Pacific Gas and Electric Company®

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Pacific Gas and Electric Company
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July 20, 2023

Advice 4778-G/6994-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

<u>Subject:</u> **Payment to Projects Lacking Separate Metering for Non-Incentivized Equipment**

<u>Purpose</u>

Pacific Gas and Electric Company (PG&E) submits this Tier 2 advice letter to request a limited exception to the Self Generation Incentive Program (SGIP) rule that requires SGIP-incentivized storage equipment to be metered separately from non-incentivized storage equipment. PG&E requests this exception only for residential customer applications that have an approved SGIP funds reservation on or before April 17, 2023 and fail to install separate metering for non-incentivized equipment due to no fault of their own.

<u>Discussion</u>

Decision (D.) 20-07-015[1] states in Finding of Fact 18 that non-incentivized storage equipment must be separately metered from SGIP incentivized equipment. Although not specifically stated in D.20-07-015 (as metering of non-incentivized equipment was not the focus of the decision), PG&E believes the decision clarifies that non-incentivized equipment must be metered separately so that the SGIP Measurement and Evaluation (M&E) vendor can accurately assess the data for only the incentivized systems. However, the existing language in the SGIP Handbook was not modified.[2]

Since that time, PG&E has learned that it approved SGIP fund reservation requests for storage equipment that is metered in conjunction with non-incentivized equipment[3].

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[1] D.20-07-015, p. 54, Finding of Fact 18 ("SGIP does not prohibit customers from installing additional energy storage equipment at a property that would cause the total installed capacity at the site to be greater than the system sized according to SGIP requirements, but this additional equipment is ineligible for SGIP incentives and must be separately metered from any SGIP-incentivized equipment.").

[2] Specifically, Section 7.4.2 of the SGIP Handbook currently states: "All SGIP systems require installation of metering devices to measure and record electrical output or offset, waste heat, and fuel consumption for M&E purposes."

[3] Although equipment may be non-incentivized, the equipment is on the SGIP Public Equipment List.

PG&E believes that these projects do not comply with the rule because the SGIP Handbook does not clearly reference "separate" metering. The PAs' recently submitted advice letter (Center for Sustainable Energy Advice Letter Number 142-E) clarifies this requirement by adding language regarding the separate metering requirement. PG&E estimates the number of approved projects with an SGIP funds reservation on or before April 17, 2023[4] and having non-incentivized equipment to be miniscule at less than 0.5% (~50 projects) of all approved projects since 2020 and a total incentive value of roughly $300,000.[5]

Requiring these customers to install additional equipment to satisfy the separate metering rule would be unfair to these customers. Separate metering of storage equipment is not the standard practice. They may not have the means to pay for the additional equipment and installed their projects with the expectation that they would receive their SGIP fund reservation based on the project for which they applied. These customers would have received their SGIP fund reservation absent the separate metering issue.

Moreover, the limited exception sought by this advice letter will not frustrate the purpose of the separate metering rule to enable M&E of the incentivized equipment. First, as discussed above, the number of projects implicated is extremely small. Second, M&E of the incentivized equipment can still be accomplished; the M&E evaluator can simply use data estimates for the non-incentivized equipment to isolate the data needed for M&E of the incentivized equipment. It is PG&E's understanding that data estimation is a routine practice in connection with such M&E work.

Therefore, for all the above reasons, granting an exception to the separate metering rule for customers with an approved SGIP reservation as of April 17, 2023 is reasonable and fair to customers. PG&E requests that it be authorized to grant the requested exception. All SGIP applications approved after that date would continue to be subject to the separate metering rule in accordance with D. 20-07-015.

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 electronically via E-mail, no later than August 9, 2023, which is 20 days after the date of this submittal. Protests must be submitted to:

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[4] As of April 17, 2023, PG&E notified all new SGIP applicants of the requirement that non-incentivized equipment be separately metered.

[5] PG&E's estimate is based on 16,062 paid residential applications since 2020 as of July 5, 2023, and an estimated 50 applications since 2020 that include non-incentivized equipment identified so far.

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
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 and 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

Pursuant to General Order (GO) 96-B, Rule 5.2, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, August 19, 2023, 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 to parties shown on the attached list and the parties on the service list for R. 20-05-021. 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 PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: http://www.pge.com/tariffs/.

/S/
Sidney Bob Dietz II
Director, Regulatory Relations
CPUC Communications

cc: R. 20-05-021

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 U39 M)

Utility type:
- [x] ELC
- [x] GAS
- [ ] WATER
- [ ] PLC
- [ ] HEAT

Contact Person: Kimberly Loo
Phone #: (279)789-6209
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) #: 4778-G/6994-E Tier Designation: 2

Subject of AL: Payment to Projects Lacking Separate Metering for Non-Incentivized Equipment

Keywords (choose from CPUC listing): Self Generation

AL Type: [ ] Monthly [ ] Quarterly [ ] Annual [x] 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 [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: 8/19/23 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[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 correspondence regarding this AL are to be sent via email and are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidney Bob Dietz II, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

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

Clear Form

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

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blaising Smith Wynne, P.C.
California Community Choice Association
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency Financing

California Alternative Energy and Advanced Transportation Financing Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
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 LLP
Dish Wireless L.L.C.

East Bay Community Energy Ellison
Schneider & Harris LLP
Engineers and Scientists of California

GenOn Energy, Inc.
Green Power Institute
Hanna & Morton
ICF
iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
Yep Energy