

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 4226G/5778E**  
**As of August 19, 2020**

Subject: Request for Self-Generation Incentive Program Financial Assistance Pilot to Support Customer Resiliency

Division Assigned: Energy

Date Filed: 03-06-2020

Date to Calendar: 03-13-2020

Authorizing Documents: None

<b>Disposition:</b>	<b>Signed</b>
<b>Effective Date:</b>	<b>07-16-2020</b>

Resolution Required: Yes

Resolution Number: E-5086

Commission Meeting Date: None

CPUC Contact Information:

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**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**

March 6, 2020

**Advice 4226-G/5778-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Request for Self-Generation Incentive Program Financial Assistance  
Pilot to Support Customer Resiliency****Purpose**

Pacific Gas and Electric Company (PG&E) requests to establish a Financial Assistance pilot within the Self-Generation Incentive Program (SGIP) that would 1) launch an advance payment incentive for contractors to reduce installation cost barriers for SGIP Equity Resiliency projects and 2) create a \$15 million revolving loan fund to provide on-bill financing for SGIP-eligible non-residential projects. PG&E describes the two offerings within the framework of the proposed pilot below.

**Background**

In October 2017, the Commission issued Decision D.17-10-004, establishing an equity budget for the SGIP. The equity budget was intended to accomplish three key objectives: 1) bring positive economic and workforce development opportunities to the state's most disadvantaged communities; 2) help reduce or avoid the need to operate conventional gas facilities in these communities, which are exposed to some of the poorest air quality in the state; and 3) ensure that non-profit, public sector and small businesses in low-income communities, as well as low-income residential customers, have access to the clean energy resources incentivized through SGIP.<sup>1</sup>

Following the California wildfires of 2017 and 2018, the Commission issued D.19-09-027 in September 2019, which highlighted the critical needs of customers vulnerable to the increasing wildfire risks in California. A key goal of D.19-09-027 was to ensure that equity resiliency funds would be made available to support "vulnerable households located in Tier 3 and Tier 2 high fire threat districts (HFTDs), critical services facilities serving those districts, and customers located in those districts that participate in two low-income solar generation programs."<sup>2</sup>

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<sup>1</sup> D.17-10-004, Findings of Fact 2

<sup>2</sup> D.19-09-027, p.2. The Decision also waived verification of equity budget eligibility for any customer approved for participation in the Single Family Affordable Solar Homes program

With the issuance of D.20-01-021 in January 2020, the Commission implemented California Assembly Bill 1144<sup>3</sup>, requiring at least 10% of SGIP's annual authorized collections for the 2020 program year to support the installment of energy storage and other distributed energy resources for customers operating critical facilities or infrastructure in HFTDs or who have faced at least two public safety power shut-off (PSPS) events. PG&E is committed to implementing these SGIP changes in advance of an anticipated wildfire season in 2020.

In addition to SGIP program and handbook updates detailed in PG&E Advice 4214-G/5760-E<sup>4</sup> and 4218-G/5764-E<sup>5</sup>, PG&E proposes to launch a Financial Assistance pilot program within SGIP, composed of two initiatives to enhance SGIP offerings to further support vulnerable customers ahead of 2020 PSPS events, as described below. This SGIP Financial Assistance pilot would support the equity budget objectives laid out in D.17-10-004 and would be evaluated in collaboration with Energy Division to establish appropriate metrics<sup>6</sup> and assess the pilot's success and potentially continue or expand beyond 2020. PG&E envisions this pilot running through 2020 to focus on completing projects imminently, although it could extend beyond 2020 if funds are available and PG&E and Energy Division agree that additional data is needed.

### **Summary of Request**

#### **1) PG&E requests authorization to provide financial assistance to medical baseline and income-qualified residential customers to remove installation barriers and increase contractor throughput.**

To enable vulnerable residential customers to enhance their energy resiliency, PG&E proposes adjusting the timing of the incentive payment structure to provide a fifty-percent (50%) upfront payment to contractors installing SGIP-eligible measures for qualifying residential customers.<sup>7</sup> Instead of receiving the entirety of the incentive upon project completion, projects for eligible customers with participating contractors would receive half upfront and half upon completion. These advance payments, similar to those established in Energy Efficiency (EE) customer programs,<sup>8</sup> would allow

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(SASH), the SASH for Disadvantaged Communities program (DAC-SASH), the Solar on Multifamily Affordable Housing program (SOMAH), and the Multifamily Affordable Solar Housing (MASH) program.

<sup>3</sup> Assembly Bill 1144 (Friedman, 2019).

<sup>4</sup> Proposed Revisions to the SGIP pursuant to D.20-02-002.

<sup>5</sup> Proposed Revisions to the SGIP Handbook pursuant to D.19-09-027.

<sup>6</sup> While PG&E does not propose specific metrics here, PG&E expects to work with Energy Division to identify and track key metrics in a joint evaluation. Examples could include: medical baseline customer participation, contractors engaged in HFTDs, on-bill financing loans for storage and backup generation.

<sup>7</sup> In accordance with definitions established in D.19-09-027 and D.20-01-021.

<sup>8</sup> For example, the Advanced Energy Rebuild program detailed in Advice 4115-G/5578-E, Attachment A, p.1.

contractors to take on more projects and avoid delays between projects due to pending incentive payments by making capital immediately available to cover installation costs. This also relieves the burden on the customer of paying contractor installation costs out of pocket and would likely enable increased uptake of SGIP measures for residential customers. Only the timing of the incentive payments, not the incentive amount, would be adjusted to address this barrier.

Contractor throughput is often limited by a lack of available project capital, as contractors typically must wait until project completion for incentive payments and cannot begin the next project until paid, which typically occurs after the customer receives the incentive payment. Providing an upfront payment to cover installation costs minimizes contractor lag time between projects and should enable contractors to start new jobs more seamlessly, thereby allowing them to serve an increasing number of vulnerable residential customers in time for the 2020 wildfire season.

To ensure that any advance payments are repaid for incomplete installations, SGIP would also adopt protections based on best practices from other customer programs (such as energy efficiency). PG&E would vet all participating contractors, including their licensing and insurance, as well as through third party resources such as the Better Business Bureau. PG&E would execute a participation agreement with contractors and will track all program participants to ensure installation completion. To mitigate against advance payments being made should equipment be backlogged for an extended period, PG&E will ensure that contract provisions support project installation within a certain timeframe for upfront payment eligibility.

Administrative costs for this program would be included within the PG&E SGIP Administration budget. PG&E expects that the offer would provide operating efficiencies for the overall program. For example, by reaching out to frequently participating contractors, PG&E could formalize a payment structure where contractors are paid monthly for multiple simultaneous projects, potentially increasing throughput and reducing the administrative costs of processing multiple applications individually. Additionally, by targeting contractors with these barriers, stakeholders can be more confident that the customers who benefit from this pilot are those who need it most.

**2) PG&E requests authorization to establish an up to \$15 million revolving loan fund to provide upfront financing to non-residential critical infrastructure customers to fund back-up generation technologies.**

PG&E acknowledges that upfront measure costs for clean storage and generation technologies are a barrier to non-residential critical resiliency customers. To help address this barrier, PG&E proposes to establish an up to \$15 million revolving loan fund (RLF)<sup>9</sup> within the SGIP budget using the designated equity resiliency funds<sup>10</sup>.

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<sup>9</sup> A similar revolving loan fund has shown success in Energy Efficiency. See PG&E Advice 4085-G/5517-E.

This new RLF would leverage the existing on-bill financing (OBF) functionality from the energy efficiency proceeding. It would provide a zero-percent (0%) interest financing option for non-residential critical resiliency budget projects, removing the upfront cost barrier for these customers entirely. In a RLF, customers receiving financing would repay the loan principal as a monthly charge on their PG&E bill; loan repayments would be returned to the SGIP loan pool, allowing those funds to be re-lent to future participants. Such a fund could enable SGIP projects that may not have been feasible without upfront financing, as energy efficiency evaluations have suggested.<sup>11</sup>

In accordance with Commission guidance<sup>12</sup>, these loans would be made available to qualifying non-residential critical infrastructure customers in Tier 2 and Tier 3 HFTDs or who have been subject to two or more discrete PSPS events, enabling non-residential customers with critical resiliency needs to implement SGIP projects and bolster energy resiliency during wildfire or PSPS events. Qualified customers would also be required to meet specified credit criteria, comply with the same OBF Loan Program requirements and terms as established in the energy efficiency OBF program, and meet SGIP measure eligibility requirements.

To launch this SGIP RLF, PG&E would leverage program infrastructure from the existing OBF program that has been successful<sup>13</sup> in the energy efficiency portfolio. The EE OBF offering, which includes a similar RLF that has been funded since 2009, has seen rapid growth<sup>14</sup> in recent years, with over \$200 million in loans financed as of January 2020 with minimal loan defaults from the program to date (0.05%). PG&E will collaborate with the Energy Division to evaluate the offer and ensure that the pilot enhances the objectives of the SGIP program. PG&E envisions that customers could choose to layer SGIP and EE OBF loan offerings. SGIP and EE OBF loans to the same customer premise could enable eligible customers to achieve energy savings throughout the majority of the year, while also having access to clean back-up power to weather PSPS events.

Administrative costs for the SGIP OBF offering would be tracked separately from the current EE OBF loan fund. Customers who wish to layer EE and SGIP OBF offerings for projects at the same account premise would be offered separate loans, and loan funds and repayments would be directly tracked to the appropriate SGIP or EE program

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<sup>10</sup> PG&E will transfer funds as customer loans are approved from the eligible Equity Resiliency budgets for Storage or Renewable Generation.

<sup>11</sup> See Regional Finance Program Attribution and Cost-effectiveness Study, *Opinion Dynamics* (2017). CALMAC ID: CPU0184.01

<sup>12</sup> D.19-09-027 and D.20-01-021.

<sup>13</sup> Residential Energy Efficiency Loan Assistance Pilot Final Impact Evaluation Report, *Opinion Dynamics* (2020). CALMAC ID: CPU0200.01

<sup>14</sup> EE's OBF program is expected to see continued growth in 2020 following the Commission's issuance of D.19-03-001, which granted PG&E's Petition to Modify D.09-09-047 to significantly increase loan caps and term limits for eligible non-residential customers.

through the appropriate balancing accounts. By leveraging existing systems (e.g. PG&E's billing system) and processes already built out through the EE OBF offering, PG&E expects the incremental costs of creating and administering an SGIP OBF offering to be minimal.

### **Conclusion**

With anticipated 2020 PSPS events and critical resiliency customer and infrastructure needs in mind, PG&E plans to launch the proposed SGIP Financial Assistance pilot initiatives and make upfront incentive payments to residential project contractors and non-residential OBF offerings available by April 1, 2020. PG&E will continue to work towards enabling critical resiliency and infrastructure customers to more easily access clean and affordable back-up generation technologies and will collaborate with the Commission and other California utilities and stakeholders to effectively evaluate and further expand these offerings in the future.

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than March 26, 2020, which is 20 days after the date of this filing. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> 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 via both 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](mailto: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**

Due to the desire to launch an offering for residential customers at the start of April, PG&E requests that this Tier 2 advice letter submittal become effective on April 1, 2020.

### **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](mailto: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](mailto:Process_Office@cpuc.ca.gov). Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs/>.

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/S/

Erik Jacobson  
Director, Regulatory Relations

cc: Service List R.12-11-005



# 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) #: 4226-G/5778-E

Tier Designation: 2

Subject of AL: Request for Self-Generation Incentive Program Financial Assistance Pilot to Support Customer Resiliency

Keywords (choose from CPUC listing): Compliance, Self Generation

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

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: 4/1/20

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 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: 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](mailto: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	IGS Energy	San Francisco Water Power and Sewer
California Energy Commission	International Power Technology	Seattle City Light
California Public Utilities Commission	Intestate Gas Services, Inc.	Sempra Utilities
California State Association of Counties	Kelly Group	Southern California Edison Company
Calpine	Ken Bohn Consulting	Southern California Gas Company
	Keyes & Fox LLP	Spark Energy
Cameron-Daniel, P.C.	Leviton Manufacturing Co., Inc. Linde	Sun Light & Power
Casner, Steve	Los Angeles County Integrated	Sunshine Design
Cenergy Power	Waste Management Task Force	Tecogen, Inc.
Center for Biological Diversity	Los Angeles Dept of Water & Power	TerraVerde Renewable Partners
	MRW & Associates	Tiger Natural Gas, Inc.
Chevron Pipeline and Power	Manatt Phelps Phillips	
City of Palo Alto	Marin Energy Authority	TransCanada
	McKenzie & Associates	Troutman Sanders LLP
City of San Jose	Modesto Irrigation District	Utility Cost Management
Clean Power Research	Morgan Stanley	Utility Power Solutions
Coast Economic Consulting	NLine Energy, Inc.	Utility Specialists
Commercial Energy	NRG Solar	
County of Tehama - Department of Public Works	Office of Ratepayer Advocates	Verizon
Crossborder Energy	OnGrid Solar	Water and Energy Consulting Wellhead Electric Company
Crown Road Energy, LLC	Pacific Gas and Electric Company	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	Peninsula Clean Energy	Yep Energy
Day Carter Murphy		
Dept of General Services		
Don Pickett & Associates, Inc.		
Douglass & Liddell		