

Application: A.25-04-006
Proceeding: Microgrid Optional Tariff
Exhibit No.: SCG-04
Witness: Inclusive

SUPPLEMENTAL TESTIMONY OF

SOUTHERN CALIFORNIA GAS COMPANY

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

September 29, 2025

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**SUPPLEMENTAL TESTIMONY OF
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I. INTRODUCTION

Pursuant to the Assigned Commissioner’s Scoping Memo and Ruling of August 13, 2025 (Scoping Memo), which requested that “SoCalGas to serve supplemental testimony addressing [all issues in the scoping memo] according to the schedule adopted in Section 4 of this ruling,”¹ Southern California Gas Company (SoCalGas) submits its Supplemental Testimony. The witness responsible for the testimony is identified with each item below. The testimony below is supplemental to testimony already provided, which addresses most of the issues in the Scoping Memo, and also legal arguments and justifications supporting the Application.

II. ISSUES IN SCOPE IN THIS PROCEEDING

1. Whether SoCalGas’s request for approval of a MOT is reasonable and in the public interest. (Witness: Jawaad Malik)

The MOT will provide customers in SoCalGas’s service territory new ways to meet their energy needs. Whether those needs are reliability and resilience, new demand for facilities like data centers with high energy needs, environmental benefits, or increased energy cost certainty, the MOT provides a potential solution. Along with the potential secondary benefits of job creation and critical facilities continuing through power interruptions, approving the MOT would be in the public interest. Costs for the MOT would be borne by customers enrolling in the program – any costs not covered by participating customers would not be paid by ratepayers. As a utility already regulated by the CPUC and trusted by its customers, SoCalGas is a natural offeror of the MOT.

a. Whether it is appropriate for SoCalGas to use its access to ratepayer-funded resources to offer a MOT. (Witness: Armando Infanzon)

The proposed MOT has potential benefits for ratepayers and does not pass costs onto ratepayers. Consistent with the Commission’s treatment of similar tariffs approved by the Commission, it is appropriate for SoCalGas to use its access to its current resources to offer the MOT.

¹ Scoping Memo at 5.

1 Recognizing the benefits of other similar-structured programs, the CPUC has approved
2 services offered by SoCalGas in CPUC decisions D.15-10-049 (Distributed Energy Resources
3 Tariff Final Decision), D.13-12-040 (Biogas Conditioning/Upgrading Services Tariff Final
4 Decision), and D.12-12-037 (Compression Services Tariff Final Decision). When the
5 Commission approved these programs, it recognized SoCalGas had access to “ratepayer-funded”
6 resources, and did not find this to be an issue if addressed through appropriate cost-tracking
7 mechanisms.² In these decisions the CPUC included safeguards to ensure no ratepayer cross-
8 subsidization, fair competition and pricing, and oversight and transparency. These safeguards
9 can apply to the MOT as well.

10 To be clear, this “access” to ratepayer resources does not mean that costs are passed on to
11 ratepayers. As explained in more detail in Section II and III of the Prepared Direct Testimony of
12 Victor R. Garcia (Chapter 3), SoCalGas has created cost controls that will prevent ratepayers
13 from inadvertently incurring costs from the MOT program similar to what was directed in D.15-
14 10-049, for the Distributed Energy Resources (DERS) Tariff. SoCalGas has created internal
15 order numbers to track costs associated with developing the MOT program. These development
16 costs will only be recovered from customers of the MOT and/or shareholders. Costs for each
17 MOT project will be tracked to an appropriate internal order number(s) so that ratepayers will
18 not bear those costs. As stated in the MOT Application, SoCalGas requested to establish a
19 balancing account to credit ratepayers for any general rate case (GRC) embedded costs used in
20 providing the tariff.

21 **2. Whether SoCalGas’s Application complies with the requirements of the**
22 **Public Utilities Code and Commission decisions concerning public safety,**
23 **reliability, and the reasonableness of rates, including, but not limited to:**

24 **a. Whether the MOT is consistent with the Commission’s microgrid**
25 **rules in Decision (D.) 21-01-018 and D.24-11-004. (Witness:**
26 **Armando Infanzon)**

27 The issue of the MOT’s consistency with other decisions is largely a legal issue.
28 However, the MOT is consistent with any applicable requirements of D.21-01-018 and
29 D.24-11-004.

² See, e.g., D.15-10-049 at 84-86 (discussing “ratepayer-funded” resources).

1 Overall, the MOT is not simply permission for a property owner to have a microgrid on
2 their property, but includes collaboration with SoCalGas in developing the appropriate microgrid
3 based on a customer's needs. The MOT is not duplicative of any electric utility microgrid tariff,
4 but separate from and supplemental to such tariffs. The MOT is not offered to multi-property
5 customers, which is a primary subject of D.24-11-004. The MOT may include microgrid
6 projects beyond the scope of the electric IOU's microgrid tariff established by D.21-01-018. The
7 MOT is consistent with the definition of microgrids SB 1339 and includes off-grid microgrids as
8 indicated in the Prepared Direct Testimony of Armando Infanzon (Chapter 2).³ SoCalGas would
9 confirm that all microgrid facilities under MOT would follow all applicable requirements under
10 the Commission's Electric Rule 21. If a MOT customer seeks to participate under Rule 18
11 (Southern California Edison / Pacific Gas & Electric) or Rule 19 (San Diego Gas & Electric
12 Company), SoCalGas will verify with the corresponding electric IOU the eligibility requirements
13 for participation. MOT compliance with NEM would be on a project-by-project basis and would
14 depend on the combination of microgrid technologies used at the project site as requested by
15 customers.

16 The MOT would be a separate shareholder tariff that would help advance microgrid
17 commercialization and adoption without cost-shifting to ratepayers, while implementing just and
18 reasonable rates, terms, and conditions for utility services.

19 **b. Whether the MOT is consistent with Pub. Util. Code Section 218**
20 **and Section 451. (Witness: Armando Infanzon)**

21 The issue of the MOT's consistency with Public Utilities Code Sections 218 and 451 is
22 largely a legal issue.

23 The MOT is consistent with Public Utilities Code Section 218 in that the MOT is not
24 offered in a way that would make SoCalGas or a MOT customer an "electrical corporation," as
25 defined in the statute.

26 Regarding Section 451, the MOT is consistent with Section 451. The costs for customers
27 taking service under the MOT will be just and reasonable. Because it is a voluntary tariff,
28 customers will have the opportunity to work with SoCalGas for the microgrid solution that works
29 best for them, including from a cost perspective. As mentioned in the Prepared Direct

³ Chapter 2 (Infanzon) at AI-3.

1 Testimony of Armando Infanzon (Chapter 2), “Under the MOT, the service fee calculation
2 charged to each customer under the tariff will be case-specific and will cover the full cost to
3 plan, design, engineer, procure, construct, own, operate, and/or maintain the system including a
4 return.”⁴ “The components of the tariff service fee will be negotiated between SoCalGas and the
5 tariff customer, including the ownership structure.”^{5,6}

6 SoCalGas will also maintain a safe operation of the MOT by means such as working with
7 third-party contractors who have a proven track record of success and adhere to industry best
8 practices with strong emphasis on safety, and by carrying out routine inspections, preventive
9 maintenance, and system upgrades in line with federal, state and local regulations, as discussed
10 in the Prepared Direct Testimony of Armando Infanzon (Chapter 2).⁷

11 Should the Commission have additional safety requirements, SoCalGas will adhere to
12 them, as safety is a priority for SoCalGas with respect to its operations, employees, customers,
13 and contractors.

14 **c. Whether the MOT is consistent with Commission rules for co-**
15 **located generation and load. (Witness: Armando Infanzon)**

16 MOT projects will comply with all applicable rules within the Commission’s Electric
17 Rule 21, which governs the interconnection of co-located generation facilities to an investor-
18 owned utility’s distribution grid in California. SoCalGas will also comply with other electric
19 utilities’ rules for co-located generation and load.

20 **d. Whether the MOT is consistent with the Commission’s duties to**
21 **assure the safety and reliability of proposed microgrids to the**
22 **public and customers. (Witness: Armando Infanzon)**

23 The MOT is consistent with the Commission’s duties to assure the safety and reliability
24 of proposed microgrids to the public and customers. As stated in the Prepared Direct Testimony
25 of Armando Infanzon (Chapter 2), “SoCalGas will work with third party contractors who have a

⁴ *Id.* at AI-23.

⁵ *Id.* at AI-24.

⁶ This cost-based approach is similar to what was used for the DERS Tariff, which the Commission approved. D.15-10-049 at 120. For the CST, which used a similar cost-based methodology as proposed in MOT, the Commission approved the methodologies. D.12-12-037 at 64 (Conclusion of Law (COL) 16).

⁷ Chapter 2 (Infanzon) at AI-24.

1 proven track record of success and adhere to industry best practices, with a strong emphasis on
2 safety.”⁸ “MOT facilit[ies] will be designed in compliance with all applicable federal, state, and
3 local codes, to ensure safety, environmental protection, and operational efficiency. SoCalGas
4 will contract with experienced contractors to incorporate applicable regulations, including those
5 related to electrical systems, structural integrity, emissions control, and worker safety. The
6 construction process will follow guidelines set forth by local building codes and zoning
7 regulations, with qualified contractors executing the work to ensure high standards of quality and
8 safety.”⁹ “The microgrid facility will also be operated in compliance with applicable laws and
9 regulations. Routine inspections, preventative maintenance, and system upgrades will be carried
10 out in line with any federal, state and local regulations to minimize downtime and maximize
11 operational efficiency.”¹⁰ SoCalGas has managed the Hydrogen Innovation Experience and it
12 has operated with safety and resilience. This experience will translate to SoCalGas’s
13 administration of the MOT.

14 **3. Whether the structure of the MOT impacts ratepayer costs and introduces**
15 **financial risks to ratepayers, including but not limited to:**

16 **a. Whether the proposed MOT avoids shifting costs to non-**
17 **participating ratepayers. (Witness: Victor R. Garcia)**

18 Yes. As proposed, the MOT avoids shifting costs to non-participating ratepayers. As
19 indicated in the Prepared Direct Testimony of Armando Infanzon (Chapter 2), “the MOT project
20 costs [will] be recovered from the specific tariff customer with no subsidy from or business risk
21 borne by other ratepayers.”¹¹ Furthermore, as mentioned in the Prepared Direct Testimony of
22 Victor R. Garcia (Chapter 3), any embedded cost associated with the MOT will be refunded to
23 ratepayers via the MOT balancing account (MOTBA).¹²

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.* at AI-24.

¹¹ *Id.* at AI-2.

¹² Chapter 3 (Garcia) at VRG-2.

1 **b. Whether the privately negotiated rates that SoCalGas proposes to**
2 **customers could result in under-repayment to ratepayers, cross-**
3 **subsidization, or inequitable pricing. (Witness: Victor R. Garcia)**

4 The MOT program was designed to mitigate these potential issues and achieve full cost
5 recovery of the project from the MOT customers. Also, internal orders will be used to track
6 actual costs for both capital and operations and maintenance of MOT projects. As previously
7 mentioned in Question 3.a, any embedded cost associated with the MOT will be refunded to
8 ratepayers via the MOTBA. As a voluntary tariff targeted at non-residential customers, and with
9 negotiated microgrid setups and pricing, pricing for customers enrolling in the program will be
10 equitable.

11 **c. Whether SoCalGas has proposed adequate and enforceable**
12 **mechanisms to ensure that any use of ratepayer-funded resources is**
13 **fully, accurately, and promptly credited back to ratepayers.**
14 **(Witness: Victor R. Garcia)**

15 SoCalGas project and program managers will review and validate embedded costs
16 allocated to MOT internal orders. These embedded costs will be tracked and balanced via the
17 MOTBA to fully and accurately credit back to ratepayers. These costs include:

- 18 • Direct costs approved in the GRC such as company labor.
- 19 • Labor overheads which include payroll tax, incentive compensation plan (ICP),
20 workers' compensation, public liability and property damage (PLPD), pension
21 and benefits (P&B), and vacation and sick (V&S).
- 22 • Non-labor overheads which include purchasing overhead.
- 23 • Administrative & General (A&G) overheads which are related to administrative
24 and general support provided by functional areas such as Accounting and Finance,
25 Human Resources, Information Technology, and Tax.
- 26 • Fixed Cost Loader represents costs for buildings, furniture, computer equipment,
27 software, and miscellaneous equipment.

28 As explained in the Prepared Testimony of Victor R. Garcia (Chapter 3), in each annual
29 October regulatory account balance update filing, SoCalGas will amortize the projected year-end
30 balance effect January 1 of the following year.¹³

¹³ Chapter 3 (Garcia) at VRG-2.

1 **d. Whether SoCalGas has proposed appropriate risk mitigation or**
2 **insurance requirements to protect ratepayers from customer**
3 **nonpayment and inadequate cost recovery. (Witness: Armando**
4 **Infanzon)**

5 As proposed, the MOT will facilitate the construction of either customer-owned or
6 utility-owned microgrids. The decision of whether or not to have the microgrid owned by the
7 utility is entirely at the utility's discretion. This aspect of the tariff is important because it allows
8 SoCalGas to properly manage its capital investment risk.

9 Similar to previous CPUC approved shareholder tariffs, SoCalGas is proposing to have
10 controls and requirements in place to assess the creditworthiness and insurance coverage levels
11 of potential MOT customers to appropriately mitigate risk. As described in the MOT
12 Application,

13 Applicant shall provide adequate assurance acceptable to Utility to establish
14 Applicant's creditworthiness for MOT Services. Such adequate assurance may
15 be supplemented from time to time thereafter during the term hereof to the
16 extent requested by Utility. The amount of credit required to establish or re-
17 establish credit for MOT Services may be the full cost of the MOT Services
18 consisting of the summation of the regular service fees for the duration of the
19 term of the Agreement.

20 Applicant shall be required to complete a credit application that includes
21 financial and other relevant information needed to establish credit. Utility shall
22 use financial and other relevant information, along with Applicant's service
23 request and any other available information, to determine Applicant's credit
24 limit. If unsecured credit is granted based on the financial strength of a parental
25 corporation, a parental guaranty will be required.¹⁴

26 In addition, as described in the MOT Application, "Applicant shall meet on an on-going
27 basis the Creditworthiness Requirements and maintain all required amounts and categories of
28 insurance."¹⁵ SoCalGas will not take on any unacceptable risk in administering the MOT.

¹⁴ MOT Application, Attachment A at Sheet 6.

¹⁵ MOT Application, Attachment A at Sheet 3.

1 **4. Whether the MOT includes adequate consumer protection measures and**
2 **dispute resolution processes to ensure transparency, prevent misleading**
3 **marketing, and provide clear recourse for participating customers,**
4 **particularly those in disadvantaged and low-income communities. (Witness:**
5 **Armando Infanzon)**

6 Similar to previous CPUC approved shareholder tariffs, such as the Compression
7 Services Tariff (CST) and the DERS Tariff, SoCalGas will implement the following to ensure
8 transparency and appropriate customer education:

- 9 • Use CPUC approved competitively neutral scripts and CPUC approved
10 marketing-type documents to inform customers and help answer questions on
11 MOT.
- 12 • Present MOT customers with a list of other microgrid service providers who offer
13 the same or similar service.
- 14 • Have MOT customers sign a certification form stating the customer is aware of
15 other service providers prior to signing any tariff contract with SoCalGas.
- 16 • Provide a public website dedicated to providing information on MOT on a non-
17 discriminatory basis and will use CPUC approved language to ensure neutrality.
18 The website will include SoCalGas contact information for questions and issues
19 that customers may have.
- 20 • Provide the MOT only to non-residential customers.

21 SoCalGas is open to other requirements that the Commission deems appropriate to ensure
22 transparency and appropriate customer education.

23 **5. Whether SoCalGas offering an electric utility-related product would impact**
24 **the ratepayers in electric utilities and electric utility infrastructure projects**
25 **that overlap with SoCalGas' service territory. (Witness: Jawaad Malik)**

26 The overall impact on electric utility ratepayers is anticipated to be beneficial as
27 microgrids have the potential to defer or eliminate the need for electric system upgrades. As
28 discussed in the Prepared Direct Testimony of Jawaad Malik (Chapter 1), “The local energy
29 production provided by the MOT can help to reduce the strain on the broader electric grid,
30 delaying or eliminating the need for expensive electric infrastructure projects. As a result,

1 ratepayers can benefit from lower overall costs, as electric utilities can avoid or delay capital
2 investment associated with certain grid expansions.”¹⁶

3 In a recent study that was commissioned by the Clean Air Task Force (CATF) and
4 developed by Brattle, called “Optimizing Grid Infrastructure and Proactive Planning to Support
5 Load Growth and Public Policy Goals,” it was concluded that “co-locating new load with new
6 on-site generation in precisely controllable ‘energy parks’ (i.e., large microgrids) can minimize
7 or avoid entirely the need for transmission upgrades, increasing speed to market while reducing
8 system and customer costs and potentially providing emissions reduction benefits.”¹⁷

9 In addition, electric utilities have existing rules in place to mitigate the impact on
10 ratepayers for customers who install behind-the-meter generation such as departing load charges
11 and/or standby fees. MOT interconnections to the electric grid are expected to be reviewed by
12 the appropriate electric utility to help mitigate any adverse impacts to the grid. SoCalGas will
13 work with the appropriate electric utility to achieve successful integration with the electric grid
14 and operations, compliance with applicable electric utility requirements, and foster overall
15 collaboration.

16 **6. Whether SoCalGas’ dual role as a regulated utility and market participant**
17 **creates barriers to entry or suppresses competition in the microgrid sector**
18 **within its service territory. (Witness: Armando Infanzon)**

19 The MOT will be promoted on a competitively neutral basis through SoCalGas’s website,
20 the use of competitively neutral scripts, and customer certifications. All promotional materials
21 will state that other providers may offer the same or similar service. SoCalGas will deliver
22 periodic reports to provide the Commission with the information needed for ongoing oversight.
23 These mitigation measures closely align with those previously approved in the CST and DERS
24 decisions, which the Commission has determined to be effective in preventing unfair
25 competition.

26 The Commission had previously ruled in D.15-10-049 that the DERS Tariff is in the
27 public interest because it meets untapped demand in underserved markets¹⁸, and SoCalGas

¹⁶ Chapter 1 (Malik) at JM-13.

¹⁷ CATF/Brattle, *Optimizing Grid Infrastructure and Proactive Planning to Support Load Growth and Public Policy Goals* (July 2025) at 34, available at: <https://www.catf.us/wp-content/uploads/2025/07/grid-utilization-planning.pdf>.

¹⁸ D. 15-10-049 at 2.

believes MOT will achieve the same purpose for the microgrid market in SoCalGas's service territory. As stated in the Prepared Direct Testimony of Armando Infanzon (Chapter 2), "the penetration rate of microgrids within SoCalGas's service territory remains low across all customer segments", and "the low overall market penetration rates signal the significant untapped potential for advancing microgrids, and the MOT can play a key role in further developing this nascent market."¹⁹

7. What would be the required modifications, if any, to SoCalGas MOT if the Application is granted? (Witness: Armando Infanzon)

It appears this particular scoped issue mostly pertains to intervenors in this proceeding. However, based on feedback received from intervenors so far, SoCalGas would propose to add specific language in the final GO-MOT related to engagement with tribal communities for MOT projects that could impact tribal communities, in accordance with the CPUC tribal consultation policy. SoCalGas understands there is a plan to update the current tribal consultation policy. SoCalGas may make future modifications to MOT to reflect these changes when they occur.

8. What are the short- and long-term operational considerations and costs of the MOT?

a. What technical/operational standards should apply to the microgrid systems developed under the MOT? (Witness: Armando Infanzon)

SoCalGas does not currently anticipate any new technical or operational standards that will be required because of the MOT. SoCalGas will comply with all applicable technical and operational standards, including those established by leading organizations such as the Institute of Electrical and Electronics Engineers (IEEE), National Fire Protection Association (NFPA), and UL Solutions (UL). As mentioned in the Prepared Direct Testimony of Armando Infanzon (Chapter 2), "The MOT facility will be designed in compliance with all applicable federal, state, and local codes, to ensure safety, environmental protection, and operational efficiency. SoCalGas will contract with experienced contractors to incorporate applicable regulations, including those related to electrical systems, structural integrity, emissions control, and worker safety. The construction process will follow guidelines set forth by local building codes and zoning regulations, with qualified contractors executing the work to ensure high standards of

¹⁹ Chapter 2 (Infanzon) at AI-20.

1 quality and safety.”²⁰ “The microgrid facility will also be operated in compliance with
2 applicable laws and regulations. Routine inspections, preventative maintenance, and system
3 upgrades will be carried out in line with any federal, state and local regulations to minimize
4 downtime and maximize operational efficiency.”²¹ SoCalGas has implemented several of these
5 technical codes and standards as part of the development of SoCalGas’s Hydrogen Innovation
6 Experience. This experience will translate to SoCalGas’s administration of the MOT.

7 **b. What is the expected lifetime of the microgrid facilities? (Witness:**
8 **Armando Infanzon)**

9 Microgrids facilities are designed for a technical lifespan dependent on the specific
10 components and technologies installed within the facilities and the effectiveness of maintenance
11 and operation. Different components of the microgrid will have different useful lives. However,
12 under MOT, the expected lifetime of the microgrid facilities on an accounting basis will be based
13 on the duration of the microgrid agreement negotiated between the MOT customer and
14 SoCalGas in order to ensure full cost recovery from the MOT customer. The duration of the
15 agreements will be defined on a case-by-case basis.

16 **c. What is the process for determining what fuel types will be used in**
17 **each application of the MOT, relative to the Net Energy Metering**
18 **microgrid tariff rules discussed in D.21-01-018? (Witness: Jawaad**
19 **Malik)**

20 For MOT customers seeking NEM-eligibility, SoCalGas intends to design and develop
21 MOT projects that comply with the rulings in D.21-01-018. Determining fuel type used in each
22 application of the MOT will involve discussions with the MOT customer and allowing them to
23 choose the fuel that best fits their needs. Customers could have different energy needs and
24 resources, and the MOT would allow customers the choice of the best energy solution for them.

25 **d. Should the Commission limit what kinds of fuel can be used to**
26 **power a potential future microgrid as part of the MOT tariff (e.g.,**
27 **by mandating the use of biomethane instead of fossil natural gas,**
28 **etc.)? (Witness: Jawaad Malik)**

29 SoCalGas believes that under the MOT, fuel options and choice should be based on the
30 specific needs of the customer and should not be pre-emptively limited. Customer needs and

²⁰ *Id.* at AI-24.

²¹ *Id.*

resources may range based on a variety of factors such as sustainability goals, energy reliability requirements, access to clean fuels, the size and layout of the customer's property, and economic resources. Some customers may have the resources to immediately access renewable fuels, while others may not or may require time to develop or procure those resources. In order to foster adoption of microgrids and be non-discriminatory in who has access to the benefits of microgrids, SoCalGas suggests that the Commission not limit what kinds of fuels can be used under MOT at this early phase of microgrid markets, and proposes that fuel choice provisions be revisited in the future, if desired, once the microgrid market within SoCalGas's service territory has had time to develop.

e. Should the Commission put provisions in place to ensure that microgrid facilities built pursuant to the MOT demonstrate compliance with all applicable air quality standards pursuant to California Air Resources Board requirements? (Witness: Jawaad Malik)

SoCalGas does not believe it is necessary for the Commission to provide additional provisions because all MOT projects will be required to follow applicable air quality standards from CARB and local air districts based on the technology components of each MOT project.

f. Should the Commission put provisions in place to ensure that greenhouse gas emissions from microgrid facilities built pursuant to the MOT are reduced over time? (Witness: Jawaad Malik)

SoCalGas recognizes the need for GHG reductions over time while still meeting customers' needs for microgrids that work reliably and economically for them. Given the nascent microgrid market within SoCalGas's service territory,²² the diversity of customers with different project needs, and the difficulty of predicting the timing of accessibility to renewable fuels for each potential MOT customer, SoCalGas believes it is too early to implement provisions, such as prescribed GHG reductions over time, that could potentially create early barriers to adoption.

Having said that, SoCalGas recognizes the need for using microgrid generation technologies that are capable of transitioning to renewable fuels in the future with minimal modifications. The Commission could reassess the MOT program at a future date for program improvements. At that point, timing and levels of renewable fuel availability may be better

²² *Id.* at AI-20.

1 understood, and the microgrid market within SoCalGas's service territory will have had more
2 time to develop.

3 **9. Would approval of the MOT impact the Commission's efforts to implement**
4 **zonal decarbonization projects in priority locations identified in the**
5 **Commission's Long-Term Gas Planning Proceeding (Rulemaking 24-09-012)**
6 **or otherwise prevent the retirement of gas pipelines? (Witness: Armando**
7 **Infanzon)**

8 MOT would not impact the Commission's efforts to implement zonal decarbonization
9 projects in priority locations identified in the Commission's Long-Term Gas Planning
10 Proceeding (Rulemaking 24-09-012). The MOT program is a voluntary, non-discriminatory
11 tariff offering which would not modify or otherwise influence our obligation to provide essential
12 gas utility service to customers pursuant to Tariff Rules (e.g., Rule 2, Rule 9, rule 23, etc.) or
13 other statutory directives being undertaken in R.24-09-012 such as Senate Bill 1221. The MOT
14 will not extend any preferential treatment related to access to monopoly utility services for its
15 participants as compared to non-MOT customers. The MOT will not have any independent
16 impact on SoCalGas's consideration of infrastructure retirement.

17 **10. Whether approval of the MOT would reduce wait times for new load**
18 **interconnections and demand energization. (Witness: Jawaad Malik)**

19 MOT would provide energy solutions to customers in the form of microgrids, and
20 microgrids have the potential to reduce wait times for supporting new energy loads. As
21 mentioned in the Prepared Direct Testimony of Jawaad Malik (Chapter 1), during the OIR to
22 Establish Energization timelines, several parties described recent experiences where electric
23 capacity was not available for their projects and long timelines for the required grid
24 infrastructure upgrades.²³ In the case of Prologis's EV charging project, they elected not to wait
25 for electric grid infrastructure buildout, which would've taken three years, and instead developed
26 their own microgrid in nine months.²⁴ In addition, the Clean Air Task Force commissioned a
27 study to Brattle, called "Optimizing Grid Infrastructure and Proactive Planning to Support Load
28 Growth and Public Policy Goals." The study concluded that "co-locating new load with new on-
29 site generation in precisely controllable 'energy parks' (i.e., large microgrids) can minimize or
30 avoid entirely the need for transmission upgrades, increasing speed to market while reducing

²³ Chapter 1 (Malik) at JM-6 to JM-8.

²⁴ *Id.* at JM-10.

1 system and customer costs and potentially providing emissions reduction benefits.”²⁵ Microgrids
2 provided by the MOT can serve as a near-term solution to energize new electric demand for
3 companies facing these types of grid capacity delays.

4 **11. What reporting requirements should SoCalGas be subject to, if the MOT is**
5 **approved? (Witness: Armando Infanzon)**

6 SoCalGas proposes to conduct annual reporting to the CPUC within 60 days after the
7 close of each reporting period, as described in the Prepared Direct Testimony of Armando
8 Infanzon (Chapter 2).²⁶ SoCalGas looks forward to addressing any additional reporting
9 requirements that the Commission considers in this proceeding.

10 **12. Whether there are possible impacts on Environmental and Social Justice**
11 **(ESJ) communities, including the extent of impacts in achieving the nine**
12 **goals of the Commission’s ESJ Action Plan, if SoCalGas’ Application is**
13 **granted? (Witness: Armando Infanzon)**

14 SoCalGas evaluated the ESJ Action Plan and identified three goals that the MOT can
15 directly support, which are Goals 2,²⁷ 4,²⁸ and 7.²⁹ Goal 2 relates to increasing investment in
16 clean energy resources to benefit ESJ communities, especially to improve local air quality and
17 public health, Goal 4 relates to increasing climate resiliency in ESJ communities, and Goal 7
18 relates to promoting high road career paths and economic opportunity for residents of ESJ
19 communities. The MOT supports Goal 2 as microgrids can reduce emissions and improve public
20 health by replacing diesel backup generators with cleaner alternatives, as addressed in the
21 Prepared Direct Testimony of Armando Infanzon (Chapter 2).³⁰ The MOT also supports Goal 4
22 by providing solutions to enhance reliability and resilience, especially for critical facilities and
23 other facilities that provide essential services to the community, which could potentially be

²⁵ CATF/Brattle, *Optimizing Grid Infrastructure and Proactive Planning to Support Load Growth and Public Policy Goals* (July 2025) at 34, available at: <https://www.catf.us/wp-content/uploads/2025/07/grid-utilization-planning.pdf>.

²⁶ For additional details, refer to Chapter 2 (Infanzon) at AI-25.

²⁷ ESJ Action Plan 2.0 Goal 2: Increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health.

²⁸ ESJ Action Plan 2.0 Goal 4: Increase climate resiliency in ESJ communities.

²⁹ ESJ Action Plan 2.0 Goal 7: Promote high road career paths and economic opportunity for residents of ESJ communities.

³⁰ Chapter 2 (Infanzon) at AI-26.

1 implemented in ESJ Communities. The MOT also supports Goal 7, since the MOT can
2 potentially create new employment opportunities in the communities where the microgrids are
3 installed, as discussed in the Prepared Direct Testimony of Jawaad Malik (Chapter 1).³¹

4 SoCalGas believes that MOT does not conflict with the Commission's ESJ Action Goals.

5 **III. CONCLUSION**

6 This concludes our prepared supplemental testimony.

³¹ Chapter 1 (Malik) at JM-17.

1 **IV. WITNESS QUALIFICATIONS**

2 **JAWAAD MALIK**

3 My name is Jawaad Malik. My business address is 555 West 5th Street, Los Angeles,
4 California, 90013. I am employed by SoCalGas as Senior Vice President, Strategy and
5 Sustainability. My responsibilities include the development of a comprehensive strategy and
6 sustainability plan to position SoCalGas as a long-term leader supporting California's
7 decarbonization goals.. The comprehensive strategy focuses on the vital role the gas grid
8 provides to support California's energy system objectives.

9 I have been employed by the Sempra family of companies since 2007 and have held
10 positions of increasing responsibility, including Vice President, Strategy and Sustainability and
11 Chief Environmental Officer, Vice President of Gas Acquisition, Vice President of Accounting
12 and Finance, Director of Financial and Operational Planning, General Rate Case Program
13 Manager, Financial Planning Manager and Sarbanes Oxley (SOX) and Business Controls
14 Supervisor. Prior to joining the Sempra family of companies, I held various finance and auditing
15 related roles, including Manager of credit risk and risk control at the Los Angeles Department of
16 Water and Power, and as an insurance auditor for the California Department of Insurance. I have
17 a bachelor's degree in accounting from California State University, Los Angeles, and a master's
18 degree in business administration with an emphasis in finance from Pepperdine University. I am
19 also a certified public accountant.

20 I have over 20 years of experience in electric and gas utilities industry, and I have
21 previously testified before the California Public Utilities Commission.

1 **ARMANDO INFANZON**

2 My name is Armando Infanzon. My business address is 555 West 5th Street, Los Angeles
3 California, 90013. I am employed by Southern California Gas Company as Director of Market
4 Development. I have been in my current position since June 2020. In my current position my
5 responsibilities include project development of low carbon initiatives including microgrids,
6 distributed energy resources, clean transportation and carbon capture, utilization and
7 sequestration. I also manage the Research Development & Demonstration (RD&D) Refundable
8 Program and the Federal Energy Retrofit Program (FERP) for SoCalGas.

9 Between 2011-2014, I served as Smart Grid Policy Manager for San Diego Gas and
10 Electric (SDG&E) representing the company on regulatory and legislative issues at state and
11 federal levels.

12 I have been employed by Sempra Energy, SDG&E, and/or SoCalGas since 1998 and
13 have held various management level positions covering an array of different areas including
14 business development, regulatory and energy policy, economic analysis, financial planning,
15 corporate finance, and asset management. I received a bachelor's degree in accountancy from the
16 Autonomous University of Baja California in 1997 and a master's degree in business
17 administration from San Diego State University in 2000.

18 I have over 25 years of experience in electric and gas utilities and energy industries, and I
19 have previously testified before the California Public Utilities Commission.

1 **VICTOR R. GARCIA**

2 My name is Victor R. Garcia. I am the Principal Accountant Supervisor of Financial
3 Accounting for SoCalGas. My business address is 555 West Fifth Street, Los Angeles, California
4 90013. I graduated from California State University, Los Angeles in 2015 with a Bachelor of
5 Science degree in Business Administration and a Bachelor of Arts degree in Applied Economics,
6 and I graduated from the University of Southern California in 2024 with a Master of Business
7 Administration. I have been in the Financial Accounting department since September 2019.
8 Previously, I worked in the Regulatory Accounts department since July 2017, the PSEP Budgets
9 and Planning department since July 2016, and the Plant Accounting department since July 2015.

10 I have not previously testified before the California Public Utilities Commission.