STATE OF CALIFORNIA GAVIN NEWSOM, *Governor*

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,

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
Tel: 213.244.2009
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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,[1] 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.[2]

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[1] D.19-02-006, *Decision Granting Petitions for Modification of Decision 16-06-055 and 16-12-055*, February 21, 2019.
[2] 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.[3] 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.[4]

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."[5]

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.[6] 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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[3] D.16-06-055, Section 2.15 California Supplier Adder, at 41.
[4] D.16-06-055, Footnote 30, at 41.
[5] *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.
[6] D.19-02-006, at 7.

regarding how D.19-02-006 should be implemented.[7] 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.[8]

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. [9]

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). 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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[7] 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.

[8] 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.

[9] *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

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

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
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And

Laura Genao
Managing Director, State Regulatory Affairs
c/o Karyn Gansecki
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For CSE: Sephra Ninow
Associate Director, Regulatory Affairs
Center for Sustainable Energy®
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San Diego, CA 92110
E-mail: 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 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.

Ronald van der Leeden
Director - Regulatory Affairs

California Public Utilities Commission

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
- [x] 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 [x] 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 [x] 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 [x] 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[1]: N/A

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

[1] Discuss in AL if more space is needed.

Clear Form

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

Name: Ray 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

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

Clear Form

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

AT&T
Albion Power Company
Alcantar & Kahl LLP

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
P.C. CalCom Solar
California Cotton Ginners & Growers Assn
California Energy Commission
California Public Utilities Commission
California State Association of Counties
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Cenergy Power
Center for Biological Diversity
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
County of Tehama - Department of Public Works
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

Downey & Brand
East Bay Community Energy
Ellison Schneider & Harris LLP
Energy Management Service
Evaluation + Strategy for Social Innovation
GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Charge Networks
Green Power Institute
Hanna & Morton
ICF
International Power Technology
Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.
Linde
Los Angeles County Integrated Waste Management Task Force
Los Angeles Dept of Water & Power
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenzie & Associates

Modesto Irrigation District
Morgan Stanley
NLine Energy, Inc.
NRG Solar

Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company

Pioneer Community Energy
Praxair
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions

SCE
SDG&E and SoCalGas

SPURR
San Francisco Water Power and Sewer
Seattle City Light
Sempra Utilities
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Troutman Sanders LLP
Utility Cost Management
Utility Power Solutions
Utility Specialists

Verizon
Water and Energy Consulting
Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
Yep Energy