



California Public  
Utilities Commission

# DER Futures Study Thought Leadership for the Self Generation Incentive Program (SGIP) Successor Program

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# Could The Time be Right to Reform SGIP?

DER Futures Study is a thought leadership exercise to explore potential successor models to the popular and well-subscribed SGIP program

- Emphasize maximizing the grid, greenhouse gas, and ratepayer benefits while maintaining customer resiliency benefits
- Potentially change from an equipment incentive program that chases marginal performance to more of a "bring your own battery" pay for performance program
- Streamline and simplify the program rules, qualifications, and payments
- Improve the program cost-effectiveness and reduce related NEM cost shift
- Achieve optimal grid performance from the BTM storage fleet that is expected to be 4 GW by 2030, predominantly outside of the current SGIP program framework

# Motivation for the Study

## Blue Sky Thinking

*Based on historic program goals, collected performance data, and future CPUC objectives for DERs, **how would the CPUC design the ideal SGIP program or similar DER program and policies if it could start with a blank slate?** The report should consider a range of program and policy options geared towards maximizing the societal value of DERs all while maintaining affordable rates. Report findings and options should include but not be limited to program and policy options in the areas of incentives, pay for performance, tariffs, grid services, rate structure considerations, and flexible load management. Options to streamline and enhance the administrative efficiency of future programs and policies should be considered. Consideration of DER market assessment factors should also be included.\**

*\*Excerpt from CPUC SGIP 2021-2025 Measurement & Evaluation Plan*