

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE



June 16, 2022

**Advice Letter 4089-G-A/5524-E-A**

Erik Jacobson  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

**SUBJECT: Proposed Updates to the Self-Generation Incentive Program (SGIP)  
Handbook California Manufacturer Adder Methodology in Compliance with  
Ordering Paragraph 2 of Decision (D. 19-02-006).**

Dear Mr. Jacobson:

Advice Letter 4089-G-A/5524-E-A is effective as of April 10, 2022.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Skala".

Pete Skala  
Interim Deputy Executive Director for Energy and Climate Policy/  
Interim Director, Energy Division, CPUC



**Ronald van der Leeden**  
Director  
Regulatory Affairs

555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011  
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[RvanderLeeden@semprautilities.com](mailto:RvanderLeeden@semprautilities.com)

April 15, 2019

**Advice No. 5455**

(Southern California Gas Company – U 904 G)

**Advice 4089-G/5524-E**

(Pacific Gas and Electric Company – U 39 M)

**Advice 3989-E**

(Southern California Edison Company – U 338 E)

**Advice 101-E**

(Center for Sustainable Energy)

Public Utilities Commission of the State of California

**Subject: Proposed Updates to the Self-Generation Incentive Program (SGIP)  
Handbook California Manufacturer Adder Methodology in Compliance with  
Ordering Paragraph 2 of Decision (D.)19-02-006**

**Purpose**

In accordance with D.19-02-006,<sup>1</sup> Ordering Paragraph (OP) 2, Southern California Gas Company (SoCalGas), Pacific Gas & Electric Company (PG&E), Southern California Edison Company (SCE), and Center for Sustainable Energy® (CSE) in the service territory of San Diego Gas & Electric Company (collectively SGIP Program Administrators or PAs) hereby jointly submit to the California Public Utilities Commission (CPUC or Commission) this Advice Letter to modify the method for determining eligibility for a SGIP project to receive the additional incentive when manufactured in California, as previously set forth in D.16-06-055.<sup>2</sup>

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<sup>1</sup> D.19-02-006, *Decision Granting Petitions for Modification of Decision 16-06-055 and 16-12-055*, February 21, 2019.

<sup>2</sup> D.16-06-055, *Decision Revising the Self-Generation Incentive Program Pursuant to Senate Bill 861, Assembly Bill 1478, and Implementing Other Changes*, June 23, 2016.

## **Background**

### **Petition for Modification Regarding California Manufacturer**

In 2008, Assembly Bill 2267 required a 20 percent incremental incentive for the installation of eligible distributed generation resources from a California supplier.

In 2016, D.16-06-055, implementing Senate Bill 861, adopted that SGIP-incentivized equipment be deemed to be manufactured in California if 50 percent or more of its value is determined to have been added in a manufacturing process (or processes) located in California.<sup>3</sup> D.16-06-055 additionally clarified that, just as with the individual manufacturer cap for purposes of determining eligibility for the California manufacturer adder for a given project, the SGIP PAs should consider only the equipment of types 4, 5, 14, and 18 (see the 2015 SGIP Handbook, Section 3.3.3). The entity supplying the largest amount of value of this capital equipment is the one whose California credentials will be considered in each project. If at least 50 percent of the value of that entity's capital equipment in that project is deemed to have been added in a California process, then that project should receive the 20 percent California manufacturer bonus.<sup>4</sup>

On October 17, 2018, the SGIP PAs filed a Joint Petition for Modification (PFM) of D.16-06-055 to modify the method for determining the eligibility for a SGIP project to receive the additional 20 percent incremental incentive for projects manufactured in California. Specifically, the SGIP PAs requested more than one California manufacturer be allowed to contribute to the value of eligible equipment when making the 50 percent threshold determination.

On November 16, 2018, the California Solar and Storage Association (CALSSA) filed a Response in support of the PFM and requested that the Commission clarify that a battery be considered "made in California" "if a substantial portion of the battery manufacturing occurs in the state, including the combining of battery cells into packs of cells that are used in the construction of the battery."<sup>5</sup>

On February 21, 2019, the Commission approved the PFM and directed the PAs to make necessary changes to the SGIP Handbook to effectuate the proposed changes. In addition, the Commission directed the PAs to redefine "energy storage medium" as including not just battery cells, but also the wiring, racks, and other equipment that together form an operable battery unit.<sup>6</sup> D.19-02-006 directed the SGIP PAs to submit a Tier 1 Advice Letter proposing these amendments within 30 days of issuance of the Decision.

On March 27, 2019, SoCalGas, on behalf of the SGIP PAs, in accordance with CPUC Rule of Practice and Procedure 16.6, submitted a joint request for a 14-day extension to comply with OP 2 of D.19-02-006 after Energy Division provided guidance to the SGIP PAs

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<sup>3</sup> D.16-06-055, Section 2.15 California Supplier Adder, at 41.

<sup>4</sup> D.16-06-055, Footnote 30, at 41.

<sup>5</sup> *Comments of the California Solar & Storage Association on the Petition for Modification of the SGIP Program Administrators Concerning Eligibility Criteria for the SGIP California Manufacturer's Premium* (CALSSA Comments), November 16, 2018, page 4.

<sup>6</sup> D.19-02-006, at 7.

regarding how D.19-02-006 should be implemented.<sup>7</sup> On March 29, 2019, Alice Stebbins, Executive Director of the CPUC, granted the extension request and directed the SGIP PAs to submit a Tier 1 Advice Letter in accordance with D.19-02-006 by April 16, 2019.<sup>8</sup>

Thus, in accordance with D.19-02-006, the SGIP PAs hereby submit this Advice Letter to implement modifications to the method for determining eligibility for an SGIP project to receive an additional incentive when manufactured in California.<sup>9</sup>

### **Proposed Amendments to the Handbook**

Per D.19-02-006, the PAs were ordered to submit a Tier 1 Advice Letter updating the SGIP Handbook to reflect this Decision's revisions to the California Manufacturer Adder methodology for the SGIP program. In accordance with OP 2 of D.19-02-006, the proposed amendments to be reflected in the SGIP Handbook are shown in Attachment A with changes marked in red and summarized below.

Affected Handbook Sections:

- Section 3.1.3.2 California Manufacturer Eligibility Criteria and Verification

### **Protests**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this Advice Letter, which is May 6, 2019. The address for mailing or delivering a protest to the Commission is given below.

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

A copy of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)). A copy of the protest should also be sent via both e-mail and facsimile to the addresses shown below on the same date it is mailed or delivered to the Commission.

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<sup>7</sup> SoCalGas, *Request for Extension of Time to Serve and Submit a Tier 1 Advice Letter to Update the Self-Generation Incentive Program (SGIP) Handbook California Manufacturer Adder Methodology in Compliance with Ordering Paragraph 2 of Decision 19-02-006*, March 27, 2019.

<sup>8</sup> CPUC, *Granting of Request for Extension of Time to Serve and Submit a Tier 1 Advice Letter to Update the Self-Generation Incentive Program (SGIP) Handbook California Manufacturer Adder Methodology in Compliance with Ordering Paragraph 2 of Decision 19-02-006*, March 29, 2019.

<sup>9</sup> On April 15, 2019 per CPUC Rule of Practice and Procedure 16.5 SoCal Gas submitted a letter to the Executive Director requesting correction of two (2) typographical errors referencing D.16-12-055 rather than D.16-06-055.

**For SoCalGas:** Attn: Ray B. Ortiz  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-4957  
E-mail: [ROrtiz@SempraUtilities.com](mailto:ROrtiz@SempraUtilities.com)

**For PG&E:** Erik Jacobson  
Director - Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, CA 94177  
Facsimile No.: (415) 973-3582  
E-mail: [PGETarrifs@pge.com](mailto:PGETarrifs@pge.com)

**For SCE:** Gary A. Stern, Ph.D.  
Managing Director – Statewide Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, CA 91770  
Telephone No.: (626) 302-9645  
Facsimile No.: (626) 302-6396  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

And

Laura Genao  
Managing Director, State Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2030  
San Francisco, CA 94102  
Facsimile No.: (415) 929-5544  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

**For CSE:** Sephra Ninow  
Associate Director, Regulatory Affairs  
Center for Sustainable Energy®  
3980 Sherman Street, Suite 170  
San Diego, CA 92110  
E-mail: [sephra.ninow@energycenter.org](mailto:sephra.ninow@energycenter.org)

**Effective Date**

This submittal is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to General Order (GO) 96-B and OP 2 of D.19-02-006. Therefore, SoCalGas respectfully requests that this submittal be approved and made effective April 15, 2019, the date submitted.

**Notice**

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.12-11-005. Address change requests to the GO 96-B service list should be directed via e-mail to [tariffs@socalgas.com](mailto:tariffs@socalgas.com) or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or via e-mail at [process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov).

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Ronald van der Leeden  
Director - Regulatory Affairs



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Gas Company (U 904G)

Utility type:

ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Ray B. Ortiz

Phone #: (213) 244-3837

E-mail: ROrtiz@semprautilities.com

E-mail Disposition Notice to: Tariffs@socalgas.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5455, et al.

Tier Designation: 1

Subject of AL: Proposed Updates to the Self-Generation Incentive Program (SGIP) Handbook California Manufacturer Adder Methodology in Compliance with Ordering Paragraph 2 of Decision (D.)19-02-006

Keywords (choose from CPUC listing): Self-Generation, Storage

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.19-02-006

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date: 4/15/19

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Rav B. Ortiz  
Title: Regulatory Tariff Manager  
Utility Name: Southern California Gas Company  
Address: 555 West Fifth Street, GT14D6  
City: Los Angeles  
State: California Zip: 90013-1011  
Telephone (xxx) xxx-xxxx: (213) 244-3837  
Facsimile (xxx) xxx-xxxx: (213) 244-4957  
Email: [ROrtiz@semprautilities.com](mailto:ROrtiz@semprautilities.com)

Name: SoCalGas Tariffs  
Title:  
Utility Name: Southern California Gas Company  
Address: 555 West Fifth Street, GT14D6  
City: Los Angeles  
State: California Zip: 90013-1011  
Telephone (xxx) xxx-xxxx: (213) 244-2837  
Facsimile (xxx) xxx-xxxx: (213)244-4957  
Email: [Tariffs@socalgas.com](mailto:Tariffs@socalgas.com)

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Praxair
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
	Energy Management Service	SCD Energy Solutions
Alta Power Group, LLC	Evaluation + Strategy for Social	
Anderson & Poole	Innovation	
	GenOn Energy, Inc.	SCE
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz &	SDG&E and SoCalGas
BART	Ritchie	
	Green Charge Networks	SPURR
Barkovich & Yap, Inc.	Green Power Institute	San Francisco Water Power and Sewer
P.C. CalCom Solar	Hanna & Morton	Seattle City Light
California Cotton Ginners & Growers Assn	ICF	Sempra Utilities
California Energy Commission	International Power Technology	Southern California Edison Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Gas Company
California State Association of Counties	Kelly Group	Spark Energy
Calpine	Ken Bohn Consulting	Sun Light & Power
	Keyes & Fox LLP	Sunshine Design
Cameron-Daniel, P.C.	Leviton Manufacturing Co., Inc.	Tecogen, Inc.
Casner, Steve	Linde	TerraVerde Renewable Partners
Cenergy Power	Los Angeles County Integrated Waste	Tiger Natural Gas, Inc.
Center for Biological Diversity	Management Task Force	
City of Palo Alto	Los Angeles Dept of Water & Power	TransCanada
	MRW & Associates	Troutman Sanders LLP
City of San Jose	Manatt Phelps Phillips	Utility Cost Management
Clean Power Research	Marin Energy Authority	Utility Power Solutions
Coast Economic Consulting	McKenzie & Associates	Utility Specialists
Commercial Energy		
County of Tehama - Department of Public	Modesto Irrigation District	Verizon
Works	Morgan Stanley	Water and Energy Consulting
Crossborder Energy	NLine Energy, Inc.	Wellhead Electric Company
Crown Road Energy, LLC	NRG Solar	Western Manufactured Housing
Davis Wright Tremaine LLP		Communities Association (WMA)
Day Carter Murphy	Office of Ratepayer Advocates	Yep Energy
	OnGrid Solar	
Dept of General Services	Pacific Gas and Electric Company	
Don Pickett & Associates, Inc.		
Douglass & Liddell		