January 6, 2020

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Re: Response of the California Energy Storage Alliance to Advice Letter 4127-E of Southern California Edison Company (U 338-E), Advice Letter 4191-G/5714-E of Pacific Gas and Electric Company (U 39-E/G/M), Advice Letter 5555-G of Southern California Gas Company (U 904-G), and Advice Letter 106-E of Center for Sustainable Energy

Dear Sir or Madam:

Pursuant to the provisions of General Order 96-B, the California Energy Storage Alliance ("CESA")[1] hereby submits this response to the above-referenced Advice Letter 4127-E of Southern California Edison Company ("SCE"), Advice Letter 4191-G/5714-E of Pacific Gas and Electric Company ("PG&E"), Advice Letter 5555-G of Southern California Gas Company ("SoCalGas"), and Advice Letter 106-E of Center for Sustainable Energy ("CSE"), *Proposed Revisions to the Self-Generation Incentive Program Handbook to Incorporate a New Equity Resiliency Budget for Residential Customers (Systems ≤ 10 kW) Including Changes to Incentive Structures, Program Requirements, Marketing Education and Outreach Plan, and Budget Allocations Pursuant to Decision 19-09-027* ("Joint PA Advice Letter"), submitted on December 17, 2019.

[1] 174 Power Global, 8minutenergy Solar Energy, Able Grid Energy Solutions, Advanced Microgrid Solutions, Aggreko, Alligent Scientific, AltaGas Services, Amber Kinetics, Ameresco, Aparrent, Avangrid Renewables, Axiom Exergy, Better Energies, Boston Energy Trading & Marketing, Brenmiller Energy, Bright Energy Storage Technologies, Brookfield Renewables, Carbon Solutions Group, Clean Energy Associates, ConEd Battery Development, Customized Energy Solutions, Dimension Renewable Energy, Doosan GridTech, E.ON Climate & Renewables, Eagle Crest Energy, East Penn Manufacturing, EDF Renewable Energy, Enel X, Energport Inc., Energy Vault, Engie, esVolta, Fluence, Form Energy, General Electric, Greensmith Energy, Gridwiz, Hecate Energy, Highview Power, Honda, Hydrostor, Jensen Hughes, Lendlease Energy Development, LG Chem Power, Li-Ion Tamer, Lockheed Martin AES, LS Energy Solutions, LS Power Development, Magnum CAES, Malta, Munich Re, NantEnergy, National Grid, NEC Energy Solutions, Inc., NextEra Energy Resources, NEXTracker, NGK Insulators, Nuvve, Ormat, Pattern Development, Pintail Power, Plus Power, PolyJoule, Primus Power Corporation, PxiSE, Quidnet Energy, Range Energy Storage, Recurrent Energy, Reimagine Power, RES Americas Inc., Shifted Energy, SNC-Lavalin, Soltage, Southwest Generation Company, Stem, STOREME Inc., Sumitomo Electric, Sunrun, Swell Energy, Tenaska, Tesla, Trane, True North Venture Partners, UL, VRB Energy, WattTime, and Wellhead Electric. The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (http://storagealliance.org).

I. BACKGROUND & INTRODUCTION.

The Self-Generation Incentive Program (SGIP) proceeding (R.12-11-005) adopted modifications to the Equity Budget and established a new Equity Resiliency Budget with the issuance of Decision (D.) 19-09-027 that seeks to address barriers to SGIP participation from low-income, disadvantaged community (DAC), and Indian Country customers. Furthermore, with the increasing frequency of wildfire and public safety power shut-off (PSPS) events, D.19-09-027 established the Equity Resiliency Budget to allocate and prioritize SGIP incentive funds for the most vulnerable customers or critical facilities serving said customers in providing resiliency. The Program Administrators (PAs) submitted the Joint PA Advice Letter on December 17, 2019 that seeks to implement and provide additional details regarding the new orders and requirements adopted in D.19-09-027.

Importantly, the December 17, 2019 Advice Letter addresses a portion of the requirements and orders from D.19-09-027 in order to ensure an early launch of the Equity Resiliency Budget for small residential customers by February 18, 2020. In a letter on December 17, 2019, the Commission approved the PAs' requested phased approach and granted a 60-day extension request to submit a second Tier 2 Advice Letter by February 18, 2020 to address remaining issues from D.19-09-027. In reviewing the Joint PA Advice Letter, CESA finds many of the implementation details as reflected in the SGIP Handbook are compliant with D.19-09-027, considering many of the revisions transpose specific guidelines, requirements, and language from the decision, including around:

- Customer eligibility for the various modifications made in D.19-09-027, including necessary reservation letter if participating in an eligible low-income solar program or proof of Indian Country qualification
- Step-down of incentive rate based on duration
- Authority having jurisdiction (AHJ) approval of plans to operate in island mode as well as AHJ inspection
- Copy of Customer Resiliency Attestation Form (Appendix C) for storage greater than 2 hours
- Elimination of developer cap for Equity and Equity Resiliency Budgets
- Initial marketing, education, and outreach (ME&O) plan (Appendix D)

CESA supports the PAs' efforts, particularly in expediting the implementation of the Equity Resiliency Budget requirements for small residential customers given that the greenhouse gas ("GHG") emission requirements are relatively easier to implement. With more quickly implementable deemed compliance pathways for the greenhouse gas ("GHG") emission requirements and relatively more straightforward customer eligibility criteria for small residential customers, CESA wholly supports the Commission and the PAs making every effort to make these incentive funds eligible to at least a portion of potential SGIP customers as soon as possible in order to support deployment of resiliency solutions ahead of the 2020 wildfire season.

However, CESA believes that the 60-day extension risks significant delays in the implementation of D.19-09-027 for non-residential customers, leading to our letter on December 12, 2019 that urged the Commission and the PAs to provide earlier guidance on customer eligibility rules, program structures, and other implementation details for these customers in order to support the deployment timelines of resiliency projects before the 2020 and 2021 wildfire seasons. CESA appreciates the Commission's intent to ensure that the full Equity Resiliency Budget for all customers to be open no later than April 1, 2020, including by having the PAs preview certain SGIP Handbook modifications related to non-residential customers in an upcoming quarterly workshop in January, instead of having a Supplemental Advice Letter be issued around this same time.

In this response, CESA supports the timely approval of the Joint PA Advice Letter albeit with clear affirmation of the April 1, 2020 launch date of the full Equity Resiliency Budget, further clarifications of implementation details for non-residential projects to be included in the upcoming workshop, and our recommendations for how the ME&O plan can be enhanced.

II. DISCUSSION.

A. The Commission should affirm the April 1, 2020 launch date of the full Equity Resiliency Budget in disposing of the Joint PA Advice Letter.

In the December 17, 2019 letter granting the PAs' extension request, the Commission affirmed that the full Equity Resiliency Budget for all eligible customers would be launched no later than April 1, 2020, but CESA is concerned that the decision includes some confusing language on the required launch date of the full Equity Resiliency Budget. Ordering paragraph (OP) 2 indicates that D.19-09-027 modifications are effective April 1, 2020 but OP 3 also outlines how applications for the Equity and Equity Resiliency Budget must not be accepted *until* April 1, 2020, suggesting that the full Equity Resiliency Budget may not need to be opened by *no later than* April 1, 2020, as suggested in the Commission's letter. CESA seeks affirmation of the *no later than* April 1, 2020 launch date of the full Equity Resiliency Budget in the Commission's disposition of the Joint PA Advice Letter.

B. The Commission should direct the PAs to provide near-final implementation details for the full Equity Resiliency Budget at the upcoming quarterly workshop.

Given the customer acquisition and interconnection timelines, earlier guidance at the SGIP workshop will support a greater number of storage deployments for resiliency. We therefore urge the Commission to direct the PAs to provide sufficient, near-final details of the remaining issues from D.19-09-027 at the quarterly workshop in order to support timely deployment of resiliency solutions for non-residential customers. Particularly, in our December 12, 2019 letter, CESA sought clarifications around the following issues:

- **Customer eligibility:** Clarifying and supporting the identification of eligible customers by census tract is an important step in supporting non-residential developers in targeting and acquiring customers. There are significant levels of ambiguity at this time in terms of whether specific customers are eligible, leading to the inability of developers to begin the customer acquisition and project development process.

- **Eligibility of projects deployed prior to Equity Resiliency Budget launch:** Given project development timelines, some developers may seek to begin the customer acquisition and project development process ahead of the Equity Resiliency Budget launch. In addition, a number of existing operating SGIP sites could be retrofitted to provide resiliency. Clarifications should be provided to the eligibility and criteria of such projects in claiming Equity Resiliency Budget funds.

- **Applicability of existing program structures for the Equity Resiliency Budget:** There are several areas of ambiguity related to whether Equity Resiliency Budget projects would also be subject to differentiation on whether a project claims the investment tax credit (ITC). This creates uncertainty as to the appropriate incentive rate that developers should consider in developing projects.

- **Documentation details for demonstrating eligibility:** Some documentation details should be provided to support developer understanding of the attestations required in D.19-09-027 to demonstrate resilience capabilities, as well as whether a critical facility qualifies as serving greater than 50% of customers in disadvantaged communities.

While the final details will be included in the February 18, 2020 Advice Letter subject to stakeholder feedback at the quarterly workshop, some certainty around these details will support non-residential developers in beginning the process of acquiring customers.[2] Developers would be bearing some risk in proceeding with the customer acquisition and project development process without finalization and approval of the implementation details of D.19-09-027, but providing sufficient details at the January 2020 workshop will reduce such risks and better ensure greater levels of storage deployments for resiliency ahead of the 2020 and 2021 wildfire seasons. Furthermore, by providing detailed early guidance of the rest of the requirements in D.19-09-027, the odds of protests and delayed resolution would be reduced.

C. The ME&O Plan should incorporate elements that support developers.

In Appendix D of the Joint PA Advice Letter, the PAs proposed an initial ME&O Plan that details their target market approach and outreach channels and tactics, including by exploring partnership opportunities to promote SGIP and increase awareness of new developments in the program. Recognizing that this is just an initial plan with opportunities to refine and finalize the plan before the February 18, 2020 Advice Letter filing, CESA recommends that the PAs consider incorporating elements that would assist developers in marketing and outreaching to customers on storage opportunities, particularly for the new Equity Resiliency Budget given the urgency of storage systems needed for resiliency. Due to customer privacy and protection concerns, CESA is not recommending that developers be assisted in targeting specific customers; rather, we recommend that informational "marketplaces" and sales/product contact information be provided in a "one-stop shop" on the SGIP program pages of each PA/utility. In this way, developers can become connected to informed customers. A standardized template of information could be developed for approved developers to complete (if they wish to be listed in the marketplace) that would be used to display such information for customers seeking to find storage solutions in response to the PAs' ME&O efforts. There may be other approaches in which developers could be assisted as well.

[2] CESA notes that Section 4.2.2 of the SGIP Handbook, for example, allows systems to receive a reservation up to 12 months after receiving authorization to operate in parallel with the grid from the electric utility, thereby allowing for system retrofits and installations prior to the April 1, 2020 launch date to qualify for the Equity Resiliency Budget.

III. CONCLUSION.

CESA appreciates the opportunity to submit this response to the Joint PA Advice Letter and supports timely implementation and launch of the Equity Resiliency Budget for small residential customers by February 18, 2020 and for all eligible customers by April 1, 2020.

Respectfully submitted,

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Service list R.12-11-005