

PUBLIC UTILITIES COMMISSION

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January 2, 2020

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Subject: Center for Sustainable Energy® Advice Letter (AL) 97-E/E-A, Pacific Gas and Electric Company AL 4187-G/5699-E, Southern California Edison Company AL 4114-E, and Southern California Gas Company AL 5548-G, Request to Transfer Funds to Step 5 Small Residential Energy Storage under the Self-Generation Incentive Program

Dear Ms. Ninow, Mr. Jacobson, Dr. Stern, and Mr. van der Leeden:

This letter addresses the following Advice Letters (AL): Center for Sustainable Energy® (CSE) AL 97-E/E-A, Pacific Gas and Electric Company (PG&E) AL 4187-G/5699-E, Southern California Edison Company (SCE) AL 4114-E, and Southern California Gas Company (SoCalGas) AL 5548-G. These ALs are approved and effective as of today, with one key clarification: we clarify that on the date the new Self Generation Incentive Program (SGIP) equity resiliency budget opens to small residential customers, all new SGIP applications for residential energy storage incentives must

comply with the greenhouse gas (GHG) emission reduction requirements for new residential customers that were created in Decision (D.)19-08-001.¹

Energy Division has combined the disposition of these four AL filings into one letter as the submissions reflect joint action by the four entities that comprise the SGIP Program Administrators (PA). The main objective of each of the four advice letters is the same: each letter requests permission to transfer funding from the associated PA's large-scale energy storage incentive budget to that PA's small residential energy storage budget.

BACKGROUND:

D.16-06-055 created separate budget categories for small residential energy storage systems² and large energy storage systems and allocated a specified funding level to each SGIP budget category. The decision specifically provided that, "the SGIP Program Administrators may seek to amend the size of these carve-outs by advice letter filing no earlier than one year from the ratification of this Decision."³ Subsequently, D.17-04-017 allocated additional funding to the SGIP budget categories, but maintained that the SGIP PAs could seek to reallocate funding among budget categories as market conditions or participant demand changed over the duration of the program.⁴ It is pursuant to the authority granted in D.16-06-055 and D.17-04-017,⁵ that the SGIP PAs submitted requests to reallocate funding to their step 5 small residential energy storage budgets. Each PA's step 5 small residential energy storage budget has been exhausted and as such, a waitlist of small residential energy storage projects that have applied for SGIP incentives exists in each PA's service territory.

ADVICE LETTERS and PROTESTS:

On January 15, 2019, CSE filed AL 97-E, which seeks approval to transfer all funding from step 5 of CSE's large-scale energy storage budget (\$4,765,548.58) to CSE's step 5 small residential energy storage budget. CSE notes that its step 5 small residential energy storage incentive budget was exhausted in April 2018, several years earlier than anticipated. As of January 2019, CSE had over 500 projects on its waitlist for step 5 small residential energy storage incentives. AL 97-E seeks to reallocate funding to accommodate both the current waitlist as well as future projects expected to apply to CSE's step 5 small residential energy storage SGIP budget over the course of 2019. AL 97-E also asserts that the transfer of funds will not affect funding of large-scale energy storage projects in 2019 as at the time of filing in January 2019, more than \$23 million would remain in the large-scale energy storage budget even after the transfer of all funding out of step 5.

Finally, AL 97-E acknowledges that a statewide developer cap exists for each incentive step within an SGIP budget category. This developer cap requires that no single developer receive more than 20 percent of the incentive funds statewide within a step. CSE recognizes that, if granted, its request would increase the amount of incentive funding available within the step 5 small residential energy storage budget, however, it points to the PA's joint filing under SoCalGas AL 5049-G et al which, when approved on February 9, 2017, added the following revision to the SGIP Program Handbook, "[t]he Developer cap will remain fixed for each budget step once the step is opened even if total

¹ D.19-09-027. At Ordering Paragraph (OP) 3 and OP 4.

² Under SGIP, small residential energy storage systems must be less than or equal to 10 kilowatts (kW).

³ D.16-06-055 at 25.

⁴ D.17-04-017 at 14 states, "the SGIP Program Administrators retain their existing authority to modify the amount of pre-AB 1637 funding available to residential projects less than or equal to 10kW per D.16-06-055." Critical to the authority to request these funding reallocations is the fact at none of the PAs' step 5 energy storage budgets were funded by AB 1637, thus the funding proposed to be shifted in these AL filings is entirely pre-AB 1637. Id at 4.

⁵ This authority is memorialized on page 10 of the SGIP Program Handbook – 2019. <https://www.selfgenca.com/home/resources/>. Accessed 12/23/19.

available funds change.”⁶⁷ Thus, CSE asserts that it is not appropriate for it to unilaterally adjust the developer cap but that instead, this issue should be revisited if, and when, the other PAs exhaust their step 5 small residential energy storage budget allocations and seek to similarly transfer funding to step 5.

On February 4, 2019, Sunrun Inc. protested AL 97-E. Sunrun’s protest asserts that while it supports replenishing SGIP incentive funding for small residential energy storage systems, CSE should have adjusted the residential developer cap to correspond with its request to transfer funds to the step 5 small residential energy storage budget. Sunrun argues that CSE has the authority to revise the developer cap and that CSE should not wait for consensus among the SGIP PAs to propose the necessary revisions to the SGIP Handbook as this delay creates “market interruption.”⁸

On February 11, 2019, CSE replied to Sunrun’s protest. The response confirms that D.16-06-055 allows the SGIP PAs to propose modifications to the developer cap via an advice letter,⁹ however, CSE also asserts that, “the SGIP PAs’ ability to propose a change to the developer cap is both predicated on PA coordination and is discretionary.”¹⁰ Thus, CSE asserts that it is appropriate and necessary to wait until consensus has been reached among the SGIP PAs to propose changes to the developer cap and submit the associated revision to the SGIP Handbook which is jointly maintained by the four PAs. The reply also refutes Sunrun’s argument that not immediately adjusting the developer cap creates market disruption.

On November 21, 2019, SoCalGas submitted AL 5548-G, which requested to transfer \$717,771.84 from its step 5 large scale energy storage budget to its step 5 small residential energy storage budget. SoCalGas asserts that it exhausted its incentive funds within the step 5 small residential energy storage budget within 30 days of opening that step. As of late November 2019, SoCalGas indicates it has \$126,000 worth of incentives for submitted residential energy storage projects on its waitlist. AL 5548-G also notes that step 5 small residential energy storage funds are now depleted across all four PAs’ service territories and that thus the other PAs may similarly request funding reallocations to address their waitlists.

On November 22, 2019, SCE filed AL 4114-E, requesting to move \$6,000,000 from its step 5 large energy storage budget to its step 5 small residential energy storage budget. SCE asserts that as of late November 2019, it has approximately \$650,000 worth of incentives for submitted small residential energy storage projects on its waitlist. In addition, SCE predicts that if the developer caps are adjusted it could see a return to the SGIP incentive expenditure rate of approximately \$1 million per month that it saw in the small residential energy storage step 5 budget category from August 2019 to September 2019. Thus, SCE estimates needing a total of \$6 million to both address its waitlist and satisfy demand for small residential energy storage incentives through the first quarter of 2020. SCE notes the slow pace of uptake for large energy storage incentives as support for its assertion that the reallocation of funding should not impact the large energy storage market.

On November 26, 2019, PG&E submitted AL 4187-G/5699-E requesting to reallocate \$4,754,962 from step 5 large energy storage to step 5 small residential energy storage. The AL explains that PG&E’s step 5 incentives for small residential storage were fully subscribed as of July 13, 2019 and that as of late November it has approximately \$1,350,000 worth of incentives for submitted residential energy storage projects on its waitlist. PG&E estimates that the total requested funding

⁶ SoCalGas AL 5049/ PG&E AL 4942-E/ SCE AL 3941-E/ CSE AL 71 (SoCalGas AL 5049, et al.), October 21, 2016.

⁷ See also: SGIP Program Handbook – 2019. <https://www.selfgenca.com/home/resources/>. Accessed 12/23/19. At 30.

⁸ Sunrun Inc.’s Protest to Center for Sustainable Energy’s Advice Letter 97. February 4, 2019. At 3.

⁹ D.16-06-055 at 40.

¹⁰ CSE Reply to Protest to CSE AL 97. February 11, 2019. At 3-4.

should be sufficient to both address its waitlist and satisfy the volume of small residential energy storage applications anticipated to be filed through the first quarter of 2020.¹¹ The AL notes that this still leaves \$17.3 million remaining in incentives for large energy storage. Similar to SoCalGas and SCE, PG&E's AL also states its support for revising the statewide developer cap.

On December 3, 2019, CSE supplemented AL 97-E. Given that CSE already proposed to allocate the full amount from its step 5 large energy storage budget, it maintains its request to move \$4,765,548.58 into its step 5 small residential energy storage budget. In the supplement, CSE references the funding reallocation ALs recently filed by the other SGIP PAs and confirms that since the filing of its original AL, the "SGIP PAs have since come to a consensus regarding when and how the developer cap should be adjusted, as well as to the SGIP handbook edits necessary to implement this change."¹² Thus, AL 97-E-A provides revisions to the SGIP Handbook to update the statewide developer cap: a footnote would be added to section 3.2.7 of the SGIP Program Handbook allowing for a one-time adjustment to the step 5 small residential budget developer cap upon the date that the PAs' collective funding reallocation ALs are approved.

On December 11, 2019, Sunrun Inc. filed a joint response to the SGIP PAs' advice letters. Sunrun expresses support of the funding reallocation proposals submitted by each of the PAs and endorses CSE's proposed change to the SGIP Handbook to enable the developer cap to be adjusted for step 5 small residential energy storage.

On December 11, 2019, the Public Advocates Office of the California Public Utilities Commission (CPUC) submitted a protest on the SGIP PAs' collective advice letters. The Public Advocates Office states that it does not oppose the PAs' funding reallocation requests but asserts that if the CPUC grants these requests, it should require the PAs' to enforce the GHG emission reduction rules established in D.19-08-001 on all energy storage projects receiving incentives through the new funding. The protest acknowledges that under D.19-08-001, projects that submit complete SGIP applications prior to April 1, 2020 are considered legacy projects and therefore are not required to comply with the new GHG emission reduction rules. The Public Advocates Office, however, urges the CPUC to "deem any currently or newly waitlisted projects as New Residential Projects under the rules in D.19-08-001. Allowing waitlisted projects to remain part of the Legacy Project portfolio risks continuing ratepayer subsidization of GHG-increasing SGIP storage projects."¹³

On December 18, 2019, PG&E, SoCalGas, and CSE filed replies to the Public Advocates Office's protest of their respective advice letters. SCE filed its reply on December 19, 2019. In response to the protest's entreaty that the GHG emission reduction rules apply to projects receiving incentives through the reallocated funding, PG&E, SoCalGas, and SCE agree that it is reasonable to apply the new GHG emission reduction rules to step 5 small residential energy storage projects starting on the date that the PAs open the new residential equity resiliency budget created by D.19-09-027. PG&E, SoCalGas, and SCE find this approach reasonable because they must enforce the new GHG emission reduction rules created in D.19-08-001 in order to open the new residential equity resiliency budget.¹⁴ CSE argues that the Public Advocates Office's protest should be rejected because projects on its step 5 small residential energy storage waitlist are already complete and thus must be considered legacy projects.

¹¹ PG&E uses its estimate of 1,034 small residential energy storage projects submitted per month times the average project incentive it has seen for step 5 small residential energy storage of \$3,293 to derive the amount of additional funding needed to satisfy historical residential energy storage uptake. PG&E notes, however, that demand could increase due to recent Public Safety Power Shutoff (PSPS) events. PG&E AL 4187-G/5699-E at 3.

¹² CSE AL 97-E-A. December 3, 2019. At 3.

¹³ Public Advocates Office's Protest of Advice Letters requesting to transfer Self Generation Incentive Program funds from the Large-Scale Storage Budget to the Residential Energy Storage Budget. December 11, 2019. At 3.

¹⁴ D.19-09-027. At OP 3.

DISPOSITION:

Energy Division finds that the proposed funding reallocation proposals submitted in CSE AL 97-E/E-A, PG&E AL 4187-G/5699-E, SCE AL 4114-E, and SoCalGas AL 5548-G are reasonable and the request is allowed under existing SGIP rules. Each PA has shown that demand for residential energy storage systems has grown in its service territory, evidenced by the growing number of projects on its step 5 residential energy storage waitlist. Each PA has also demonstrated that the transfer of funding should not negatively impact the large energy storage market since demand has slowed and considerable funding remains in that budget category in each PA's service territory. Energy Division also finds the proposal made by CSE, and supported by the other SGIP PAs, to make a one-time adjustment to the developer cap to account for the new funding allocated to the step 5 small residential energy storage budget to be reasonable.

Energy Division agrees with the statement in SoCalGas' response, echoed in SCE's response, that SGIP program rules require all projects to reduce GHG emissions. Further, the SGIP Handbook clearly allows the SGIP PAs to request to make a funding transfer of this kind.¹⁵ As stated in D.19-08-001, "It is reasonable to require projects submitting complete SGIP applications containing all required information prior to April 1, 2020 that receive SGIP incentives to comply with the requirements of this decision for legacy projects."¹⁶ Thus, it is clear that projects currently on the waitlist for SGIP step 5 small residential energy storage incentives must be considered "legacy" projects. We therefore reject the Public Advocates Office's protest on the GHG and legacy issues.

With regard to the Public Advocates Office's request that the new GHG emission reduction rules apply to new projects as soon as possible, D.19-09-027 does allow the SGIP PAs to move up the date that determines whether a project is "legacy" or "new". Per D.19-09-027, the SGIP PAs are "authorized to begin implementing the requirements of Decision 19-08-001 for new residential customers on January 1, 2020, or any other time prior to April 1, 2020, if they are able to do so."¹⁷ The SGIP PAs aim to open the new equity resiliency budget for small residential customers prior to April 1, 2020 and, as stated above, to do so the PAs must "[implement] the SGIP requirements for new residential customers set forth in Decision 19-08-001 at the same time."¹⁸ Since the PAs must be able to implement the new residential GHG emission reduction requirements as soon as the new residential equity resiliency budget is open, the PAs should consider all residential applications submitted on or after that opening date to be "new" projects that must comply with D.19-08-001.

The Energy Division hereby approves CSE AL 97-E/E-A, PG&E AL 4187-G/5699-E, SCE AL 4114-E, and SoCalGas AL 5548-G with an effective date of today.

Sincerely,

Handwritten signature in blue ink, appearing to read "ER" followed by "FOR".

Edward Randolph
Deputy Executive Director for Energy and Climate Policy /
Director, Energy Division

cc: Michael Campbell, Program Manager for the Public Advocates Office
Julia Kantor, Keyes & Fox, LLP, Attorney for Sunrun Inc.

¹⁵ SGIP Program Handbook – 2019. <https://www.selfgenca.com/home/resources/>. Accessed 12/23/19. At 10.

¹⁶ D.19-08-001 at Finding of Fact 15.

¹⁷ D.19-09-027 at OP 4.

¹⁸ Id at OP 3.

November 26, 2019

Advice 4187-G/5699-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Pacific Gas and Electric Company's Request to Transfer Funds from the Self-Generation Incentive Program Step 5 Energy Storage Large-Scale Budget to the Step 5 Small Residential Energy Storage Budget in PG&E's Program Territory in Accordance with D.16-06-055 and D.17-04-017

In accordance with California Public Utilities Commission (Commission) Decision (D.)16-06-055¹ and D.17-04-017,² the Pacific Gas and Electric Company (PG&E), as Program Administrator (PA) for the Self-Generation Incentive Program (SGIP), respectfully submits this Advice Letter (AL) to request to transfer funds from the Step 5 energy storage large-scale budget to the Step 5 small residential energy storage budget in PG&E's program territory. In addition, PG&E expresses its support for adjusting the Developer Cap.

Background

SGIP was established in 2001 by the Commission in D.01-03-073 in response to Assembly Bill (AB) 970 (Stats. 2000, Ch. 329). AB 970 directed the Commission to provide incentives for distributed generation resources to reduce peak energy demand. Since 2001, the Legislature has refined and extended SGIP several times. During 2014 and 2015, the Commission acted to extend SGIP funding through 2019 and updated program eligibility criteria related to greenhouse gas (GHG) emissions, pursuant to Senate Bill (SB) 861 (Stats. 2014, Ch. 35). In 2018, the Legislature passed SB 700 (Stats. 2018, Ch. 839), which extends possible collections for the SGIP through 2024, while keeping the focus on GHG reduction.

In 2016, pursuant to AB 861 and AB 1478 (Stats. 2014, Ch. 664), the Commission issued D.16-06-055, which made significant programmatic changes to how SGIP incentive

¹ 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, page 25.

² D.17-04-017, *Decision Revising the Self-Generation Incentive Program Pursuant to Assembly Bill 1637 and Granting the Petition for Modification of Decision 16-06-055 by the California Solar Energy Industry [sic] Association*, April 6, 2017, page 14.

dollars were allocated. Specifically, D.16-06-055 created new budget categories for various storage and generation technologies based on size and application.³

D.16-06-055 also established independent budget “carve-outs” for small residential⁴ and largescale energy storage systems.⁵ In an effort to prevent a full subscription of these carve-outs in a matter of minutes, the Commission also directed there be five “steps” within each carve-out for the large-scale and residential energy storage categories.⁶ The Commission directed that once a step’s funds were fully subscribed, the SGIP PA would open a subsequent step to new applications with a reduced incentive rate.⁷ The small residential energy storage carve-out received 15 percent of the total energy storage budget allocation,⁸ and funding was distributed evenly between each of the five steps.⁹ The Commission acknowledged there could be unintended consequences to program design and implementation as a result of this arrangement and thus directed that the SGIP PAs “may seek to amend the size of these carveouts by advice letter filing no earlier than one year from the ratification of this Decision.”¹⁰

Subsequently, the Commission signed D.17-04-017, which, among other things, allocated 85 percent of the additional program funding authorized by AB 1637 (Stats. 2016, Ch. 658) towards the energy storage budget categories.¹¹ Of the 85 percent allocated, 90 percent was provided to the large-scale storage budget carve-out because it was anticipated that larger projects would more rapidly facilitate SGIP’s programmatic goals.¹²

In response to comments regarding this large allocation difference, the Commission expressly authorized the SGIP PAs, through a Tier 2 Advice Letter, “to change the 10% allocation to [small] residential projects less than or equal to 10kW before the opening of Steps 2, 3 or 4 if the SGIP Program Administrators find a modification is justified by the ratio of demand to budget for such projects exhibited in an earlier step relative to the ratio of demand to budget for projects greater than 10kW in size.”¹³ The Commission also clarified the SGIP PAs “still retain their existing authority to modify the amount of pre-AB

³ D.16-06-055 at 23-25.

⁴ Small residential systems must be 10kW or less and installed on residential properties. Both D.16-06-055 and D.17-04-017 use the term “residential carve-out” when discussing incentive funds allocated for systems that are 10kW or less. The SGIP handbook added “small” to the title of the residential carveout to avoid confusion regarding whether higher capacity systems could be installed in residences. This Advice Letter also uses the “small” nomenclature when referring to the residential energy storage carve-out.

⁵ D.16-06-055 at 25.

⁶ *Id.* at 50-51.

⁷ *Id.* at 32-33.

⁸ *Id.* at 25.

⁹ *Id.* at 76.

¹⁰ *Id.* at 25.

¹¹ D.17-04-017 at 2.

¹² *Id.* at 13.

¹³ *Id.* at 14.

1637 funding available to [small] residential projects less than or equal to 10kW per D.16-06-055.”¹⁴ In response to a request from Energy Division,¹⁵ and in accordance with D.16-06-055 and D.17-04-017, PG&E seeks to amend the size of its small residential energy storage carve-out by transferring funds from the Step 5 large-scale energy storage budget to the Step 5 small residential energy storage budget. This funding transfer will ensure funding for residential energy storage projects until the Commission addresses future SGIP funding in accordance with SB 700.

Discussion

A Transfer of Funds is Necessary to Continue Funding Residential Projects

Since SGIP opened its small residential energy storage carve-out on May 1, 2017, PG&E has received over 5,600 applications for small residential energy storage projects less than or equal to 10kW. Factors, such as the roll out of mandatory time-of-use (TOU) rates for solar customers, the ability for storage to provide resiliency benefits for customers who install it, and the availability of SGIP funds, have encouraged dozens of local solar contractors to build a successful residential energy storage market in PG&E’s program territory.

However, as a result of this market interest, PG&E fully subscribed its five small residential carve-out steps by July 13, 2019, earlier than anticipated. PG&E continues to experience substantial interest in residential energy storage incentives and has accumulated over 400 waitlisted residential storage applications to date.

Accordingly, and at the direction of Energy Division, PG&E seeks to amend the size of its Step 5 small residential budget to accommodate the currently waitlisted projects, as well as meet the anticipated growing demand of residential energy storage through the next several months or until the Commission issues a decision to meet SB 700s mandate to continue to fund and operate SGIP through 2026.

Amount of Funds Required to Meet Anticipated Need

To determine how much funding should be transferred to the Step 5 small residential energy storage budget, PG&E analyzed data from the SGIP Weekly Statewide Report. In 2019, PG&E received 2,069 non-cancelled small residential project applications. After consulting with industry stakeholders, PG&E finds it is likely that demand in 2020 could meet or exceed this number of applications, given the demand created due to Public Safety Power Shutoffs.

Assuming 2020 demand stays on pace with 2019, 1,034 projects (equaling one quarters worth of historical application submissions plus another quarters worth of funds due to

¹⁴ *Id.*

¹⁵ Phone call with SGIP PAs, Energy Division, and Commissioner Advisor, Sandy Goldberg on November 4th, 2019.

anticipated high demand) multiplied by the average project incentive at the small residential Step 5 incentive of (\$3,293)¹⁶ would yield an anticipated incentive demand of \$3,404,962 in the 1st quarter of 2020. In addition, PG&E would like to transfer an additional \$1,350,000 from the Step 5 Large Scale Budget to fully fund all applications currently on the residential waitlist. At this time, PG&E only seeks funding for residential storage through the 1st quarter of 2020, anticipating that the CPUC will have implemented SB 700 by the 2nd quarter of 2020.

To meet the demand from residential customers, PG&E hereby proposes transferring \$4,754,962 of PG&E's large-scale energy storage Step 5 budget, totaling \$17,801,512, to fund new and waitlisted Step 5 small residential energy storage projects. This transfer of funds will ensure program continuity and continuing market transformation for this market segment through the first quarter of 2020 until the Commission meets its requested mandates given to them by the California Legislature in SB 700. This will still leave over \$17.3 million remaining for large-scale energy storage projects until program design and funding amounts are reassessed with the implementation of SB 700. Without this transfer of funds, PG&E will be unable to incentivize new residential energy storage projects of 10kW or less until the Commission issues a future decision for the SGIP program.

PG&E Supports an Adjustment of Developer Cap

On October 21, 2016, the SGIP PAs jointly submitted SoCalGas Advice Letter (AL) 5049, et al.,¹⁷ which proposed revisions to the SGIP Program Handbook in accordance with D.16-06-055.¹⁸ Among the proposed changes was the stipulation that “[t]he Developer cap will remain fixed for each budget step once the step is opened even if total available funds change.”¹⁹ The proposed Handbook also directed that “[i]n an effort to facilitate a fluid program that supports the market with limited interruption, the developer cap will be administered statewide per incentive step and be applied separately to large-scale energy

¹⁶ \$3,293 is the average project incentive for all small residential Step 4 and 5 applications as of November 20, 2019.

¹⁷ SoCalGas AL 5049/ PG&E AL 4942-E/ SCE AL 3941-E/ CSE AL 71 (SoCalGas AL 5049, et al.), October 21, 2016.

¹⁸ In D.16-06-055, the Commission capped any single developer/installer to 20 percent of the available funding for a given technology category's total in each incentive step. (D.16-06-055 at 39.) Specifically, the Commission directed that “[t]he SGIP Program Administrators shall not issue conditional reservations to a project installed by a developer (or combination of affiliated installers/developers under the same majority ownership) that has already received reservations for active projects in a given step such that the total exceeds the percentage allocation for that step.” (D.16-06-055 at 39.) However, the Commission granted the SGIP PAs the ability to propose modifications to the developer cap via Advice Letter to facilitate a fluid program that supports the market with limited interruption. (D.16-06-055 at 40.)

¹⁹ *Id.* at 8.

storage, small residential energy storage, and generation budget categories.”²⁰ SoCalGas AL 5049, et al. was approved on February 9, 2017.²¹

PG&E believes it is both appropriate and within the SGIP PAs’ authority to propose adjustments to an original statewide developer cap if significant funding is transferred to an incentive step after the cap has been set. As the Developer Cap is a statewide cap, PG&E will not have visibility in changing that cap until the Commission approves of all the PA’s Large-Scale Step 5 Transfer Advice Letters that were requested by the Energy Division and Sandy Goldberg.²²

PG&E supports the solution proposed by Energy Division to have the Center for Sustainable Energy (CSE) file a supplemental Advice Letter²³ in December. The supplemental Advice Letter will revise the developer cap language in the SGIP Handbook to allow the developer cap to be reset when each PAs’ Advice Letter has been approved.

Conclusion

PG&E, at the direction of Energy Division and Commission staff, and in accordance with D.16-06-055 and D.17-04-017, requests to transfer \$4,754,962 from PG&E’s Step 5 large-scale energy storage budget to PG&E’s Step 5 small residential energy storage budget.

Rates

The approval of this submittal would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than Monday, December 16, 2019, which is 20 days after the date of this submittal. Protests must be submitted to:

²⁰ *Id.*

²¹ Subsequently, when the Commission added to SGIP’s funding in 2017 via D.17-04-017, it retained the 20% developer cap and stated, “the developer cap established in D.16-06-055 should apply to the *total funding levels* for all SGIP incentive steps inclusive of the funding authorized by this Decision.” (D.17-04-017 at 31, Conclusion of Law (COL) 7, emphasis added.) The Commission also ordered that “[t]he 20% developer cap will be calculated based on the total incentive funding levels for each incentive step as determined in D.16-06-055 and this decision.” [D.17-04-017 at 33, OP 1(h).]

²² Phone call with SGIP PAs, Energy Division, and Commissioner Advisor, Sandy Goldberg on November 4th, 2019.

²³ Center for Sustainable Energy AL 97 was submitted on January 15, 2019 to shift funds from the SGIP Large-Scale budget to the Small Residential Storage budget.

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

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, California 94177

Facsimile: (415) 973-3582
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 2 advice submittal become effective on regular notice, Thursday, December 26, 2019 which is 30 calendar days after the date of submittal.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.12-11-005. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39M)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4187-G/5699-E

Tier Designation: 2

Subject of AL: Pacific Gas and Electric Company's Request to Transfer Funds from the Self-Generation Incentive Program Step 5 Energy Storage Large-Scale Budget to the Step 5 Small Residential Energy Storage Budget in PG&E's Program Territory in Accordance with D.16-06-055 and D.17-04-017

Keywords (choose from CPUC listing): Compliance

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.16-06-055 and D.17-04-017

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:

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: 12/26/19

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: N/A

Service affected and changes proposed¹: N/A

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

¹Discuss 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

Name: Erik Jacobson, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility Name: Pacific Gas and Electric Company
Address: 77 Beale Street, Mail Code B13U
City: San Francisco, CA 94177
State: California Zip: 94177
Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

Name:
Title:
Utility Name:
Address:
City:
State: District of Columbia Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

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