

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding
Policies, Procedures and Rules for the
California Solar Initiative, the Self-
Generation Incentive Program and Other
Distributed Generation Issues.

Rulemaking 12-11-005
(Filed November 8, 2012)

**RESPONSE OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
TO THE JOINT PETITION FOR MODIFICATION OF DECISION 15-06-002 BY
SOUTHERN CALIFORNIA GAS COMPANY (U 904 G), PACIFIC GAS AND
ELECTRIC COMPANY (U-39-E), SOUTHERN CALIFORNIA EDISON COMPANY (U
338-E), AND CENTER FOR SUSTAINABLE ENERGY® CONCERNING SELF-
GENERATION INCENTIVE PROGRAM REQUIREMENTS**

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January 15, 2021

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GENERATION INCENTIVE PROGRAM REQUIREMENTS**

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”) hereby submits this response to the *Joint Petition for Modification of Decision D.15-06-002 by Southern California Gas Company (U 904 G), Pacific Gas and Electric Company (U-39-E), Southern California Edison Company (U 338-E), and Center for Sustainable Energy Concerning Self-Generation Incentive Program Requirements* (“Petition”), submitted by the Joint Program Administrators (“PAs”) on December 23, 2020. Pursuant to the *Email Ruling Granting Joint Motion of SGIP PAs to Shorten Time Period to Respond to Petition for Modification* (“Ruling”) issued by Administrative Law Judge (“ALJ”) Cathleen A. Fogel, CESA is timely submitting our response in support of the PFM on January 15, 2021.

I. INTRODUCTION.

In its brief and concise Petition of Decision (“D.”) 15-06-002, the Joint PAs request that the Commission “stay” the cancellation of projects past the third three-month extension for Self-

Generation Incentive Program (“SGIP”) projects that provide verifiable information that demonstrates the project was progressing in a timely manner prior to the COVID-19 pandemic and that the additional delays are attributable to the COVID-19 pandemic and/or recent local and statewide COVID-19 restrictions.

II. THE PETITION SHOULD BE GRANTED EXPEDITIOUSLY.

CESA agrees and fully supports the PAs’ Petition and requests that the Commission grant the requested relief expeditiously. The rationale for setting the number of allowable extensions of the Reservation Expiration Date for SGIP projects in D.15-06-002 was to ensure that customers and developers were not penalized with cancelled reservations due to factors outside of their control despite their good-faith efforts to advance the project to completion. In the same way, the COVID-19 pandemic is unprecedented in its scale and impact and thus the PAs rightly argue that this change will provide interim relief to those customers who have been impacted by COVID-19 pandemic. With the PAs’ proposed requirements to demonstrate real progress toward project completion prior to the COVID-19 pandemic and its resulting impacts on various restrictions (*e.g.*, stay-at-home orders, reduced work staffs, delayed permitting), CESA believes the Petition would support good-faith projects that were unfortunately impacted by factors outside of their control.

III. COMPREHENSIVE ACTION IS NEEDED TO ADDRESS THE COVID-RELATED CHALLENGES ACROSS ALL CUSTOMER CLEAN ENERGY PROGRAMS INCLUDING THE SELF-GENERATION INCENTIVE PROGRAM.

While fully supportive of the Petition, CESA implores the Commission to expeditiously act upon many of the specific recommendations provided by various parties at the April 23, 2020 workshop on COVID-related challenges faced by customer-oriented clean energy programs.¹

¹ See <https://www.cpuc.ca.gov/covidworkshop/>

Since the Commission held that workshop in the early days of the pandemic, more than seven months have elapsed without comprehensive action across the various customer-oriented clean energy programs, including that for SGIP. Rather than awaiting party-by-party requests for interim or temporary relief in the appropriate proceeding for each program type, CESA urges the Commission to take comprehensive actions across all impacted programs.

For SGIP, the Commission should consider temporary exemptions or modifications to support storage deployments in these exceptional times, where the economic crisis has impacted customer enrollments, public-health risks have delayed construction and supply chains, and customer load (particularly for commercial customers) has experienced reductions. We recommend two immediate steps that could be taken in this regard. First, the Commission should extend the performance-based incentive (“PBI”) recovery period for projects that can demonstrate impacts due to the COVID-19 pandemic. Reduced customer load as a result of the pandemic also reduces the cycling ability of storage resources, limiting the ability for storage projects to recover their full PBI on an annual and five-year basis. The PBI recovery period should, at minimum, be extended by one year. Alternatively, the cycling requirement could be reduced (*e.g.*, down to 100 per year). Second, the Commission should allow for system transfers. The potentially long-lasting effects of COVID restrictions may necessitate the transfer of one SGIP project to another customer site. Such transfers will ensure ratepayers continue to receive the grid benefits of their investment through the continued performance of the asset.

Either of these measures would not impact the ability of the storage project to eventually deliver on the program goals across its lifetime but would provide sorely needed interim relief to weather the COVID-19 pandemic. It would be disappointing and contrary to the program’s market transformation goals to have projects that were developed in good faith, operated in accordance

with the program requirements, and otherwise on track to advance the state’s decarbonization and reliability objectives to ultimately fail as a result of the absence of timely Commission action to stem the impacts of the COVID-19 pandemic.

IV. CONCLUSION.

CESA appreciates the opportunity to submit this response to the Petition and looks forward to working with the Commission and stakeholders in this proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jin Noh', written in a cursive style.

Jin Noh
Policy Director
CALIFORNIA ENERGY STORAGE ALLIANCE

Date: January 15, 2021