecting bulk power continuity
Asset Applicability	Distribution-style consequence logic applied to transmission	Transmission-specific reliability framework

The wildfire risk changes from fixed annual risk reduction to asset failure curves and from coarse to granular asset-to-wildfire consequence mapping

$$\sum_{t=0}^t \left(\frac{\left((LoF_{Baseline} \times (1 + R)^t) \times CoF \right) - \left((LoF_{Outcome} \times (1 + R)^t) \times CoF \right)}{(1 + i)^t} \right) = [Total Risk]$$

Element	Prior Method (Jul/Aug 2025)	Revised Method (Jan 2026)
Wildfire Safety Benefit Decrease	Fixed annual wildfire risk reduction factor	Asset-specific failure probability curves
Consequence of Failure	Coarse geographic assignment	Granular asset-to-wildfire exposure mapping
Risk Growth Coefficient	Static	Time-varying based on asset condition

The addition of capacity risk-reduction benefits for transmission capacity projects

Element	Prior Method (Jul/Aug 2025)	Revised Method (Jan 2026)
Capacity Benefit Increase	Not explicitly quantified	Explicit capacity risk-reduction benefit
Driver	Reliability only	Reliability + capacity constraint mitigation

The service-life/depreciation change for electronic security monitoring components under Section C391.2

$$\sum_{t=0}^t \left(\frac{\left((LoF_{Baseline} \times (1 + R)^t) \times CoF \right) - \left((LoF_{Outcome} \times (1 + R)^t) \times CoF \right)}{(1 + i)^t} \right) = [Total Risk]$$

Element	Prior Method (Jul/Aug 2025)	Revised Method (Jan 2026)
Physical Security Benefit Decrease	Combined with physical security barriers	Electronic monitoring separated
Depreciation Life	63 years (E361.0 – Structures & Improvements)	5 years (C391.2 – Computer Equipment)

The direct-buried cable restoration-time/consequence-of-failure correction.

$$\sum_{t=0}^t \left(\frac{\left((LoF_{Baseline} \times (1 + R)^t) \times CoF \right) - \left((LoF_{Outcome} \times (1 + R)^t) \times CoF \right)}{(1 + i)^t} \right) = [Total Risk]$$

Element	Prior Method (Jul/Aug 2025)	Revised Method (Jan 2026)
Reliability Benefit Increase	System-average	Direct-buried cable-specific
Consequence of Failure	Under-stated Restoration of Service Time	Asset-specific Restoration of Service Time



**SCADA, Telecommunications, EMS and Automation-related
Infrastructure (Multiple Projects)**

Diana Alvarez

SCADA, Telecommunications, EMS and Automation-related Infrastructure (Multiple Projects)

Please provide any updates on SDG&E's progress in modernizing its communications infrastructure to support these types of projects. What is SDG&E's progress in moving from leasing third-party communications infrastructure to owned infrastructure?

- **(SCADA)** SDG&E performs Remote Terminal Unit (RTU) replacements to address not only improved reliability and feature sets through more modern communication systems but also to address aging infrastructure. This ensures that the MTBF of devices is addressed as part of the approach to the modernization of systems and architecture. These communications move SDG&E away from outdated communication networks such as leased lines and copper, to modern approaches that include direct fiber, routable connectivity, and result in higher reliability.
- **(Communication infrastructure)** In 2025, a total of 36 miles of communication infrastructure—comprising OPGW and ADSS—was installed.
- **(EMS)** A modern communication infrastructure is essential for the safe and reliable operation of the Energy Management System (EMS). As communication upgrades are implemented, reduced RTU data latency leads to fewer dropped packets, improved SCADA performance, greater system reliability, and enhanced real-time visibility for operators. The new EMS is targeted to go live in Q4 2026.



**TPR Process Project Spreadsheet Data Quality and
Management**
Adam Currey

TPR Process Project Spreadsheet Data Quality and Management

Provide an update on SDG&E's process for compiling and validating the TPR Project Spreadsheet, updates on improvements and implementation timing, and SDG&E's validation process for project and cost data.

- Initial data extraction from TM1 (i.e., SDG&E's financial planning and reporting platform) is pulled by Financial & Business Planning. Financial data is systematically grouped to address grouping issues from prior TPR spreadsheets.
- The consolidated spreadsheet was reviewed by multiple stakeholders, including the Transmission Revenue team and Project Management Office.
- Internal enhanced QC to strengthen overall data quality by continuously monitoring entries, reducing errors, and ensuring issues are addressed early rather than at the final validation stage, including:
 - Consolidation and streamlining of financial data pull to collapse child work orders for non-programmatic line items.
 - Use of formulas and automated checks to proactively identify inaccurate or inconsistent data during the collection process, enabling timely flagging for review with PMs and SMEs.
 - Internal schedule adjusted for additional QC protocols and more resources integrated into the process to support rapid review and investigation of flagged data, helping efficiently validate and resolve issues within a limited timeframe.
 - Identification of critical quality control points and enhancements to measurement systems, enabling earlier detection of anomalies.
 - Implementation of a structured comparison between previous and new submission to systematically review and investigate differences, allowing for better tracking of changes, identification of unusual variances, and more informed validation and follow-up.
 - Implementation and continuous enhancement of data collection tool that streamlines data collection by automatically integrating inputs from multiple PMs and SMEs. This reduces manual intervention and mitigates risks including data entry errors, duplication, filtering inconsistencies, formatting discrepancies, and version conflicts caused by concurrent user edits.



**Allowance for Funds Used During Construction
(AFUDC)**
Ray Baldoni

Allowance for Funds Used During Construction (AFUDC)

- **Please provide an overview of SDG&E’s “Suspended Projects” manual process, including how the \$250,000 actual work order charge threshold was established. If applicable, please use a project that is currently “suspended” to illustrate the process.**
- SDG&E’s operational departments and project management teams create and manage all capital projects. When a project encounters an unanticipated delay that is expected to last six months or longer, it may be placed in a formally suspended status, which discontinues the ability to charge new activities and also discontinues recording AFUDC and the capitalization of property taxes. The \$250,000 threshold was implemented to ensure that only projects deemed as producing a significant AFUDC impact would be considered for possible suspension. In practice, SDG&E evaluates all possible project suspensions and does suspend projects below this threshold.
- **Please explain whether these projects are marked “On Hold” in the “Project Status” column in the TPR PS. If not, please explain how these projects can be identified.**
- Projects are marked as "on hold" in TPR for a variety of reasons as noted in ED-SDGE_TPRJAN2026-001 Q01-03 which may or may not include a formal suspension for accounting purposes.
- **Please explain how SDG&E determines if some or all of the actual charges will be outdated or obsolete when a project is reactivated.**
- Any project in a formal suspended status which is unable to be successfully constructed is fully transferred out of CWIP and charged to expense. If the construction delay is not expected to negatively impact SDG&E’s ability to successfully complete the planned construction and there is no degradation of the project’s supporting information, then no transfer to expense is required.
- **Please explain what is meant by the statement at page 2 of 3 of the “Capitalization Policy – AFUDC” “[I]nterest costs incurred during such periods is a holding cost, not an acquisition.”**
- This is a GAAP-related statement that indicates interest that is not recorded as a construction costs should be recorded as a period expense rather than an asset-related cost. As SDG&E discontinues the recording of AFUDC during the suspension period, there is no interest costs recorded to the project.

Allowance for Funds Used During Construction (AFUDC) - Continued

- **Please explain the circumstances under which construction is suspended at the request of a customer and explain why a customer will reimburse the utility for any AFUDC loaded during the suspension.**
 - This requirement is due to the project delay being generated by the requesting customer for their convenience. Since there's no benefit to SDG&E's rate payers for this delay and construction is unable to move forward, the AFUDC costs appropriately generated on the project balance are treated as the responsibility of the requesting party.
- **Please explain SDG&E's process for determining that a project has a greater than or less than 50% likelihood of resumption. If a report is prepared, please provide an example.**
 - A report is not prepared. The process for determining the 50% likelihood is a project management judgement decision depending on the factors that are contributing to the suspension consideration. The request for suspension must be approved by the project manager and plant accounting supervisor.
- **For "Suspended Projects" subsequently cancelled, please explain how SDG&E expenses these costs (e.g., provide FERC Account), including whether the treatment is above or below the line.**
 - Cancelled projects are identified by a specific attribute applied to the suspended work order in SDGE's SAP financial system. The cost balance recorded to any cancelled electric transmission project is expensed to FERC account 566.

Allowance for Funds Used During Construction (AFUDC) - Continued

- **Please provide an overview of SDG&E’s “Idle Projects” automatic process.**
 - The idle project functionality is a system control in SDG&E's Power Plan asset system which identifies any work order which has not incurred direct construction activity charging for a period of six months (such as for internal labor, contractor services or materials). Once this condition occurs, AFUDC is discontinued for that monthly period. For each period the work order continues to reflect no construction activity charges, AFUDC will not be loaded. Once this delay is resolved and the construction-related charges resume, AFUDC will automatically resume loading each month.
- **Please provide the date SDG&E’s “Idle Projects” automatic process was implemented.**
 - The idle projects functionality was implemented in SDGE’s Power Plan asset system as part of a 2018 application upgrade.
- **Please explain whether SDG&E has an actual work order charge threshold similar to the \$250,000 for “Suspended Projects” for its “Idle Projects” automatic process. If it does, please explain why and how the threshold was set.**
 - There is no financial threshold applied as part of the idle project functionality.
- **Please explain whether these projects are marked “On Hold” in the “Project Status” column in the TPR PS. If not, please explain how these projects can be identified.**
 - No, this is a system control based on short-term construction activity delays and is not managed via the TPR process.
- **Please confirm that, once AFUDC loading will be automatically suspended and no additional charges will be booked to the work order until direct charges for construction resume. See page 2 of 3 of “Capitalization Policy – AFUDC”, wherein SDG&E indicates “when an AFUDC eligible capital project has been idle for a period of six months or more... then AFUDC loading will be automatically suspended. Any cost adjustment activity (such as accounting adjustments or cost transfers or corrections) is not to be considered true construction activity. ... AFUDC will only be restored during the same month as true construction charges are posted to the project.” This statement appears to conflict with what SDG&E indicates in its response to ED-SDGE_TPRJan2026-001-06 where it indicates “Idle Projects – Capital work orders in CWIP will automatically have AFUDC discontinued when a period of 6 or more months of charging inactivity occurs.**
 - Please see the process description and criteria described in the idle project functionality overview question above.

Allowance for Funds Used During Construction (AFUDC) - Continued

- **AFUDC is automatically restarted when project charging activities resumes.” (emphasis added). Please confirm that “project charging activities” are only those activities representing “true construction costs.” If not, please explain why these two statements appear to conflict.**
- The first statement above regarding true construction costs is correct. Please refer to the process description and criteria described in the idle project functionality overview question above.
- **Please explain whether SDG&E has a process for determining that a project has a greater than or less than 50% likelihood of resumption, similar to the “Suspended Projects”. If not, why not. If yes, please provide an example of any report that is prepared.**
- No, these are completely separate processes which are initiated for very different causal factors. The idle project functionality temporary discontinues the monthly loading of AFUDC when a construction project experiences normal delays due to a variety of factors. The suspended project process formally represents a status change of the planned project in which unforeseen delays have been encountered that block the project's ability to move forward. The suspension process discontinues the loading of AFUDC until the condition which is blocking a project’s successful completion has been resolved and construction can be completed as planned.
- **For “Idle Projects” subsequently cancelled, please explain how SDG&E expenses these costs (e.g., provide FERC Account), including whether the treatment is above or below the line.**
- Please see the response to the cancelled suspended projects question above as the expense process is the same.
- **Please explain whether SDG&E ever applies AFUDC retroactively and, if so, under what circumstances.**
- SDG&E’s practice for suspended and idle projects is not to retroactively apply AFUDC for projects costs incurred during these discontinued periods. For error correction purposes, SDG&E evaluates the need for retroactive AFUDC entries on an individual project basis.



Supply Chain Constraints and Advance Procurement

Dan Monroe

Supply Chain Constraints and Advance Procurement

- **Please explain whether SDG&E is encountering any supply chain issues for transformers, circuit breakers, and other critical transmission-related infrastructure. If it is, please explain them and describe SDG&E's plans to address.**
 - The transmission equipment market—and specifically the equipment types referenced in the September 2025 response (power transformers, circuit breakers, switchgear, and gas-insulated substation equipment [GIS])—continues to experience long lead times. The available mitigation strategies remain unchanged and include demand planning & sharing with suppliers, securing production slots through prepayments & relationship management, ongoing market monitoring (e.g., metals indices, factory capacity expansion, emerging material constraints), frequent supplier check-ins on slot availability and lead-time shifts, and peer utility outreach. Equipment needs for a project are evaluated to determine which levers can be applied to achieve the best outcome for customers.
- **Please provide an update on SDG&E's advance procurement of transformers and circuit breakers, both for emergency inventory and known projects.**
 - Aggregated demand across multiple substation projects through cross-functional collaboration and SDG&E is at various stages of RFPs for high-voltage transformers and circuit breakers.
 - Continues to engage existing contracted manufacturers on project schedules, cost, and lead-time, including strategic evaluation of prepayment options.
 - Actively assessing the global market to identify additional qualified manufacturers and factories capable of meeting required specifications.
- **Please describe how new or proposed tariffs are affecting the cost and availability of transformers, circuit breakers, and other critical transmission-related infrastructure.**
 - Tariffs do not appear to be directly impacting transmission equipment availability, but they are increasing overall costs.
 - Tariff-related uncertainty creates challenges for both buyers and sellers of transmission equipment.
 - SDG&E works closely with domestic and international manufacturers and their factories to quantify the impacts of Section 232 and recently implemented Section 122 tariffs. SDG&E also works closely with its freight service provider, which has extensive import experience, as well as with peer utilities on this matter.
 - These impacts are particularly challenging for major transmission equipment with lead times of three to five years.
 - Tariff costs passed through to SDG&E can materially affect project budgets and reduce the amount of work that can be completed.
 - SDG&E continues to closely monitor domestic factory new-build and expansion projects to assess opportunities to shift production domestically. Please note, however, that domestic factories remain subject to Trade Expansion Act Section 232 tariffs on many of the inputs to infrastructure (imported inputs such as bushings or steel tank plates).



Direct Buried Cable Replacement and Transmission
Failing Cable Replacements
Vinh Huynh

Direct Buried Cable Replacement Initiative

Please update the following projects in the TPR spreadsheet that are part of SDG&E's direct buried cable replacement program and provide a progress update, including the total footage replaced to date and the remaining footage.

The Direct Buried Cable Replacements are comprised of the following projects:

- Row 98: TL615/TL659
- Row 178: TL611
- Row 182: TL690
- Row 183: TL628
- Row 184: TL698
- Row 185: TL697
- Row 186: TL667
- Row 187: TL673
- Row 189: TL691
- Total direct-buried footage identified: ~109,000 feet, of which, ~47,000 feet have been replaced, and ~62,000 feet remain.
- Various projects are in the planning, design, and construction phases. ~28,000 feet are tracking to be replaced by end of year.

[Programmatic] Transmission Failing Cable Replacement (Row 188)

- **Please provide additional information on SDG&E’s “continuing risk assessment” of its cables within this program described in SDG&E’s response to ED-SDGE_TPRJAN2026-002. Please include assessment criteria, methodology, types of testing or statistical sampling used, etc.**
- **Include comparisons between original estimated life and current estimated remaining life, where differences exist.**
- **Please provide a subject matter expert with direct program knowledge to discuss and explain this topic.**
 - This program aims to replace older vintage cables, which had utilized hand-taped splices, as opposed to newer standardized and more robust pre-molded splice body joints. Assessment criteria includes identification of underground cable systems installed prior to circa 2000 when the standards transition occurred. Transmission lines that meet the criteria of installation vintage are identified as potential replacements. Lines are then inspected to assess integrity of existing cable components.
 - Cable systems of this vintage have a life cycle expectancy of ~30years. This is in line with field observations and inspections; cable systems at ~30years+ exhibit degradation and breakdown with risk of imminent failure.



Break



Project Specific Inquiries

Umbriel IV Remote End 500 kV Switchyard Project (Row 175)

- **Provide any updates on the Umbriel IV project, including design, permitting, construction, and energization. Please explain the changes and provide a breakdown of the new projected cost of \$118 million (vs. the previous \$183 million) cost by major components and funding responsibility, noting which costs are borne by the interconnecting generator versus network upgrades. Please describe the anticipated generation (in MW) from the Umbriel Solar facility that will be supported by this project.**
 - Generation Interconnection Agreement (GIA) language for Q2166 UMBRIEL Generation Interconnection is still being negotiated and is not yet executed (note: project name update is illustrated in January transmittal letter).
 - Please refer to ED-SDGE_TPRJAN2026-002/Question 02-02/Row 175 response regarding cost variance.
 - Project costs will be primarily network upgrade costs borne by SDG&E; there will be minimal cost borne by the generator interconnection customer.
 - Anticipated generation for Umbriel Solar facility is 1,150 MW.
- **Please also describe project risks and contingency plans if the associated project is delayed or downsized. Please describe the planned “Build-Own-Transfer” structure discussed in SDG&E response to ED-SDGE_TPRJAN2026-002.**
 - Generation Interconnection Agreement (GIA) language is still being negotiated and is not yet executed. Project execution risks and contingencies will be evaluated further upon GIA finalization.
 - Build-Own-Transfer (BOT) is a delivery approach where the interconnecting generator builds and temporarily owns interconnection facilities, then transfers them to SDG&E once complete and accepted. Facilities are designed and built to SDG&E standards. After construction and acceptance, ownership is transferred to SDG&E. After transfer, SDG&E owns, operates, and maintains the facilities as part of the transmission system. BOT helps accelerate project delivery for a large, complex interconnection, allows clearer allocation of costs and responsibilities between the generator and the utility, and supports timely integration of significant generation capacity.

HATS Release 4 (Row 163)

- **Please provide a summary of the HATS program including the number of releases, project scope, overall estimate, estimated duration of the program, approximate number of Helicopter Landing Platforms (HLP) and Tower Staging Access Pads (TSAPs) to be constructed by year, and budgeted costs versus actual costs by year.**
 - Please refer to ED-SDGE_TPRJAN2026-002/Question 02-09 a) response
- **Please provide the project scope and milestone schedule for HATS Release 4**
 - Please refer to ED-SDGE_TPRJAN2026-002/Question 02-09 d) response
- **Please explain the drivers of cost increases (both for HATS 4 and other releases, generally) and the integration of this program with objectives of SDG&E's WMP**
 - Please refer to ED-SDGE_TPRJAN2026-002/Question 02-02/Row 163 response for HATS 4 cost increase drivers
 - HATS work releases 2 and 3 experienced cost increases driven primarily by early-program execution conditions and site-specific risks inherent to helicopter-supported construction in remote terrain.
 - Work release 2 was executed during the initial scaling of the program, prior to full standardization of construction sequencing, helicopter utilization, and cost controls adopted in later releases.
 - Work release 3 cost increase was largely attributable to unforeseen subsurface conditions requiring additional excavation and extended construction durations, elevated steel prices affecting helicopter platform components, and post-award insurance and labor cost increases.
 - Across both releases, land rights acquisition complexity and weather events contributed to schedule extensions, increased indirect costs, and helicopter standby time.
 - The HATS program directly supports SDG&E's WMP objectives by enabling safe, reliable, and timely access to transmission facilities located in remote, rugged, and high fire-threat areas. Improved helicopter access through the construction of Helicopter Landing Platforms (HLPs) and Tower Staging Access Pads (TSAPs) is essential for SDG&E to perform routine inspection, maintenance, and corrective work on transmission assets that would otherwise be difficult or unsafe to reach by ground. As described in ED-SDGE_TPRJAN2026-002 / Question 02-10 c), enhanced access reduces time required to respond to outages, emergency and wildfire events.

Projects with Major Cost Discrepancies (Original vs. Current)

- **Miguel-Sycamore Canyon 230kV Loop-in Suncrest - Row Line (304)**
 - Cost Variance: Please refer to ED-SDGE_TPRJAN2026-002/Question 02-02/Row 304 response
 - Project Overview: Mitigate CAISO identified constraints consisting of the following: A 14.5-mile double circuit 230kV transmission line that will loop-in existing TL23021 Miguel-Sycamore Canyon into Suncrest substation; and Install new 500/230kV bank at Suncrest Substation.

- **[Programmatic] ELEC TRANS SMALL RELIABILITY - HFTD - Row Line (147)**
 - Cost Variance: Please refer to ED-SDGE_TPRJAN2026-002/Question 02-03/Row 147 response
 - Project Overview: Meet SDGE’s obligation to increase safety and reliability of the electric system. Includes proactive system upgrades and reactive projects that include poles, insulators, conductor and other electric infrastructure when reliability issues are identified in the High Fire Threat District (HFTD).

- **BORDER-SAN YSIDRO SUBSTATION - Row Line (313)**
 - Cost Variance: Please refer to ED-SDGE_TPRJAN2026-002/Question 02-03/Row 313 response
 - Project Overview: Part of the Electrification Capital Plan to ensure SDGE is meeting the growing load demands of the area. Current project scope includes a new substation and ~ 2 miles of underground transmission lines to mitigate overload conditions and ensure reliability of SDG&E electrical system.

- **Pacific Beach - Rose Canyon Electrification - Row Line (314)**
 - Cost Variance: Please refer to ED-SDGE_TPRJAN2026-002/Question 02-02/Row 314 response
 - Project Overview: Initial driver was to increase overall capacity in Pacific Beach - Rose Canyon load pocket to meet expected loads per prior forecast. Project is currently on hold as project need/timing is being re-evaluated based on updated forecasts.

Projects with Major Cost Discrepancies (Original vs. Current) – Continued

- **[Programmatic] Transmission Substation Responsive Asset Replacement - Row Line (5)**
 - Cost Variance: Please refer to ED-SDGE_TPRJAN2026-002/Question 02-02/Row 5 response
 - Project Overview: Maintain the safety, reliability, and integrity of Transmission substations. The specific work required to meet safety requirements, replace obsolete or failed equipment, and make necessary small capital additions is based on requests from Engineering, Planning, Operations, and Maintenance groups.

- **Oceanside Area Sub: Electrification - Row Line (312)**
 - Cost Variance: Please refer to ED-SDGE_TPRJAN2026-002/Question 02-02/Row 312 response
 - Project Overview: Oceanside load pocket consists of Cannon, Oceanside, San Luis Rey, and Stewart substations. Based on distribution planning forecasts, pocket will reach 85% in 2028 and 100% in 2036 of current capacity. In order to mitigate forecasted overload for load pocket, the project scope will include a new 69/12kV greenfield substation.

- **Miguel Short Circuit Mitigation - Row Line (322)**
 - Cost Variance: Please refer to ED-SDGE_TPRJAN2026-002/Question 02-03/Row 322 response
 - Project Overview: Reliability transmission solution to address the Short Circuit Duty (SCD) concerns at Miguel 230kV substation; Install a 3-Ohm series current limiting reactor on TL23026 Silvergate – Bay Boulevard 230 kV line at Bay Boulevard substation.

- **Valley Center System Improvement - Row Line (323)**
 - Cost Variance: Please refer to ED-SDGE_TPRJAN2026-002/Question 02-03/Row 323 response
 - Project Overview: Reliability transmission solution to address several thermal overloads in the 69kV transmission system around Valley Center area due to the charging/discharging of Valley Center energy storage. Construct new 5-mile double circuit 69kV line to create two new lines to Valley Center substation.

Miguel BK 82 Expansion (Row 318)

- 1. Please provide the detailed project scope, estimate, load growth drivers, and milestone schedule for this project. Provide a technical description of the Miguel Bank 82 Expansion project, including voltage, MVA rating and configuration of Miguel Bank 82.**
 - Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-22 b) response
- 2. Clarify what equipment at Miguel Substation is being expanded or added.**
 - Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-22 b) & c) responses
- 3. Please provide a breakdown of the current projected cost of \$191 million and explain why the reduction in the Miguel-Sycamore Canyon 230kV Loop-in Suncrest project is less than this amount.**
 - Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-02/Row 304 response
 - Project cost breakdown consists of directs costs (~52%) and non-directs (~48%). Directs costs primarily consist of materials (~29% of total project cost) and services (~22%). Non-direct costs consist of indirects (~17% of total cost), other non-directs (~5%) and AFUDC (~26%).
 - The reduction in Miguel-Sycamore 230kV Loop-in Suncrest is less than \$191M due to a relative increase in the estimate at completion for that project based on latest refinement of cost estimates for EPC bids and large equipment cost.
- 4. Please provide an overview of this and the Miguel-Sycamore Canyon 230kV Loop-in Suncrest project, what they share in common from a system and planning perspective, and the drivers for their separation according to SDG&E's response to ED-SDGE_TPRJAN2026-002**
 - Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-22 e) response
 - The projects were separated based on planning and project-management considerations. While both efforts support system reliability and address distinct needs within the Miguel area, each has its own scope, schedule, and underlying justification. For the Miguel Bank 82 expansion, it was appropriate to advance it on its own timeline, whereas the Miguel-Sycamore Canyon 230 kV Loop-in at Suncrest is anticipated to require a PTC application. Treating them as separate projects ensures that each is evaluated and implemented according to its specific system drivers and requirements.
- 5. This project was represented as a new project in the SDG&E transmittal “San Diego Gas and Electric Company’s Transmission Project Review Process January 2026 Transmittal Letter” as part of the January 2026 PS transmittal letter. However, it is not; rather it has been carved out of the aforementioned Miguel-Sycamore Canyon project. Are there any other projects that were carved out or are the 22 other “new” projects in fact, new?**
 - Confirmed this is the only example of a "carve out" in the January reporting and the other 22 projects are "new".
- 6. Please provide the details of the “Non-wires - Large Scale Energy Alternative” evaluation listed in the TPR PS, field 15a: “Alternative Solutions and Costs – Solutions”.**
 - Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-22 d) response

Golden Pacific Powerlink (GPP) Project (Row 190)

The Golden Pacific Powerlink is a 500kV transmission line, extending from Imperial Valley to North of SONGS. The GPP is a component of the CAISO-approved “Imperial Valley–North of SONGS 500 kV Line and Substation”, in its 2022-2023 Transmission Plan. This (whole) project was competitively bid, also in accordance with the 2022-2023 Transmission Plan, and subsequently awarded to Horizon West Transmission, who later exercised their right to assign the construction, financing, and ownership of the transmission component (GPP) to SDG&E.

- **Describe the current development status and regulatory timeline for the Golden Pacific Powerlink.** – Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-15 a) response
- **Please provide examples of how this project will leverage SDG&E’s wildlife mitigation program.** – Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-15 b) response
- **Please provide other alternatives considered in addition to the Golden Pacific Powerlink Project.** – Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-15 c) response
- **Please provide SDG&E’s current cost per mile to build 500kV transmission infrastructure.** – Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-15 d) response
- **Please provide project scope and estimates for terminal ends of the Golden Pacific Powerlink Project** – Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-15 e) response
- **Please provide the project scope and estimates for the OH line portion of the Golden Pacific Powerlink Project.** – Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-15 f) response
- **Please explain if the HATS Program will provide benefits for the construction of the Golden Pacific Powerlink Project and if so, list those benefits.** – Please refer to the ED-SDGE_TPRJAN2026-002/Question 02-15 g) response
- **Please explain SDG&E’s current cost estimate of \$1.3 - \$2.2 billion.**
 - **Please provide Horizon West’s portion and SDG&E’s portion of the estimate.**
 - SDG&E ran some preliminary high-level scenarios to provide a broad range, despite it being premature to do so, given that this process requires providing a cost estimate for identified projects. As noted, SDG&E will have more detailed and accurate information in the next TPR report once it has received bids from contractors.
- **How does SDG&E’s estimate compare to the CAISO TPP estimate and Horizon West’s estimate? Please explain any differences.**
 - SDG&E cannot compare at this time, given that SDG&E’s estimate continues to be developed. Horizon West’s estimate in its public filing at FERC in ER25-2395 was for both the transmission line and substation. SDG&E will have more precise estimates once it receives bids from contractors.
- **Please explain how SDG&E will honor the cost containment provisions in Horizon West’s proposal.**
 - SDG&E will adhere to all CAISO requirements placed upon the project sponsor, per CAISO’s approval of SDG&E as the project sponsor.

Corrective Maintenance Programs (Rows 106, 133)

Please provide a focused, non-confidential, programmatic explanation of the scope and operating model for SDG&E's transmission CMP program portfolios in Non-HFTD vs HFTD areas.

The objective is to understand

- 1. what CMP issues are evaluated and remediated,**
- 2. SDG&E's delivery capacity and workload management for CMP portfolios composed of many subprojects, and**
- 3. the prioritization and governance used to develop the annual workplan and multi-year outlook for these programs.**

The CMP program is responsible for identifying, analyzing, and replacing transmission structures and hardware that do not comply with regulatory-defined criteria, such as damage, structure overloads, or clearance violations. SDG&E's delivery capacity in recent years has ranged from ~150-210 structures remediated annually. Workload management is overseen by the transmission engineering project management team. The approach is multifaceted, including but not limited to, sourcing of a sufficient number of design and construction contractors, collaboration with the transmission maintenance and operation group on their 3-year inspection cycle of the transmission system, and program management oversight of performance metrics impacting schedule, design, and construction quality. While budgets are set annually, the workplan for this program is continuously adjusted throughout each year while monitoring the existing subproject progress and incoming quantity and severity of subprojects. The multi-year outlook examines trend analysis of subprojects identified through inspections or other channels and adjusted accordingly. The scope and operating model is the same for HFTD and Non-HFTD—with the exception of corrective action and assessment timeline difference as governed by GO-95, and the engineering standards used in HFTD or Non-HFTD jurisdictions.



Feedback & Discussion of Next Steps
Kris Bourbois



Thank you