BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues	Rulemaking 10-05-004

COMMENTS OF THE CALIFORNIA SOLAR & STORAGE ASSOCIATION AND CALIFORNIA ENERGY STORAGE ALLIANCE ON THE PROPOSED DECISION ON THE SGIP PAYMENT STRUCTURE DURING THE COVID PANDEMIC

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February 17, 2021

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Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), the California Solar & Storage Association (CALSSA) and the California Energy Storage Alliance (CESA) submit the following comments on the proposed *Decision Approving Joint Petition for Modification of Decision 11-09-015 Concerning Self-Generation Incentive Program Requirements* (PD), issued February 2, 2021.

CALSSA and CESA do not want to delay resolution of the Petition, but we believe the alternative solution described herein would be easier to implement, would be more fair to customers, and is reasonable for the Commission to order in response to the Petition.

CALSSA and CESA appreciate the Self-Generation Incentive Program (SGIP) program administrators' consideration of the potential harm caused to host customers due to the business impacts resulting from COVID-19. These impacts may include businesses that have been forced to close intermittently or operate at reduced scale or capacity since last March and ongoing into 2021. Changes from the typical operations of a business can cause a shift or reduction in the load profile of a customer site. This in turn makes the annualized recovery of performance-based incentives (PBI) more challenging due to the need to cycle batteries that were sized for pre-pandemic loads.

Having the ability to pause the PBI recovery term for customers that have experienced this kind of impact would be a welcome option. However, even more preferential, as well as simpler, would be the ability to extend the total PBI term from 5 years to 6 or more years. There are several reasons why a term extension would be preferential to a pause. First, storage systems that are installed on customer sites are, in most cases, still operating during the pandemic but simply responding to reduced site load and a decreased ability to fully cycle. It would be unfortunate if the host customers and financiers that depend on this incentive to fund their storage system did not get credit for the operation that is taking place during this time. Second, a pause would result in an even larger delay in the financial recuperation for funds already expended on upfront installation costs at a time when many businesses have been experiencing economic hardship due to the pandemic. Third, it is impossible to predict when businesses will return to pre-pandemic operations, meaning that even if a pause were to be instated, a year later a system could face the exact same challenges that it faces today.

Extending the total PBI period avoids many of these issues. Systems would continue to earn PBI payments to the extent possible given current site loads without interruption, providing ongoing reimbursement for host customers and financiers. This approach also removes the need to predict when business will return to "normal" by allowing them to earn their PBI dollars over a longer period of time even if the economy remains depressed. It would also be simpler to implement, avoiding a disruptive change to the way the SGIP portal handles data. It would allow for a change to the end date of the term without requiring the system to accommodate a stop and start at the request of developers and customers.

Respectfully submitted,

By: /s/ *Joshua Buswell-Charkow* *Jin Noh*

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