Transmission Project Review (TPR) Process

CPUC Energy Division Staff Comments on San Diego Gas & Electric Company's (SDG&E) January 2026 TPR Process Data
June 1, 2026

As part of the TPR Process approved by the California Public Utilities Commission (CPUC) in Resolution E-5252,[1] effective January 1, 2024, Energy Division Staff of the CPUC (CPUC Staff) provide these comments to SDG&E on its January 2026 TPR Process review period.

1. Introduction

On January 2, 2026, SDG&E provided the CPUC and Stakeholders in the TPR Process with the Project Spreadsheet (PS) of transmission projects and programs under the TPR Process. The PS and accompanying materials are intended to provide the CPUC and Stakeholders with current, specific, and system-wide transmission capital data on a semi-annual basis.

The January 2026 PS presents capital expenditures for the 2021–2030 period, a change from the July 2025 PS's 2020–2029 coverage, removing 2020 and adding 2030.[2] The submission includes 329 projects and programs, down from 367 in the July 2025 PS, representing a net decrease of 38 projects. Data Field 56, "Total Current Projected Total or Actual Final Cost," increased from approximately $7.83 billion to $9.57 billion, an increase of approximately $1.74 billion (22.2%).[3] This baseline comparison excludes the Golden Pacific Powerlink Project (GPP), which is expected to cost between $1.3 billion and $2.2 billion[4,5] , and is a new addition in the January 2026 PS but was not in the July 2025 PS.[6,7] When GPP is included, the January 2026 PS Data Field 56 total jumps to between $10.87 billion and $11.77 billion, representing a 39% to 50% increase from the July 2025 PS. At this scale, GPP accounts for roughly half of the total portfolio cost growth, , with significant disproportionate impact on total cost changes.

For actual capital expenditures, the overlapping years between the July 2025 and January 2026 submittals (*i.e.,* 2021 to 2025) are largely consistent, with only a minor impact of $133,000 in 2025 for GPP. When looking at the total cost, the impact of GPP causes an increase of 39% to 59%, reflecting a combination of the reporting period shift, several substantial new project additions, programmatic cost reporting expansion, forecast period extensions in several programmatic budget codes, and project-level cost evolution.

Other notable project additions in this cycle include the carve-out of the Miguel Bank 82 Expansion (Row 318), at $191 million, from the prior Miguel-Sycamore Canyon 230kV Loop-in

[1] CPUC Resolution E-5252, page 3.
[2] JAN26-SDG&E-Public - Resolution E-5252 TPR Process Data.
[3] This is measured against the sum of the values in Data Field 56, "Current Projected Total or Actual Final Cost" from the August 15, 2025 update to the July 2025 PS, and the January 2026 PS.
[4] JAN26-SDG&E-Public - Resolution E-5252 TPR Process Data.
[5] See SDG&E Response to ED-SDGE-TPR-Jan2026-002, Response 02-15.

Suncrest project (Row 304), and a series of nine network technology projects totaling approximately $12 million in currently projected costs.

In addition to the Project Spreadsheet, SDG&E provided 414 additional authorization documents related to specific projects.[8] During this TPR review period, CPUC Staff submitted four sets of data requests, comprising 46 individual requests to SDG&E covering AFUDC, AACE estimate maturity, cost-benefit analysis methodology, supply chain, programmatic budget code reporting, and individual project-level inquiries.

Several key insights emerge from a review of the January 2026 TPR cycle data:

- **Approximately 90% of the cycle-over-cycle change in the total capital expenditures in the TPR Process project spreadsheets reflects expanded reporting in programmatic lines previously not included and methodology revisions, rather than costs growth in existing specific projects**. The expansion of programmatic reporting to capture cumulative totals for individual projects below the $1 million reporting threshold, the extension of forecast horizons in several programmatic budget codes from 2029 to 2030 and beyond, and a system-wide revision to Data Field 66 cost-benefit methodology each contributed to apparent total capital expenditure changes[9] between the July 2025 and January 2026 submittals.
- **A systemwide revision to Data Field 66 cost-benefit methodology effective Q3 2025 was not communicated to Stakeholders in advance of the January 2026 submittal**. SDG&E acknowledged at the March 27, 2026 Stakeholder Meeting that the lack of notification was an oversight.[10]
- **Programs and Programmatic Projects now represent approximately $3.6 billion of the $10.87 billion to $11.77 billion PS's total cost.** Programmatic budget codes account for approximately $1.56 billion of the PS's $1.74 billion total cost increase, growing from $2.02 billion (26% of the July 2025 PS total) to $3.59 billion (37% of the January 2026 PS total cost). Approximately $1.02 billion of this growth reflects the reporting of just two new Transmission Corrective Maintenance Program (CMP) programmatic rows, with the remainder driven by forecast-period extensions and other programmatic adjustments. The ***net*** project-level portion of the portfolio increased $172 million (approximately 3%), indicating that the cycle's 22% growth (excluding GPP) is concentrated in programmatic reporting and forecast-horizon changes rather than in project-level cost or scope movement. Programmatic spending of this magnitude presents a challenge to Stakeholder visibility because a very large amount, $2.22 billion (approximately 62%) of the $3.59 billion in total programmatic spending, is spent reactively and documented afterwards via the TPR Process. The CPUC encourages SDG&E to explore methods to have projects like GPP planned and forecasted like other programmatic and discrete projects. This type and amount of expenditure is by definition not predictable, executed without advanced oversight, and therefore subject to less rigorous analysis.
- **The largest cost forecasts for the PS are concentrated in projects at the early stages of cost estimate maturity and with several projects within the $80 million range**. This includes the Border-San Ysidro Substation (Row 313) at $241.6 million carrying an

[8] SDG&E TPR Process January 2026 Transmittal Letter.
[9] See SDG&E Response to ED-SDGE-TPR-Jan2026-002, Response 02-04.
[10] 2026 SDGE TPR Stakeholder Meeting-March 27.

AACE Class 5 estimate; the Golden Pacific Powerlink Project (Row 190) at a $1.3–2.2 billion range, and seven other planning-stage projects in the $80M–$200M range:

- (Row 272) Escondido Substation 230kV Rebuild-$192.8M,
- (Row 318) Miguel BK 82 Expansion-$191.1M,
- (Row 277) New Downtown 69/12kV-$144.3M,
- (Row 314) Pacific Beach – Rose Canyon Electrification-$142.3M,
- (Row 312) Oceanside Area Sub: Electrification-$113.8M,
- (Row 317) IV Sub Short Circuit Mitigation-$92.5M, and
- (Row 322) Miguel Short Circuit Mitigation-$81.9M.

2. Summary of the January 2025 TPR Process Project Spreadsheet

CPUC Staff acknowledge that there has been a reduction in the number of data errors, omissions, and revisions compared to the July 2025 PS and prior TPR cycles, which had made it difficult to draw meaningful conclusions about project expenditures or any cost changes between TPR submittals. However, there were still errors identified well into the TPR cycle[11] with respect to follow-up data requests to provide project cost reconciliations between the July 2025 and January 2026 TPR PSs that are discussed below[12]. Additionally, SDG&E provides only a cost range instead of a discrete value for the GPP project.

The January 2026 PS shows actual capital expenditures of approximately $410 to $490 million annually across 2021–2024, rising to roughly $676 million in 2025 (with the 2025 figure including both actuals through the data pull and forecasted year-end expenditures). Projected capital expenditures jump to approximately $736 million in 2026, then range from $573 to $690 million annually through 2030. This reflects a subtle transition from a steady level of investment to a higher sustained level of forecast capital spending beginning in 2026; the average forecast totals for 2026-2030 were 4.7% higher than the 2021-2025 actual totals.[13]. These actual and forecast summaries by year do not include the GPP, with its reported $1.3 billion to $2.2 billion cost.

When broken down by Primary Purpose, this increase in capital expenditures from actual years to the forecast period is driven by Reliability ($3.09 billion / 132 projects), Wildfire Mitigation ($1.74 billion / 56 projects), California Independent System Operator (CAISO) Transmission Planning Standards ($2.45 billion-3.35 billion / 12 projects), Asset Condition ($1.08 billion / 31 projects), and Load Growth ($1.07 billion / 10 projects). The forecast period shows expanded substation investment driven by CAISO Transmission Planning Standards and Load Growth in particular.

[11] See examples from May 7, 2026 SDGE RESPONSE ED-SDGE_TPRJAN2026-003
[12] SDG&E January 2026 TPR Process Cycle Comments, (pp. 13, 19).
[13] JAN26-SDG&E-Public - Resolution E-5252 TPR Process Data.

Table 1: Actual Capital Expenditures by Year, Category, and Primary Purpose ($000)

Category and Primary Purpose	2021	2022	2023	2024	2025*
Poles/Wires					
Asset Condition	54,217	52,671	59,931	55,229	86,221
CAISO Transmission Planning Standards	-	-	0	2,113	6,602
Field Test Results	1,420	805	31	325	2
Load Growth	56,132	62,032	42,456	17,296	5,504
Local Capacity Requirement	5,746	1,324	8,230	15,182	2,596
Policy	-	-	-	-	593
Reliability	53,171	67,375	57,660	82,875	176,414
Safety	8,945	4,030	5,971	10,931	19,759
Wildfire Mitigation	91,982	73,500	65,412	52,228	38,941
Physical Security	-	-	-	-	-
System Operations	-	-	-	-	-
Generation Interconnection	-	-	-	-	-
Work Requested by Others	3,671	2,675	58	858	1,320
Other	1,190	1,414	994	1,573	10,260
Poles/Wires Total	**276,473**	**265,826**	**240,745**	**238,610**	**348,212**
Substations					
Asset Condition	549	1,300	658	31	-
CAISO Transmission Planning Standards	-	-	-	560	26,694
Field Test Results	-	-	-	-	-
Load Growth	54	10	305	3,680	5,234
Local Capacity Requirement	-	-	-	-	-
Policy	-	-	-	-	-
Reliability	86,615	73,034	66,596	102,680	125,129
Safety	2,655	1,474	2,355	1,939	2,593
Wildfire Mitigation	9,565	12,900	14,295	10,638	12,176
Physical Security	345	988	139	1,377	15,386
System Operations	-	-	-	-	-
Generation Interconnection	-	-	-	-	-
Work Requested by Others	1,097	12,451	(292)	239	671
Other	-	-	-	-	-
Substation Total	**100,880**	**102,158**	**84,056**	**121,142**	**187,883**
Other					
Asset Condition	9,507	1,386	944	2,515	778
CAISO Transmission Planning Standards	-	-	-	-	-
Field Test Results	-	-	-	-	-
Load Growth	-	-	-	-	-
Local Capacity Requirement	-	-	-	-	-

Category and Primary Purpose	2021	2022	2023	2024	2025*
Policy	-	-	-	-	-
Reliability	14,072	10,274	17,312	41,641	57,511
Safety	1,465	1,990	1,755	179	1,099
Wildfire Mitigation	21,920	10,868	6,002	6,310	27,193
Physical Security	41,924	39,183	45,400	51,953	24,137
System Operations	-	-	-	-	-
Generation Interconnection	-	-	-	-	-
Work Requested by Others	-	-	-	-	-
Other	16,762	9,982	13,724	10,209	36,031
Other Total	**105,650**	**73,684**	**85,137**	**112,809**	**146,748**
GIDAP Total	**5,407**	**1,908**	**(170)**	**7,528**	**(6,678)**
Grand Total	**488,410**	**443,575**	**409,768**	**480,089**	**676,165**

*2025 includes both actual capital expenditure and forecast capital expenditure for the potential 60 days before January 1, 2026 that SDG&E conducted the TPR data pull.

Table 2: Projected Capital Expenditures by Year, Category, and Primary Purpose ($000)

Category and Primary Purpose	2026	2027	2028	2029	2030
Poles/Wires					
Asset Condition	54,339	52,192	55,185	58,754	58,104
CAISO Transmission Planning Standards	16,139	40,441	76,093	105,774	175,257
Field Test Results	-	-	-	-	-
Load Growth	-	-	-	-	-
Local Capacity Requirement	-	-	-	-	-
Policy	46,154	-	-	-	-
Reliability	147,667	70,509	37,930	42,215	46,966
Safety	13,658	13,286	14,733	16,384	18,195
Wildfire Mitigation	127,389	91,620	32,030	3,871	980
Physical Security	-	-	-	-	-
System Operations	-	-	-	-	-
Generation Interconnection	-	-	-	-	-
Work Requested by Others	16,775	-	-	-	-
Other	1,301	794	800	1,009	961
Poles/Wires Total	**423,422**	**268,842**	**216,772**	**228,008**	**300,462**
Substations					
Asset Condition	-	-	-	-	-
CAISO Transmission Planning Standards	64,956	101,362	126,869	47,882	81,153
Field Test Results	-	-	-	-	-
Load Growth	49,727	18,152	72,312	110,158	45,106

Category and Primary Purpose	2026	2027	2028	2029	2030
Local Capacity Requirement	-	-	-	-	-
Policy	-	-	-	-	-
Reliability	85,572	70,576	79,872	109,113	95,430
Safety	-	-	-	-	-
Wildfire Mitigation	6,447	447	-	-	-
Physical Security	-	-	-	-	-
System Operations	-	-	-	-	-
Generation Interconnection	-	-	-	-	-
Work Requested by Others	-	-	-	-	-
Other	-	-	-	-	-
Substation Total	**206,702**	**190,538**	**279,052**	**267,154**	**221,688**
Other					
Asset Condition	120	5,208	3,919	3,085	-
CAISO Transmission Planning Standards	-	-	-	-	-
Field Test Results	-	-	-	-	-
Load Growth	-	-	-	-	-
Local Capacity Requirement	-	-	-	-	-
Policy	-	-	-	-	-
Reliability	21,003	18,758	21,750	19,585	21,296
Safety	1,221	5,674	390	404	414
Wildfire Mitigation	26,347	26,262	24,951	34,617	37,566
Physical Security	3,367	-	-	-	-
System Operations	-	-	-	-	-
Generation Interconnection	-	-	-	-	-
Work Requested by Others	-	-	-	-	-
Other	21,470	23,247	23,199	23,494	21,186
Other Total	**73,529**	**79,149**	**74,209**	**81,184**	**80,462**
GIDAP Total	**32,296**	**34,660**	**4,398**	**113,992**	**13,987**
Grand Total	**735,948**	**573,189**	**574,431**	**690,339**	**616,599**

Notable Changes in January 2026 Project Spreadsheet

There are several notable changes between the July 2025 TPR cycle and the January 2026 PS. One change, when including the GPP, is the overall cost increase in the January 2026 PS of 39% to 50%, which is mostly attributable to this one large project, as well as expanded reporting of programmatic project lines.

Notable additions to the January 2026 Project Spreadsheet

- One CAISO generation interconnection project:
    - Row 177 "Q1665 Kingsley Generation Interconnection" supporting interconnection of 360MW of BESS
- Three substation projects, including:
    - The Miguel BK 82 project, with a projected cost of $191 million
- Three poles and wires transmission projects, including:
    - One new CAISO-approved 500kV transmission line connecting Imperial Valley to a new substation north of SONGS, also known as "Golden Powerlink Project (GPP)," estimated between $1.300 and $2.200 billion
- 14 other miscellaneous projects, including:
    - Nine network technology-related projects with costs totaling approximately $12 million
    - , HATS (Helicopter Access for Transmission Structures) Release 5, program infrastructure improvements at a cost of approximately $29 million.

Total specific project costs increased by $172 million (1.8% of the total January 2026 PS), or $1.47 billion to $2.37 billon (13.3% to 23% of the total January 2026 PS) if including the GPP at $1.3 to $2.2 billion.

The $172 million increase, which includes $90 million in actual new project additions, which are predominantly small IT and network technology projects totaling $12 million, the Mission 138kV Rebuild at $34 million, and HATS Release 5 at $29 million. Furthermore, there appears to be $191 million added via the Miguel Bank 82 Expansion project. This project was listed as a new project, but SDG&E acknowledged at the March 27, 2026 Stakeholder Meeting that it is actually a carve-out from the prior Miguel-Sycamore Canyon 230kV Loop-in Suncrest project.[14] A total of $556 million in projects were removed because they no longer met the $1 million reporting threshold or were consolidated into other rows, and there was a $447 million net increase across 267 existing projects, including the 186 projects SDG&E identified as having been renamed between cycles.

The 267 existing projects reflect a combination of cost increases on projects advancing through engineering and construction, such as Border-San Ysidro Substation at an increase of $153 million (formerly "A BORDER SUB DESIGN") and cost decreases on projects undergoing scope reduction, schedule extension, or re-evaluation, such as Pacific Beach – Rose Canyon Electrification with a cost decrease of $103 million (formerly "A PACIFIC BEACH ROSE CANYON ELE"). The standardized cost-change reconciliation table provided by SDG&E in response to Data Request Set 3[15] justifies a detailed examination of existing-project cost changes for these approximately 20 projects[16] in the next SDG&E TPR Cycle.

[14] 2026 SDGE TPR Stakeholder Meeting-March 27, slide 38.
[15] ED-SDGE-TPR-Jan2026-003 Q.03-04 Response Tables 1 and 2.
[16] Ibid.

Two important points emerged from the January 2026 PS. First, cycle-over-cycle comparison at the aggregate or category level is complicated by changes in reporting (e.g., expanded reporting of programmatic projects, text entry of GPP costs versus numerical values, consolidation of projects that had been listed on multiple rows in the prior cycle) that do not reflect actual changes in project cost or scope. Inconsistencies in primary purpose categorization also make these comparisons difficult. For example, in Table 2, it appears that wildfire mitigation-related spending falls dramatically from $127.3 million in 2026 to $980,000 in 2030. This drop will need to be explained by SDG&E in the subsequent TPR Cycle. [17]Second, the standardized cost-change reconciliation table requested in Data Request Set 3 did not include the complete level of data expected (e.g., budget codes, a detailed milestone schedule basis, and omitted costs).

While the projects added this cycle, with the exception of the GPP, are smaller, they are consistent with past trends of renewables interconnection and system/network technology enhancements seen over the last few cycles. Table 3 identifies all new projects; Table 4 identifies removed projects.

Table 3: New Projects Identified in January 2026 TPR Project Spreadsheet

Row/ Line No.	Project Name(s)	Category	GIDAP-Related	Project Status	Current Projected or Actual In-Service Date	Current Projected Total or Actual Final Cost ($000)
32	IV 230KV RTU REPLACEMENT	CAISO Transmission Planning Standards	FALSE	Planning	2027-03-31	1,134
100	FBI MIGUEL TO MIGUEL	Reliability	FALSE	Engineering less than 50% complete	2027-07-30	1,129
101	GLENCLIFF SUB-MONUMENTPEAKC440	Reliability	FALSE	Engineering more than 50% complete	2028-03-22	1,158
157	REL_T0_TL615_Z730769	Reliability	FALSE	Planning	2025-04-02	1,051
164	HATS Release 5	Other	FALSE	Permitting	2027-03-12	29,180
168	TL23012 Z710036 BRIDGE CROSSING	Safety	FALSE	Operational	2025-05-02	1,754

[17] Ibid.

Row/ Line No.	Project Name(s)	Category	GIDAP-Related	Project Status	Current Projected or Actual In-Service Date	Current Projected Total or Actual Final Cost ($000)
177	Q1665 Kingsley Generation Interconnection	Generator Interconnection	TRUE	Planning	2029-10-05	2,769
190	Golden Pacific Powerlink (GPP) Project	Policy	FALSE	Planning	2032-01-31	1,300,000 - 2,200,000
217	FBI_TL652POLE REPLACEMENTS SR94	Reliability	FALSE	Engineering more than 50% complete	2026-09-18	1,055
227	NEW: SDGE Microwave Backhaul 2028 (P)	Age/End of Life	FALSE	Planning	NA	1,472
228	NEW: SDGE Microwave Backhaul 2026 (P)	Age/End of Life	FALSE	Planning	NA	1,042
229	NEW: 2027 SDGE DC Edge Switching Refresh (P)	Age/End of Life	FALSE	Planning	NA	1,472
230	NEW: 2026 SDGE F5 Refresh (P)	Age/End of Life	FALSE	Planning	NA	1,032
231	NEW: 2027 SDGE Cloud NGFW Cost Optimization (P)	Age/End of Life	FALSE	Planning	NA	1,063
232	NEW: 2028 SDGE Network Modernization (P)	Age/End of Life	FALSE	Planning	NA	1,613
233	NEW: 2027 SDGE Network Modernization (P)	Age/End of Life	FALSE	Planning	NA	1,405

Row/ Line No.	Project Name(s)	Category	GIDAP-Related	Project Status	Current Projected or Actual In-Service Date	Current Projected Total or Actual Final Cost ($000)
234	NEW: 2027 SDGE DCN Refresh (P)	Age/End of Life	FALSE	Planning	NA	1,899
235	NEW: 2026 SDGE F5 Refresh (P)	Age/End of Life	FALSE	Planning	NA	1,213
302	Smart Meter 2.0	Age/End of Life	FALSE	Planning	2027-07-01	3,782
316	Escondido Area Substation - Electrification	Load Growth	FALSE	Planning	2033-12-31	4,217
318	Miguel BK 82 Expansion	CAISO Transmission Planning Standards	FALSE	Planning	2033-01-03	191,072
Total						**1,550,512-2,450,512**

Table 4: Projects Removed From January 2026 TPR Project Spreadsheet

Row/Line No.	Project Name(s)	Current Projected Total or Actual Final Cost ($000)
7	X BAY BLVD BANK 70 REPLACEMENT	1,378
20	SDGE FAN VOICE RADIO & DISPATCH PROJECT	-
22	2026 SDGE Network Modernization	-
30	A MELROSE VISTA ENERGY STORAGE	4,693
32	A MIRAMAR SUBST RPL 12KV BRKERS	2,201
47	Ocean Ranch Substation	29,085
53	A TL23011 SAN LUIS REY E R4	2,861
54	A TL13809 PROCTOR VLY TO T R2	1,754
71	TL649 W2S	29,952
73	TL676 Reconductor (Mission Mesa Heights)	38,599
95	A OT RELIABILITY ENHANCEMENT	1,150
99	TL633 Reconductor (Bernardo Rancho Carmel)	48,613
115	Kearny Rebuild	20,998
117	Suncrest SVC Interconnection	3,719
132	A MIGUEL 500KV PHYSICAL SECURITY	13,780
162	Substation Auxilliary Power System (GenCell)	1,986
167	A ENCINA SUBSTATION TCRI	1,084

Row/Line No.	Project Name(s)	Current Projected Total or Actual Final Cost ($000)
172	TL23001 TL23004 Wood to Steel Replacement (Mission San Luis Rey)	28,936
173	New 2nd Miguel to Bay Blvd. 230 kV Line	21,465
175	San Mateo Substation	4,379
180	TL6906 Mesa Rim Rearrangement	16,643
181	Imperial Valley Substation: Replace Bank 80	19,927
184	TL698 Direct Buried Cable Replacement (Avocado Sub Getaway)	2,822
189	TL691 Direct Buried Cable Replacement (Avocado Sub Getaway)	2,142
190	San Marcos Substation 69kV Rebuild & 12kV Switchgear	398
194	Oceanside Substation 69kV Rebuild	975
231	A TL628 CMP TRANSMISSION P R9	1,868
234	A TL638 Z61344 CMP POLE RE R4	1,261
235	A TL680B PASS FAIL REPORT 19 TRAN	2,590
277	Torrey Pines 12kV Breaker Replacements	1,597
280	Chicarita 12kV Replacements	4,131
299	A CABLE TERMINATOR REPLACEMEN	1,371
308	TL6905 Headquarters Point UG Customer Relocation	-
315	A Q1170 GATEWAY ENERGY STORAGE	1,501
317	A MIRAMAR GT INTCON TOP GUN SRG 6	1,301
324	TL684 Hamann Escondido	231
333	A SERC_LNL_ARER XBOW WASA	1,067
347	North City West Substation	85,739
351	53891 A PRELIM ENG. CORONADO ISL. RELIA	148,421
365	TSA ICON SOUTH BAY 230KV RING	989
Total		**551,607**

Largest Projects

The January 2026 PS includes 27 projects with projected costs exceeding $100 million and a combined value of approximately $7.36 billion to $8.26 billion (approximately 68% to 75% of the total PS).

.[18] This represents a substantial increase from 18 projects ($3.84 billion) in the July 2025 PS. Including GPP, the >$100 million project group represents approximately 68% to 75% of the total PS depending on which end of the GPP cost range is used.

The January 2026 PS's largest single project, GPP, is reported at a range of $1.3 – 2.2 billion. Even the low end of GPP's estimate would make it the largest single line item in the portfolio by a substantial margin. Two large programmatic line items in this project group –

[18] Without GPP, the other 26 projects total $6.06 billion, or 63% of the total PS cost, indicating just how big of a cost impact GPP is expected to have.

[Programmatic] Transmission CMP Non HFTD ($780 million) and [Programmatic] Transmission CMP HFTD ($238 million) – have total program-level values that were previously reported as zero in the July 2025 cycle, reflecting expanded program cost reporting rather than cost growth.

The Miguel BK 82 Expansion at $191 million is a carve-out from the existing Miguel-Sycamore Canyon 230kV Loop-in Suncrest project (Row 304), which decreased by $155 million from the July 2025 submittal. The two projects' Data Field 56 Current Projected Total or Actual Final Cost values do not reconcile to $191 million because of changes to the Miguel BK 82 Expansion scope that occurred around the same time as it was carve-out into its own project.[19] In response to a follow-up data request, SDG&E provided itemized project breakdowns between the Loop-in Suncrest and new Miguel projects, between the July 2025 and January 2026 PSs.[20] The two most notable discrepancies are: $4 million reduction in "Services" costs in Suncrest and a $42 million increase in "Services" in Miguel BK 82; and an $80 million increase in "Indirects" in Suncrest **and** a $33 million addition in "Indirects" in Miguel BK 82. These projects merit additional follow-up in subsequent TPR Process cycles.

Cost movement among projects appearing in both PSs was substantial. The aggregate cost of the same projects listed in both the July 2025 PS and January 2026 PS that exceed $100 million increased from approximately $4.05 billion in July to $4.86 billion in January, an increase of approximately $810 million (20%) – for the same projects in just six months.

The largest individual increases were $153 million (173%) for Border-San Ysidro Substation, $203 million (1255%) for HATS Release 4 – attributable to a financial system forecasting error rather than cost growth, and an increase of $65 million (28%) for [Programmatic] ELEC TRANS SMALL RELIABILITY HFTD line. The Border-San Ysidro Substation project increase is attributed to "Scope change to include a greenfield substation and approximately 2 miles of transmission underground."[21] While an increase in cost may be understandable when changing scope so significantly, a new greenfield component of the project begs the question whether the project should be re-evaluated. This project will be monitored closely in future TPR Process reviews and data requests as it is now one of the more expensive projects in the PS.

The largest decreases were $155 million (26.6%) on the Miguel-Sycamore Canyon 230kV Loop-in Suncrest, due to the Miguel BK 82 carve-out, $103 million (42%) on the Pacific Beach – Rose Canyon Electrification, and $65 million (35%) on Q2166 UMBRIEL Generation Interconnection. The reduction in the Pacific Beach – Rose Canyon Electrification project cost is attributed to "load forecast changes and scope refinement,"[22] and should be considered a revision since it reflects current conditions versus those present during earlier phases of project development. The Q2166 UMBRIEL Generation Interconnection project reduction is noteworthy, as it was driven by a "Change from total cost cap placeholder to final draft of GIA."[23]

[19] See SDG&E Response to ED-SDGE-TPR-Jan2026-002, response 02-22.
[20] See SDG&E Response to ED-SDGE-TPR-Jan2026-003, response 03-04.
[21] ED-SDGE-TPR-Jan2026-003 Q.03-04 Response Tables 1 and 2.
[22] Ibid.
[23] Ibid.

Table 5: SDG&E Projects with Value over $100 Million

Row/ Line No	Project Name	Project Status	Current Projected or Actual In-Service Date	Estimated Total Cost as of July 2025 ($000)	Estimated Total Cost as of Jan 2026 ($000)	% Change July 25 to Jan 26
190	Golden Pacific Powerlink (GPP)	Planning	2032-01-31	-	1,300,000-2,200,000	N/A
106	[Programmatic] Transmission CMP Non HFTD	Operational	Multiple	-	780,122	N/A
304	Miguel-Sycamore Canyon 230kV Loop-in Suncrest	Engineering less than 50% complete	2031-04-28	581,254	426,683	-26.6%
328	CNF MSUP	Operational	Multiple	-	423,437	N/A
77	[Programmatic] Trans Fiber Links HFTD	Operational	Multiple	408,964	403,010	-1.5%
325	SOCRE (South Orange County Reliability Enhancement)	Construction (over 75%)	2024-08-15	364,808	365,437	0.2%
154	[Programmatic] ELEC TRANS SMALL RELIABILITY – non HFTD	Operational	Multiple	292,866	319,984	9.3%
147	[Programmatic] ELEC TRANS SMALL RELIABILITY - HFTD	Operational	Multiple	241,792	298,184	23.3%
313	BORDER-SAN YSIDRO SUBSTATION	Planning	2031-12-31	88,640	241,587	172.5%
133	[Programmatic] Transmission CMP HFTD	Operational	2021-12-18	-	237,747	N/A
163	HATS Release 4	Operational	2025-08-16	16,223	219,570	1253.5%

Row/ Line No	Project Name	Project Status	Current Projected or Actual In-Service Date	Estimated Total Cost as of July 2025 ($000)	Estimated Total Cost as of Jan 2026 ($000)	% Change July 25 to Jan 26
200	[Programmatic] Fiber Build Initiative	Operational	Multiple	221,180	213,254	-3.6%
272	Escondido Substation 230kV Rebuild	Planning	2032-01-31	194,637	192,823	-0.9%
318	Miguel BK 82 Expansion	Planning	2033-01-03	-	191,072	N/A
14	[Programmatic] Transmission Substation Proactive Asset Program	Planning	Multiple	201,337	190,839	-5.2%
327	TL686 W2S_Wind	Engineering more than 50% complete	2037-07-06	141,268	155,534	10.1%
315	Coronado Island Reliability Reinforcement	Engineering less than 50% complete	2028-11-30	148,421	153,707	3.6%
277	NEW DOWNTOWN 69/12KV	Planning	2032-02-12	128,366	144,255	12.4%
314	Pacific Beach - Rose Canyon Electrification	Planning	TBD	245,468	142,331	-42.0%
273	Mission 69kV Sub Rebuild	Construction (over 75%)	2025-06-30	141,069	141,160	0.1%
254	Artesian 230kV Sub Expansion	Operational	2022-12-04	131,863	132,219	0.3%
158	[Programmatic] TRANSMISSION CONSTRUCTION & MAINT	Operational	Multiple	13,829	127,809	824.2%
175	Q2166 UMBRIEL Generation Interconnection	Engineering less than 50% complete	2031-12-15	183,245	118,357	-35.4%

Row/ Line No	Project Name	Project Status	Current Projected or Actual In-Service Date	Estimated Total Cost as of July 2025 ($000)	Estimated Total Cost as of Jan 2026 ($000)	% Change July 25 to Jan 26
5	[Programmatic] Transmission Substation Responsive Asset Replacement	Operational	Multiple	157,772	114,782	-27.2%
312	Oceanside Area Sub: Electrification	Planning	2031-12-31	77,790	113,765	46.2%
165	[Programmatic] TCM Non-HFTD	Operational	Multiple	87,213	109,231	25.2%
326	TL6926 Rincon to Valley Center Fire Hardening	Operational	2022-12-15	105,078	105,118	0.0%

3. Data Quality

The data provided by SDG&E in the January 2026 PS reflected improved attention to detail in the pre-submission stage. SDG&E described internal process enhancements during the March 27, 2026 Stakeholder Meeting,[24] including consolidation of financial data pulls to collapse child work orders for non-programmatic line items, automated checks for inaccurate or inconsistent entries, additional quality control resources, structured comparison between prior and new submissions, and continuous enhancement of an integrated data collection tool.[25]

SDG&E also acknowledged a number of current and past data errors, formatting inconsistencies, and project-to-project mapping issues that required correction through the data request process. Examples include:

- Multiple input errors corrected in data request responses, including $0 instead of $65,517 on Row 35 ([Programmatic] CAST Security Upgrades), $194 instead of $4,007 on Row 180 (EFD WMP IPREDICT), placeholder amounts of $9.0 million and $1.5 million mistakenly included on Row 185 (TL651 Boundary Street Relocation), and a financial-system forecasting error on Row 163 (HATS Release 4) that produced an erroneous $203 million increase between cycles;
- [Programmatic] PSPS Engineering Enhancements, Row 102, which SDG&E confirmed should not have been included in the TPR PS, as it is a CPUC-jurisdictional distribution wildfire program rather than a FERC jurisdictional project;[26]

[24] SDG&E TPR Stakeholder Meeting Presentation, March 27, 2026, Slide 21.
[25] Ibid.
[26] See ED-SDGE-TPR-Jan2026-002 response 02-07.

- Project name errors on Rows 227–235 ("Other – IT" projects), where the names listed in the PS did not match the underlying project scope;[27]
- A Utility Unique ID #2 mismatch between Miguel BK 82 Expansion (Row 318) and Coronado Island Reliability Reinforcement (Row 315), corrected in Data Request (DR) Set 2 response;[28]
- An IT common software component of Row 302 (Smart Meter 2.0) that SDG&E acknowledged was inadvertently excluded from previous submissions;[29] and
- Formatting inconsistencies raised by the CPUC during the March 27, 2026 Stakeholder Meeting, including extra spaces, vertical slashes, and project name changes that can impede Stakeholders' ability to manipulate the data programmatically.

CPUC Staff appreciate SDG&E's acknowledgment of these issues, corrections provided through the data request process, and SDG&E's identification of data changes between cycles in future submittals. The volume of corrections, however, suggests that the pre-submission quality control enhancements described by SDG&E to reduce errors remain a work in progress. CPUC Staff encourage SDG&E to continue refining its validation processes, with particular attention to formatting consistency, project-to-project mapping integrity, and clear identification of data changes between cycles.

CPUC Staff note that during this cycle, SDG&E provided 414 additional authorization documents related to specific projects. These documents have been requested in previous cycles and included work order authorizations with detailed information on project cost and scope. The CPUC will expect SDG&E to continue providing such relevant authorization documents in future TPR cycles.

4. Data Request Responses

As of May 12, 2026, CPUC Staff submitted four sets of data requests comprising 46 individual questions to SDG&E. The first three responses to the TPR data requests were received by May 7, 2026, with one set outstanding as of May 12, 2025.

CPUC Staff's data requests this cycle focused on five main themes:

- **Major cost differences and reconciliation** (for both increases and decreases) between the July 2025 and January 2026 submittals;
- **Methodology** for Data Field 66 cost-benefit analysis (CBA) calculation, with pre- and post-Stakeholder Meeting data requests seeking more information on significant CBA shifts, rescopes, the absence of back-testing or sensitivity analysis, double-counting validation between reliability and capacity benefits, and the Stakeholder notification process for the unexpected systemwide methodology revision SDG&E implemented in Q3 2025.

[27] See ED-SDGE-TPR-Jan2026-002 response 02-16.
[28] See ED-SDGE-TPR-Jan2026-002 response 02-22.
[29] See ED-SDGE-TPR-Jan2026-002 response 02-18.

- **Cost Estimate maturity and AACE Class implementation**30, with the follow-up request specifically asking for a schedule-based implementation workplan with milestone deliverables, dependencies, and functional ownership across the estimating, project controls, engineering, and project oversight.
- **Project-specific scrutiny of the largest and most notable projects** in the portfolio, including Golden Pacific Powerlink (Row 190), Border-San Ysidro Substation (Row 313), the Miguel Bank 82 Expansion carve-out (Row 318), HATS Releases 4 and 5 (Rows 163 and 164), Q2166 UMBRIEL Generation Interconnection (Row 175), TL686 W2S_Wind (Row 327), Pacific Beach – Rose Canyon Electrification (Row 314), Mission 138kV Rebuild (Row 324), SOCRE (Row 325), and a series of smaller line-item inquiries on new projects in the January PS but carrying historical Data Field 57 actuals.
- **Program-level transparency inquiries**, including programmatic budget code reporting and the sub-$1 million visibility gap.

In contrast with data request responses during the July 2025 cycle, by the time responses were received to the third set in the January 2026 cycle, SDG&E had responded more comprehensively to most of the data requests. However, there were some noteworthy patterns.

Multiple programmatic budget code responses[31] (Rows 77, 147, 154, 158, 165, 200) shared substantially identical text in their cost-management discussions, suggesting the responses describe a generic framework rather than budget code-specific cost-management.

When asked to explain separate, important project details for those projects with increases and decreases in "Current Projected Total or Actual Final Cost" between the July 2025 PS and January 2026 PS, SDG&E did not provide complete responses.[32] CPUC Staff requested explanations in eight specific categories, receiving only partial responses: scope changes, escalation inputs, schedule drivers, procurement basis, risk drivers, and cost management decisions. CPUC Staff note that it is expected that data responses are complete and responsive to all questions.

5. Stakeholder Meeting

The SDG&E Stakeholder Meeting, held on March 27, 2026, provided an opportunity for CPUC Staff and Stakeholders to engage directly with SDG&E regarding the January 2026 PS, data request responses, and ongoing project planning activities. Consistent with prior cycles, the meeting included both procedural topics related to the TPR Process and focused discussions on specific projects and programs.[33,34]

Before the meeting began, there were connectivity issues that prevented all individuals from the CPUC from successfully joining. CPUC IT could not find any changes or blocks on the

30 See SDG&E Response to ED-SDGE-TPR-Jan2026-002, Response 02-01 and ED-SDGE-TPR-Jan2026-003, Response 03-02.

[31] See SDG&E Response to ED-SDGE-TPR-Jan2026-002, response 02-03.
[32] See SDG&E Response to ED-SDGE-TPR-Jan2026-002, response 02-02 and 02-03.
[33] 2026 SDG&E TPR Stakeholder Meeting-March 27.
[34] CPUC and Stakeholder Agenda Items for SDG&E March 27, 2026 TPR Process Stakeholder Meeting.

CPUC-side, but CPUC Staff had to remain in audio-only mode for the duration of the meeting. CPUC Staff will work with SDG&E to do a test-run before future Stakeholder Meetings.

The meeting addressed 17 substantive topics, including utility prioritization ranking, AACE Class implementation, Data Field 66 cost-benefit analysis methodology, SCADA/Telecommunications/EMS infrastructure, project spreadsheet data quality and management, AFUDC, supply chain, direct buried cable replacement, and several project-specific inquiries.

The Stakeholder Meeting included discussion of the Golden Pacific Powerlink (Row 190). The CPUC also raised questions about connections between Miguel BK 82 Expansion (Row 318) and the Miguel-Sycamore Canyon 230kV Loop-in Suncrest (Row 304) project, inquiring whether Miguel BK 82 was part of the CAISO-approved Transmission Planning Process project or only the loop-in component was. SDG&E confirmed both are part of the CAISO-approved project and acknowledged that the Miguel BK 82 carve-out had not been acknowledged in the January 2026 transmittal letter. SDG&E explained that the two projects were separated for planning and project management reasons – Miguel BK 82 can advance on its own timeline while the Miguel-Sycamore Canyon Loop-in is anticipated to require a Permit to Construct (PTC) application. SDG&E also confirmed that Miguel BK 82 is the only instance it was aware of where a project was carved out of an existing project rather than constituting a new project.[35] The CPUC will continue to monitor the progress and costs of these now-bifurcated projects.

Addressing the reconciliation error discussed earlier in the "Largest Projects" section, SDG&E explained that the cost reduction in Miguel-Sycamore Canyon 230kV Loop-in Suncrest (Row 304) was less than the $191 million carved out for Miguel BK 82 (Row 318) because of cost-estimate adjustments for Engineer, Procure, and Construct (EPC) bids and large equipment in the residual Row 304 scope. SDG&E further provided a cost-element breakdown for the Miguel BK 82 estimate of approximately 52% direct costs (primarily materials and services) and 48% non-direct costs (including approximately 26% AFUDC).[36]

SDG&E also expanded on the information provided on Row 163, HATS Release, in data request responses[37], specifically that the estimate at completion provided in the July 2025 TPR was only for forecasted spend through 2025, while the January 2026 TPR had updated forecasted spend through 2035. For these forecasts, there is an inherent inaccuracy for forecast figures in the early years if such forecasts are provided right before a 10-year period begins (e.g.,. 2026-2035 forecasts being finalized in early 2026).

For Golden Pacific Powerlink, SDG&E described the project as a 500kV transmission line from Imperial Valley to North of SONGS, a component of the CAISO-approved "Imperial Valley–North of SONGS 500 kV Line and Substation" project from the 2022-2023 Transmission Plan that was competitively awarded to Horizon West Transmission, and subsequently assigned to SDG&E for construction, financing, and ownership of the transmission component. SDG&E acknowledged at the meeting that it provided a $1.3–$2.2 billion cost range, rather than a single discrete estimate, because it was premature given that the project remains in preliminary design with vendor information being gathered as part of due diligence. A more developed estimate is

[35] 2026 SDG&E TPR Stakeholder Meeting-March 27, slide 38.
[36] Ibid.
[37] SDG&E Response to ED-SDGE-TPR-Jan2026-002, page 27

expected in the July 2026 TPR cycle submission as SDG&E stated the project is still in the early stages of development.[38] SDG&E confirmed that it cannot yet compare its estimate to the CAISO Transmission Planning Process (TPP) estimate or to Horizon West's public filing – which had included both the transmission line and substation components – and committed to compliance with all CAISO project sponsor requirements when asked how it would honor the cost containment provisions in Horizon West's proposal.[39]

In addition to these expanded project discussions, the meeting had four main takeaways:

- **Data Field 66 cost-benefit methodology revision.** SDG&E acknowledged that five distinct methodology changes were implemented effective Q3 2025 across all SDG&E base capital projects (CPUC and FERC) without prior notification to Stakeholders. SDG&E characterized the lack of notification as an oversight and committed to identifying future methodology changes;[40]
- **AFUDC Treatment of suspended and idle projects.** SDG&E provided details on the process for manually suspending AFUDC for suspended projects, the $250,000 Construction Work in Progress (CWIP) threshold, the 50% likelihood-of-resumption gate, and the automatic AFUDC suspension for six-month idle-projects.[41] SDG&E acknowledged that several elements of this framework, including the thresholds and certain Capitalization Policy language, are under internal review;
- **Corrective Maintenance Program scale.** Discussion of the now-disclosed Programmatic Transmission Corrective Maintenance Program (CMP), totaling $1.01 billion, revealed that the underlying portfolios contain over 1,000 subprojects, of which only 26 exceed the $1 million reporting threshold for individual representation in the PS.[42] SDG&E described the program's structure as reactive and inspection-driven, with continuous workplan adjustment; and
- **Cost estimate maturity for early-stage projects.** SDG&E discussed multiple projects, including Border-San Ysidro Substation and Pacific Beach – Rose Canyon Electrification, confirming that several large projects in the planning category carry imprecise AACE Class 5 estimates that will be refined as projects progress through design and bid milestones.[43]

The March 27, 2026 Stakeholder Meeting also identified a process concern: CPUC Staff observed that several project-specific agenda items were addressed by reference to existing data request responses rather than by direct discussion. As CPUC Staff and Stakeholders are capable of reading previous data responses, items were included on the Stakeholder Meeting agenda because further discussion was warranted. SDG&E has committed to providing more substantive discussion of project-specific topics in future Stakeholder Meetings.

Overall, SDG&E was responsive to the items listed in the agenda, generally prepared to discuss projects, and provided Stakeholders with a greater understanding of the highlighted

[38] 2026 SDGE TPR Stakeholder Meeting-March 27, slide 39.
[39] Ibid.
[40] 2026 SDGE TPR Stakeholder Meeting-March 27, slide 11.
[41] 2026 SDGE TPR Stakeholder Meeting-March 27, slide 23.
[42] 2026 SDGE TPR Stakeholder Meeting-March 27, slide 40.
[43] 2026 SDGE TPR Stakeholder Meeting-March 27, slide 9.

projects and current methodology revisions SDG&E is undergoing at present. CPUC Staff appreciate SDG&E's continued participation in these meetings.

6. Issues of Note

Cost-Benefit Analysis Methodology Revision (Data Field 66)

An unanticipated data change in the January 2026 PS was a system-wide revision to the Data Field 66 cost-benefit methodology that SDG&E confirmed at the March 27, 2026 Stakeholder Meeting was effective Q3 2025 for all SDG&E base capital projects across both CPUC and FERC jurisdictions.[44] SDG&E acknowledged that the methodology revisions were implemented prior to the January 2026 submittal, without notification of Stakeholders, which it acknowledged as an oversight at the Stakeholder Meeting.[45]

The revisions consisted of five distinct methodology changes, and the cumulative effect of these changes is reflected in the 18 projects flagged in CPUC Staff's second data request set as having significant changes in Data Field 66. With cost-benefit ratios changing by five to ten times in either direction — predominantly downward for transmission programmatic and wildfire-driven projects, and upward for projects where the new transmission capacity benefit applied or where direct-buried cable increased estimated benefits.[46]

While CPUC Staff have concerns with the manner of the deployment of the methodology revision, some of these concerns were partially clarified through SDG&E's response to Data Request Set 3.[47] First, on the absence of Stakeholder notification, the TPR's value to the CPUC and to Stakeholders depends on the comparability of key fields across cycles - an unannounced, system-wide methodology revision is an impediment to that comparability. SDG&E's response to a data request on this issue declined to commit to a separate notification process: "SDG&E does not maintain a separate notification process for future Data Field 66 methodology changes... Methodology changes applicable to a project would be described in the supporting documentation accompanying that submittal. This approach is consistent across other Data Field methodologies."[48]

CPUC Staff observe that this written response was not consistent with the commitment provided at the March 27, 2026 Stakeholder Meeting and does not address the underlying concern. Including methodology changes in supporting documentation accompanying a TPR submittal is the same approach SDG&E followed for the January 2026 submission, where the methodology changes were not flagged in advance and were identified by Stakeholders only through review of cost-benefit changes in the data. CPUC Staff continue to expect that SDG&E will notify the CPUC in advance of any methodology changes in data fields. This notification process would be consistent with the commitment provided at the March 27, 2026 Stakeholder Meeting and the approach described in the supporting documentation accompanying the January 2026 submittal, which allows Stakeholders to identify methodology changes prior to the cycle in which they take effect.

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[44] 2026 SDGE TPR Stakeholder Meeting-March 27, slides 11-17.
[45] Ibid.
[46] See ED-SDGE-TPR-Jan2026-002, response 02-04.
[47] See ED-SDGE-TPR-Jan2026-003, response 03-01(d).
[48] See ED-SDGE-TPR-Jan2026-003, response 03-01(d).

Second, on validation of the revised methodology, SDG&E confirmed in Data Requests that "Formal back-testing, back-casting, or probabilistic sensitivity analyses were not performed as discrete validation exercises. Instead, SDG&E applied the revised methodologies to representative projects and reviewed resulting outputs for directional reasonableness, internal consistency, and alignment with expected system behavior based on engineering judgment and planning insights."[49] Without formal back-testing, Stakeholders have no way to evaluate whether the new methodology produces results consistent with utility-managed historical experience, whether it represents a meaningful refinement of prior approaches, or whether it might produce systematically different prioritization signals than the prior methodology when applied retrospectively. CPUC Staff encourage SDG&E to explain to Stakeholders how the revised Data Field 66 methodology produces more reliable prioritization results and describe the implementation process undertaken to ensure the methodology was sufficiently validated prior to rollout. If SDG&E performed any back-testing on a sample set of projects from prior cycles, sharing the documented results would also be helpful, both how it validates the methodology going forward and to provide Stakeholders with a basis for understanding how cycle-over-cycle cost-benefit analysis comparisons should be interpreted.

AACE Project Cost Estimate Maturity

AACE Class implementation has been an ongoing transparency issue across multiple TPR cycles.[50] SDG&E committed to establishing the industry-standard framework by June 2026, conducting project-by-project classification work between July 2026 and the January 2027 submission, and assigning AACE classifications to all applicable design-phase projects by the January 2027 cycle.[51] The initial classification approach will align AACE Class definitions to SDG&E's existing stage-gate milestones, and a second phase aligning documentation requirements with SDG&E's project approval and project change approval processes is contemplated for "a future date," but has no current target.[52]

CPUC Staff appreciate the more structured workplan but identify two areas where continued attention would strengthen implementation. First, the initial alignment of AACE Classes with SDG&E's existing stage-gate milestones is a reasonable first iteration, but the AACE framework distinguishes five classes by estimate maturity. CPUC Staff encourage SDG&E to consider establishing a centralized review or quality-control function to ensure consistency in how project manager-assigned classifications are applied across the portfolio. Second, the documentation alignment phase warrants a target date so that AACE classification becomes integrated with – rather than parallel to – SDG&E's existing project approval and estimating processes. The January 2027 implementation target represents continued slippage from prior-cycle expectations, but with the workplan now articulated, subsequent cycles will be able to track progress against defined milestones.

[49] See ED-SDGE-TPR-Jan2026-003, response 03-01(b)
[50] See ED-SDGE-TPR-Jan2026-003, response 03-02(a).
[51] Ibid.
[52] See ED-SDGE-TPR-Jan2026-003, response 03-02(b).

AFUDC Treatment of Suspended and Idle Projects

The March 27, 2026 Stakeholder Meeting included substantive discussion on SDG&E's two processes for suspending AFUDC application to projects. The first process includes formal suspension of AFUDC accrual, which is a manual process; and the second is automatic pause process through SDG&E's SAP accounting[53], providing greater visibility into both processes than has been available in prior cycles. During this meeting, SDG&E verbally confirmed that the $250,000 CWIP threshold for considering a project for formal suspension was set "many years ago" and is currently under internal review; that the 50% likelihood-of-resumption gate used to make the formal suspension determination is a project-management judgment decision for which no summary report is currently prepared; and that the existing Capitalization Policy AFUDC document contains language regarding whether AFUDC may resume on accounting adjustments that SDG&E acknowledged was a cookie-cutter tool. The automatic idle-projects functionality switches AFUDC accrual on or off based on any -month gap in direct construction-activity charges to a work order, with no upper bound on how many times a single project may cycle between idle and active states. Of approximately 11,000 to 15,000 capital work orders in CWIP at any time across SDG&E, roughly 37 to 39 are currently in formally suspended status.[54]

CPUC Staff appreciate SDG&E's description of these processes at the Stakeholder Meeting and explanation that the relevant thresholds and policy guidelines are under internal review. Continued attention to three matters would strengthen the framework's transparency. First, documentation of the 50% likelihood-of-resumption determination at even a summary level (e.g., project, basis for the determination, decision date) would improve auditability for projects whose suspension extends across multiple cycles. Second, correcting the Capitalization Policy language identified as inaccurate would ensure consistent reference for future decisions and align operating practice with the policy document. Third, the automatic idle-project flip-flop process at the six-month gap threshold warrants documented monitoring, at a minimum to identify projects that cycle between idle and active status multiple times within a single TPR cycle.

Programmatic Reporting and the Sub-$1M Visibility Gap

In response to CPUC data requests in prior cycles, SDG&E expanded programmatic reporting in the January 2026 PS submission to include cumulative totals for sub-$1 million child projects within several programmatic budget codes – notably Rows 106 and 133 for the Transmission Corrective Maintenance Programs, and Rows 222–226 for the IT enterprise network infrastructure.[55] This expansion results in improved transparency, and CPUC Staff appreciate SDG&E's responsiveness. Discussion at the March 27, 2026 Stakeholder Meeting clarified that the expanded reporting now surfaces aggregate totals for portfolios of a certain scale – SDG&E confirmed that the Corrective Maintenance Programs alone include more than 1,000 subprojects, of which only 26 cross the $1 million threshold required for individual representation in the Project Spreadsheet.[56]

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[53] SDG&E TPR Stakeholder Meeting Presentation, March 27, 2026, Slides 22–28.
[54] These figures are from the March 27 stakeholders meeting, and they are all company-wide numbers that include both gas, and electric distribution and electric transmission, not transmission projects alone.
[55] See ED-SDGE-TPR-Jan2026-002, responses for Rows 106, 133, 222–226.
[56] SDG&E TPR Stakeholder Meeting Presentation, March 27, 2026, slide 40.

The expanded reporting provides programmatic-level aggregate visibility but does not address the gap in subproject-level visibility, and the TPR's structure – designed around discrete projects with individual baselines, defined start and end dates, and project-specific cost-benefit values – is not fully aligned with how SDG&E manages programs and programmatic projects at scale. SDG&E's responses to Data Requests further indicated that forecasts beyond approximately 2030 for programmatic budget codes are based on historical costs with an applied escalation assumption of approximately 47% to 60% across various programs.[57] This approach is reasonable for long-horizon capital planning but limits the meaningfulness of cycle-over-cycle variance analysis for the programmatic portion of the portfolio. CPUC Staff encourage continued dialogue on the appropriate level of subproject visibility, the appropriate reporting threshold, and the disclosure of forecasting methodologies for the programmatic budget codes that now represent approximately $3.59 billion (38%) of the portfolio.

Transmission Communications Modernization and EMS Readiness

The March 27, 2026 Stakeholder Meeting included discussion of SDG&E's transmission communications infrastructure (i.e., OPGW and ADSS fiber deployment, and conversion of leased SCADA circuits to owned infrastructure) and the Energy Management System (EMS) replacement program with a planned operation in Q4 2026.[58] CPUC Staff submitted Data Requests seeking quantitative detail on multi-year communications deployment plans, leased-circuit conversion pace, prioritization criteria, performance metrics, and EMS readiness criteria. SDG&E's responses provided baseline information indicating that 15% of SCADA devices are currently serviced through leased lines and 85% through owned infrastructure, with 20 to 50 devices per year converted to Private LTE depending on financial availability, and that prioritization is based on a Risk Index calculated from age, technology type, failure rate, redundancy, and customer impact.[59] The EMS readiness response was substantive and included Site Acceptance Testing in Q2 2026, parallel operations using "listen mode," and a phased cutover.[60]

CPUC Staff appreciate the baseline metrics SDG&E provided and view the EMS readiness response as a useful basis for tracking the Q4 2026 operative date in subsequent cycles. CPUC Staff observe, however, that SDG&E objected to the request for a multi-year deployment plan and provided a qualitative, rather than quantitative, response to the communications performance metrics question.[61] Given the extent of communications infrastructure investment in the PS and the operational dependencies between communications, SCADA, and EMS, CPUC Staff encourage continued dialogue on the appropriate level of multi-year transparency for this category of investment. Visibility in future cycles into route-miles-by-year, leased-to-owned conversion progress, and quantitative communications performance metrics to improve Stakeholders' ability to interpret SDG&E's progress on these interrelated initiatives.

[57] See ED-SDGE-TPR-Jan2026-002 Q.02-03, responses for Rows 158, 165.
[58] SDG&E TPR Stakeholder Meeting Presentation, March 27, 2026, Slides 18–20.
[59] See ED-SDGE-TPR-Jan2026-003 response 03-03(b)-(c).
[60] See ED-SDGE-TPR-Jan2026-003 response 03-03(e).
[61] See ED-SDGE-TPR-Jan2026-003 response 03-03(a) and (d).

Direct Buried Cable Projects/Undergrounding

Discussion at the March 27, 2026 Stakeholder Meeting clarified the structure and progress of SDG&E's direct buried cable replacement program, which is represented in the January 2026 PS through nine project rows (Rows 98, 178, 182–187, and 189).[62] SDG&E identified approximately 109,000 feet of vintage cable in service, with approximately 47,000 feet replaced to date and an additional approximately 28,000 feet tracking for replacement by year-end 2026, leaving approximately 62,000 feet remaining beyond 2026.

Vintage cable was identified as cable installed prior to circa 2000 using hand-taped splice techniques, which contrast with the pre-molded splice body joint standard adopted for post-2000 installations. SDG&E indicated that the typical asset life expectancy for direct-buried cable of this type is approximately 30 years and that vintages exceeding this threshold are exhibiting field-observed degradation and outage history.[63]

Given the emphasis on reliability and wildfire mitigation as drivers for these projects, in the coming cycle, SDG&E needs to be prepared to discuss the schedule for replacing the remaining 62,000 feet, which is the same remaining footage presented during the September 10, 2025 Stakeholder Meeting, with details about each project and associated cable footage.

Use of CAISO Network Upgrade Cost Caps as Forecast Values

For Q2166 UMBRIEL Generation Interconnection (Row 175), SDG&E used the CAISO Network Upgrade cost cap ($177 million) as the forecast value in the July 2025 cycle prior to receiving a draft Generator Interconnection Agreement.[64] SDG&E confirmed at the March 27, 2026 Stakeholder Meeting that this is not a standard practice but rather "how it worked out with this project." In response to Data Requests, SDG&E clarified that the use of the cost cap as a forecast was "a determination by the project team to initially utilize data that was available as a starting point in lieu of having estimates available from a generator interconnection agreement (GIA) instead of the alternative of simply stating that the cost data was unavailable," and indicated that as draft or signed GIAs become available, project teams refine total cost estimates as part of quarterly financial outlook refreshes.[65]

CPUC Staff appreciate the clarification but observe that the choice between a cost-cap placeholder and "…stating that the cost data was unavailable…"[66] presents a Stakeholder transparency tradeoff. A cost-cap placeholder produces a Data Field 56 value that resembles a project-specific estimate, which can mislead Stakeholders into treating it as such. A "data unavailable" treatment, on the other hand, while less complete on the spreadsheet, more accurately signals the actual basis (or lack thereof) for the projected cost. A notation in Data Field 56 or in a supporting field indicating the source of the projected cost (*e.g.*, "CAISO Network Upgrade cost cap," "preliminary estimate," "draft GIA," "executed GIA") would provide Stakeholders with the basis-of-estimate context that the unannotated numerical value

[62] SDG&E TPR Stakeholder Meeting Presentation, March 27, 2026, Slides 14–17.
[63] Ibid.
[64] See D-SDGE-TPR-Jan2026-002 response 02-02, Row 175 Response.
[65] See ED-SDGE-TPR-Jan2026-003 response 03-04(d).
[66] *Ibid.*

cannot convey, and would resolve the tradeoff without requiring SDG&E to omit projects from Data Field 56 reporting.

7. Conclusion

The January 2026 TPR Cycle reflects SDG&E's continued engagement with the TPR Process and commitment to process improvements raised in previous cycles, while also surfacing several notable issues that warrant continued attention. SDG&E's submission included a broad portfolio of programmatic and specific projects, with total projected costs increasing relative to the July 2025 cycle. The Stakeholder Meeting held on March 27, 2026 provided a structured forum for review of the TPR data and discussion of both process-level topics and project-specific issues. Together with SDG&E's data request responses, the meeting contributed to a more complete set of information for evaluating January 2026 TPR materials.

Composition of the Cycle-Over-Cycle Cost Movement

CPUC Staff observe that the overall cost increase in the January 2026 PS, while substantial, is concentrated in particular categories of cost movement that warrant separate attention.

Approximately 52% of the $3.04 billion increase (including GPP on the low end cost estimate) is concentrated in programmatic budget codes. Within the programmatic increase of $1.56 billion, approximately $1.02 billion is due to the expanded reporting of two Transmission CMP rows from $0 to their cumulative totals, reflecting expanded transparency rather than cost growth of existing projects. The remaining approximately $552 million programmatic cost increase is due to forecast period extensions to 2030, or beyond, in several budget codes (with outer-year forecasts based on historical annual expenditures plus an escalation factor of 47% to 60% across various programs), the addition of new programmatic line items, and refined cost estimates within existing programmatic budget codes.

The net increase in projects level costs was $1.472 billion, with all but $172 million of this attributable to the GPP. Of this $172 million net increase in project-level costs, $90 million was added in new projects, $191 million added in the Miguel Bank 82 Expansion carve-out, $447 million added in net increase across 267 existing projects, and $556 million was deducted due to removed projects. There was a combination of cost increases on projects advancing through engineering and construction and cost decreases on projects undergoing scope reduction, schedule extension, or re-evaluation.

CPUC Staff note that cycle-over-cycle comparison was complicated by changes in how the data were reported (e.g., increased programmatic reporting, range of estimated GPP costs, and consolidation of project lines that were reported separately in previous PSs). Second, the standardized cost-change reconciliation table requested in Data Request Set 3 should have been more fully completed.

Next Steps and Areas for Continued Improvement

While the January 2026 cycle reflects progress, several areas warrant attention in future reporting periods:

Data Field 66 methodology change notification. SDG&E indicated at the March 27, 2026 Stakeholder Meeting that the lack of notification was an oversight and committed to looking into a future process. SDG&E's response to Data Request Set 3, however, declined to commit to a separate notification process. CPUC Staff continue to expect that SDG&E will notify the CPUC of methodology changes prior to such changes in the TPR data.

AACE Class implementation. SDG&E provided a more detailed workplan in Data Request Set 3, including establishing a framework by June 2026, project-by-project classification between July 2026 and January 2027, and full classification of design-phase projects by the January 2027 cycle. CPUC Staff appreciate the workplan and encourage SDG&E to consider centralized review for consistency given that initial classification responsibility resides with individual project managers, and to set a target date for the second-phase of aligning AACE classifications with the project approval and change control processes.

Data quality and formatting consistency. Continued attention to formatting, project-to-project mapping, and clear identification of data changes between cycles will provide Stakeholders with greater clarity.

Standardized cost-change reconciliation table format. The format requested in Data Request Set 3 would provide a structural improvement to cycle-over-cycle variance analysis and could reduce the number of data requests.

AFUDC treatment of suspended and idle project documentation. Documentation of the 50% likelihood-of-resumption determination, even at a summary level, would improve auditability. The Capitalization Policy language, if identified as inaccurate, should be corrected.

Subproject visibility within programmatic budget codes. CPUC Staff encourage continued dialogue on the appropriate level of subproject visibility, as stated earlier in these Comments.

Discussion of specific projects in Stakeholder Meetings. CPUC Staff welcome SDG&E's commitment to more in-depth discussion of specific projects in future Stakeholder Meetings.

Energy Division Staff appreciate SDG&E's engagement in the TPR Process, and the information provided in the PS and through the data requests and the Stakeholder Meeting. The January 2026 cycle clarified some recurring TPR topics and surfaced new ones that warrant continued attention. Ongoing focus on communication of methodology changes, transparency, and project-level documentation will support more effective Stakeholder review in future cycles.

SDG&E should direct any questions about these Comments to tprprocess@cpuc.ca.gov.