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**Comments of the Center for Sustainable Energy® regarding the Proposed  
Decision Revising the Self-Generation Incentive Program pursuant to Senate  
Bill 861, Assembly Bill 1478, and Implementing Other Changes**

**Center for Sustainable Energy**

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## I. INTRODUCTION

The Center for Sustainable Energy<sup>®</sup> (CSE) appreciates the opportunity to provide these comments regarding the *Proposed Decision Revising the Self-Generation Incentive Program pursuant to Senate Bill 861, Assembly Bill 1478, and Implementing Other Changes* (Proposed Decision). The Proposed Decision correctly identifies several areas in need of reform and offers a general program framework that is better suited to facilitate the Self-Generation Incentive Program's (SGIP's) market transformation, environmental and grid support goals. Nevertheless, specific elements of the Proposed Decision, left unaddressed, may hinder the SGIP's overall success. Of greatest concern is the likelihood that the majority of incentives will be quickly subscribed before the SGIP is able to successfully transform the markets and industries it supports. The rapid depletion of program funds due to high demand and excessively rich incentives, particularly for advanced energy storage (AES) technologies, may have the unintended consequence of leading to increased market disruption at a time when emerging DER industries are in need of stable and long-term support. Furthermore, a "front-loaded" program, wherein the majority of applications are received in the first weeks of program opening, reduces the effectiveness of future program adjustments, such as the application of increasingly stringent GHG emissions standards each program year.

CSE works to accelerate the adoption of clean and sustainable energy solutions, and as Program Administrator (PA) for both the SGIP and the California Solar Initiative (CSI), we have first-hand experience and insight on the attributes of successful market transformation initiatives. Notably, there are significant parallels between the state of the energy storage industry today and the solar industry 5-10 years ago. Building on the lessons learned from the CSI Program, the SGIP must provide a secure, gradual, and predictable foundation, which in turn will allow emerging DER industries to develop over time. We commend the Commission for implementing a continuous step-down incentive structure that is triggered by market adoption but note that the success of this new SGIP structure is also highly dependent on other

program attributes, such as initial incentive rates, ongoing rebate declines and caps, and efficient administration of carve-outs. Accordingly, CSE offers the following comments with the goal of creating a program that will both accomplish its legislatively-mandated goals and facilitate market certainty and transformation for the incentivized technologies.

## II. AES INCENTIVE RATES

The Proposed Decision decreases AES' current incentive rates to \$.50/Wh for large storage and \$.60/Wh for small scale storage due to the high demand for energy storage.<sup>1</sup> While CSE agrees with the Commission that based on the current level of demand AES incentive rates should be decreased, the proposed incentive rates for AES are still too high and will result in AES incentive funds being quickly depleted. To illustrate, on February 23, 2016, more than 102 MW and roughly 204 MWh<sup>2</sup> of large<sup>3</sup> AES applications were submitted. Using the Commission's proposed incentive rates and step-down structure, this volume of AES applications would completely fill the first three of five incentive steps and reserve more than half of the total large AES incentives in a single day. Because the proposed initial AES incentive rate of \$.50/Wh is not a significant decrease from 2016's rate, CSE anticipates there will be a similar level of demand, if not greater, when the SGIP reopens. Thus, overly generous AES incentives could result in AES incentives being completely allocated within a short period of time after program opening, leading to greater market disruption for the AES industry. CSE therefore proposes decreasing initial AES incentive rates by \$.10/Wh for both large and small scale AES, resulting in an initial incentive of \$.40/Wh for large storage and \$.50/Wh for small storage. Decreasing the initial incentive amount by \$.10/Wh would allow roughly 90 MW/180 MWh<sup>4</sup> of additional storage capacity to be funded over the duration of the

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<sup>1</sup> *Proposed Decision Revising the Self-Generation Incentive Program pursuant to Senate Bill 861, Assembly Bill 1478, and Implementing Other Changes (Proposed Decision)*, May 16, 2016, page 25.

<sup>2</sup> Based on two hours of storage

<sup>3</sup> Large AES defined as greater than 10 kW

<sup>4</sup> Depending on the duration of storage per application

SGIP and would increase the longevity of AES incentive funds. Due to the limited nature of SGIP funds, decreasing the initial AES incentive rate could be the single most important factor in creating a successful market transformation program.

### **III. AES OPERATIONAL REQUIREMENTS AND PROJECT SIZE REBATE CAPS**

The Proposed Decision modifies AES incentive rates to be based on watt-hours (Wh) rather than on watts (W). At a high level, CSE supports this change. However, basing AES incentives on Wh rather than W decouples the existing relationship between power and energy capacity within the program and fundamentally changes capacity factor expectations, performance-based incentive (PBI) rules, and project size incentive caps. For example, if AES systems are incentivized based on energy capacity, and the PBI rules are adopted as proposed by the Commission, four-hour systems would receive twice the incentive as two-hour systems but would be held to the same operational requirements, i.e., 260 hours of discharge per year. Thus, AES operational requirements must be modified to account for increased energy capacity of systems. Additionally, the Proposed Decision offers the same amount of incentive for each additional Wh of energy storage, regardless of the incremental cost of increasing energy capacity. This raises concerns because project developers may be motivated to increase system energy capacity in order to increase their SGIP incentive rather than to benefit customers or the grid. The marginal cost of increasing energy capacity for storage technologies decreases with each additional hour of storage while the Commission's proposed incentives will remain constant for each additional hour of storage. Accordingly, CSE proposes the following changes to AES operational requirements and project size rebate caps based on Wh:

#### AES Operational Requirements:

The Proposed Decision adopts a minimum discharge of 260 hours per year for AES systems, based on the assumption that AES systems are two-hour systems, which is not always correct, especially if AES is now incentivized based on Wh. In order to keep AES

operational requirements consistent for energy storage systems of various durations, CSE recommends changing the requirement from 260 hours of discharge per year to 130 full discharges<sup>5</sup> per year. This modification will ensure that all energy storage systems, regardless of the storage duration, are held to consistent operational requirements.

Additionally, similar to commercial systems, CSE recommends that residential systems be required to discharge a minimum of 52 full discharges per year, rather than 104 hours per year, to ensure that all systems are required to discharge according to their SGIP-incentivized energy capacity.

CSE also recommends future changes be made to the existing PBI payment structure for AES technologies. While the intention of PBI payments is to financially reward projects that continue to meet program goals over time, the existing PBI structure for AES systems incentivizes AES projects solely for the total number of kWh discharged during a year, regardless of when those discharges take place. As a result, some AES projects receiving PBI are discharging during off-peak hours, either at night or when businesses are closed, solely to increase net kWh discharged every month and recoup the full SGIP incentive. CSE does not find this to be the best way to incentivize AES operation and contends that PBI payments for AES systems should be based on the value that each system provides rather than how many kWh are discharged every month. Recognizing that there is virtually no record developed on how PBI should be restructured, CSE respectfully requests that the Commission allow the SGIP PAs to initiate a stakeholder process, either through a workshop or other avenue, to gather recommendations on how to modify PBI so that it is more reflective of the value provided by systems and subsequently submit proposed changes to the Commission through an advice letter or other proposal. CSE is confident that fine-tuning the PBI payment structure will better incentivize AES systems to operate in ways that provide greater value.

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<sup>5</sup> “Full discharges” would be the equivalent of discharging the SGIP-incentivized energy capacity 130 times per year. They do not have to be 130 full depths of discharge.

Lastly, CSE asks that adopted modifications to AES operational requirements be made retroactive to 2011 as improvements to the PBI structure and AES operational requirements will be equally important for all AES systems, regardless of the year the projects applied to the SGIP.

Project Size Rebate Caps for AES:

The Proposed Decision maintains the current size cap and rebate levels based on W capacity but does not establish caps based on Wh capacity. In order to prevent energy capacity oversizing, CSE proposes implementing incentive declines for every additional hour of energy storage, as illustrated in the table below:

Hours of Storage	1 Hour	2 <sup>nd</sup> Hour	3 <sup>rd</sup> Hour	4 <sup>th</sup> Hour
% of Incentive for Each Additional Hour of Storage	100%	75%	50%	25%

CSE proposes that the first hour of energy storage receive the full incentive amount, the second hour receive 75% of the incentive, the third hour receive 50% of the incentive, and the fourth hour receive 25% of the incentive. While greater than four-hour storage could still apply, no additional incentives would be given for any capacity beyond four hours. As an example, at \$.50/Wh, incentives for systems with the following sizes would be calculated as:

$$100 \text{ kW}/100 \text{ kWh} = \$.50 * 100,000 = \$50,000$$

$$100 \text{ kW}/200 \text{ kWh} = \$.50 * 100,000 + \$.375 * 100,000 = \$87,500$$

$$100 \text{ kW}/300 \text{ kWh} = \$.50 * 100,000 + \$.375 * 100,000 + \$.25 * 100,000 = \$112,500$$

$$100 \text{ kW}/400 \text{ kWh} = \$.50 * 100,000 + \$.375 * 100,000 + \$.25 * 100,000 + \$.125 * 100,000 = \$125,000$$

This type of incentive structure will maintain the current relationship between power and energy capacities, discourage developers from oversizing the storage capacity, grant higher net incentives for longer-duration storage than what the SGIP currently provides, allow more capacity to be funded through the SGIP, and provide incentives that are more aligned

with the marginal cost of each additional hour of energy storage. CSE contends that this change will help the SGIP to maximize its value to ratepayers by ensuring that projects are not oversized and over-incentivized.

#### **IV. CARVE-OUT FOR RENEWABLE AND SMALL SCALE ENERGY STORAGE PROJECTS**

The Proposed Decision finds “setting minimum incentive carve-outs for renewables in the Generation technology category and energy storage systems that are smaller than 10 kilowatt (kW) is reasonable.” We agree that in both cases ensuring some minimum quantity of incentive funds for these two sub-categories is warranted given the SGIP’s GHG reduction and market transformation goals. However, CSE has concerns with the structure of the proposed carve-outs and offers the following specific suggestions to resolve these concerns:

##### Small Scale Energy Storage Carve-Out

CSE has identified significant pitfalls with the small scale storage minimum carve-out proposed by the Commission that will make its administration impractical. For instance, if the small scale storage carve-out is a minimum amount administered statewide, PA step transitions will likely be delayed for large storage projects due to a lack of small scale storage applications meeting the 15% statewide carve-out.<sup>6</sup> Moreover, the PAs cannot reasonably anticipate how many small scale or large storage applications they will receive in their respective program territories; thus, they cannot appropriately allocate funds to the large and small scale storage categories, which will have significant implications and cause possible delays in incentive step transitions. Given “the currently low level of participation in SGIP by this customer category”<sup>7</sup> as compared to larger storage systems, it is likely to thwart the smooth and continuous distribution of rebates for large storage projects.

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<sup>6</sup> As an example, roughly 1 MW/2 MWh of small storage capacity was submitted on February 23, 2016, equaling approximately 3% of the total proposed statewide storage budget for Step 1.

<sup>7</sup> Proposed Decision at 22.



Alternatively, given the sizable carve-out within the storage incentive budget for small scale systems and the relatively small incentive per project, CSE proposes that exactly 15% of the energy storage incentive budget per PA territory be dedicated to small scale storage projects, i.e., 15% of the energy storage budget should be entirely bifurcated for small scale storage and allowed to move through its five incentive steps independently, at its own pace, and without the ability to stall incentive reservations for larger storage projects in the queue.

In addition, CSE seeks clarification regarding the intention of a carve-out applied to AES projects under 10 kW as opposed to a carve-out specific to residential projects. We note that both non-residential projects less than 10 kW and residential projects greater than 10 kW have applied for SGIP funding. If the intention of the carve-out is to spur the residential AES market, CSE recommends that the Commission split the carve-out into separate “residential” and “non-residential” subcategories rather than “large” and “small” scale storage.

Renewable Carve-Out:

Similar to the small scale storage carve-out, the Proposed Decision states that the renewable carve-out should be accounted for statewide across all four program territories and not per PA. CSE maintains that a minimum carve-out for renewable technologies based on a statewide budget and accounted for across all PAs is difficult to administer and would require a significant amount of statewide coordination. Moreover, it will be difficult for applicants to determine the likelihood of receiving funding in a certain step because each renewable project may be affected by the order of other renewable projects across the state. To alleviate this pain point, CSE suggests that rather than utilize a minimum carve-out, renewable projects in the queue simply be given priority so that a desired percentage of the incentives for renewable projects is guaranteed to be funded first within each of the three generation steps in each PA territory. Prioritization can be accomplished via the lottery and managed per PA territory, eliminating the necessity of a complex statewide renewable carve out while achieving a comparable statewide outcome.

Additionally, CSE is concerned with the allocation of the renewable carve-out within the generation budget. The Proposed Decision reserves a minimum of 10% of the generation budget for renewable projects, or 2.5% of the total budget, equaling \$2.2 million per incentive step or less than \$7 million out of the remaining \$270 million of SGIP incentive funds. Due to the typical large size of renewable projects, \$2.2 million per step is only enough incentives to fund one to three renewable projects per step statewide, depending on the technology type. Given that the installation of these technologies and projects, including wind turbines or onsite biogas that captures fugitive or flared methane emissions, are critical to California's ability to achieve its GHG reduction goals, a greater percentage of the budget should be prioritized for renewable technologies. Specifically, CSE supports Foundation Wind Power's recommendation that a minimum of 10% of total SGIP funds should be set aside for renewable technologies, equal to 40% of the total generation budget, or roughly \$9 million per step. The Commission reasons that "[a] 10% set aside of all program funds represents too large of a set aside for a single sub-category of technology;"<sup>8</sup> yet the Commission subsequently allocates 15% of the storage budget, or 11.25% of all program funds, to small scale energy storage. Thus, given that the Commission is willing to allocate more than 10% of all program funds to a storage sub-category, it seems reasonable to propose a set aside of at least 10% of all program funds to renewable technologies.

Lastly, CSE respectfully requests clarification regarding which technologies are to be considered renewable for the purposes of administering the renewable budget. CSE recommends that wind, waste heat to power, pressure reduction turbines, and 100% biogas projects should be considered renewable. Requiring that gas-fired projects be 100% biogas to be considered renewable will ensure that blended biogas projects do not take away renewable carve-out funds from 100% renewable projects.

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<sup>8</sup> Proposed Decision at 22.

## V. INSTALLER/DEVELOPER CAP

CSE agrees with the Commission that replacing the existing statewide manufacturer cap with a developer cap will better enable customers to choose equipment and technologies that meet their specific needs while also ensuring that incentive funds are allocated equitably across a variety of industry participants. In order to further improve administration of the developer cap, CSE recommends it be based on submitted applications rather than reserved projects. Specifically, developers should be allowed to request no more than 20% of incentives for each step within their technology category on a statewide basis. Establishing the developer cap based on projects submitted rather than on projects reserved will compel high-volume developers to submit only priority projects with a high likelihood of success, reducing project attrition rates. Furthermore, the developer cap will be determined by place in the queue rather than by the timing of PA project review. Because there is an inherent delay between project submission and conditional reservation, often based on factors beyond the applicant's control,<sup>9</sup> it would be unfair to award a project associated with a particular developer based on the date it receives its reservation rather than its position in the queue. Enforcing the developer cap during the application submission stage will simplify administration, promote a more equitable distribution of funds not hindered by a PA's ability to reserve a project more quickly than another, and further encourage the submission of quality projects.

CSE also respectfully requests clarification on how the developer cap is to be applied across statewide budgets, technologies and carve-outs. The Proposed Decision states that incentives should be limited to 20% of the available funding for a given technology category. We assume this to mean that the developer cap will be applied separately to the total energy storage budget and to the total generation budget, rather than applied to each sub-category or individual technologies, as this will be simpler for industry to track and the PAs to administer.

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<sup>9</sup> For example, a project's size and complexity will often determine how quickly a Program Administrator can review the documents and issue a reservation letter.

## VI. LOAD-BASED REBATE CAPS FOR PAIRED STORAGE

The Proposed Decision adopts the system sizing requirement that “energy storage paired with generation should be based solely on the customer’s previous 12-month annual peak demand.”<sup>10</sup> While CSE generally supports this rule, we recognize it may not be suitable for smaller commercial and residential customers. Although the current SGIP Handbook offers a methodology for calculating an equivalent peak demand for customers on rate schedules without a demand component, the calculation is not illustrative of actual onsite peak and may prevent project eligibility due to sizing limitations.<sup>11</sup> Currently, systems sized 5 kW and smaller are exempt from the sizing requirement so that these systems can be sized according to the onsite needs of the customer. Due to the SGIP PAs’ limited experience with small storage system sizing and limited access to accurate peak demand data, CSE proposes expanding the system sizing exemption from 5 kW to 10 kW, which will enable the PAs to collect better data on how smaller systems are sized without imposing unnecessary burden or preventing eligibility. Moreover, this would align with the current sizing exemption for storage systems paired with NEM generators.<sup>12</sup>

## VII. RATED CAPACITY FOR AES

Currently, the definition of rated capacity for AES systems is the average discharge power output over a two hour period,<sup>13</sup> even if the system is technically capable of discharging at a greater power capacity for a shorter period of time. Now that the Commission is moving away from incentives based on two-hour systems, the two-hour capacity is no longer a valid way to determine rated capacity for system sizing purposes. Hence, CSE recommends that

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<sup>10</sup> Proposed Decision at 29.

<sup>11</sup> SGIP Handbook Section 4.4.4 provides the following calculation to determine the equivalent peak demand for customers without peak demand information:  $\text{Peak Demand (kW)} = \text{Largest Monthly Bill (kWh/month)} / (\text{Load Factor} \times \text{Days/Bill} \times 24)$

<sup>12</sup> D.14-05-033, *Decision Regarding Net Energy Metering Interconnection Eligibility for Storage Devices Paired with Net Energy Metering Generation Facilities*, May 15, 2014, page 14.

<sup>13</sup> The exception to this rule is SGIP-eligible thermal energy storage (TES).

AES systems utilizing inverters should determine rated capacity by the maximum power output of the inverter, and DC microgrid AES systems should determine rated capacity by the maximum power output of the AES system in DC. This provides simple and straightforward means to determine system sizing for AES and also prevents project developers from claiming systems rated at 29.99 kW in order to evade PBI requirements.<sup>14</sup>

### **VIII. BIOGAS**

With respect to the development of an implementation plan for integrating the biogas fuel blending requirement, CSE respectfully seeks clarification regarding how biogas incentives are to be prorated based on blending biogas. Specifically, at what percentage of biogas blend should biogas projects receive 100% of the biogas adder? Currently, 75% blend of biogas or greater receives the full biogas adder. CSE contends that only 100% biogas projects should receive the full adder, and any portion of blended biogas below 100% should be prorated according to the minimum requirement blend for that year. Furthermore, the Proposed Decision does not address how the GHG emissions factor will apply to blended biogas projects. In order to ensure that all projects receiving SGIP funds meet the GHG emissions factor, CSE recommends that all gas-based generation technologies, whether blended or 100% biogas, must meet a minimum system efficiency correlating to the maximum GHG emissions factor for that program year.

### **IX. PROJECT ATTRITION**

The Proposed Decision is silent on how project attrition is to be addressed. The SGIP has historically seen substantial attrition rates, which will undoubtedly continue to affect the program budget, carve-outs, and caps. Thus, it is imperative that the following effects of project attrition be explicitly addressed in the Decision:

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<sup>14</sup> According to the May 30, 2016 Weekly Statewide Report, there are currently 228 active or completed AES projects with rated capacities at or above 29.90 kW and below 30 kW.

1. The opening budget for the next program cycle should not be set until a specific date in the future, closer to actual program opening, so as to maximize available incentives because ongoing project attrition and incentive adjustments of currently reserved projects have a direct impact on the opening program budget and initial incentive amounts available at each step.
2. Clarification is needed regarding how incentive funds from cancelled 2011-2016 Level 2 and Level 3 projects will funnel back into the new structure. CSE recommends that funds from these cancelled projects be allocated to the generation and storage incentive budgets based on the cancelled project's technology type and system size.
3. Project attrition within a certain incentive step should not result in later projects moving up to take an attrited project's place within that step, i.e., if a program territory is in Step 3 of the generation incentive budget and the project attrition occurs in Step 2, projects currently under review or reserved in Step 3 should remain assigned to the Step 3 incentive rate. While each step is initially determined by a specific quantity of incentive budget allocated to specific incentive levels, it should be expected that project attrition will modify the incentive budget within each step over time and may affect the amount of incentive dollars distributed per step.
4. Clarification is needed as to which incentive step newly available funds from ongoing project attrition will be allocated, as this directly impacts the carve-outs and caps for each step.

**X. CALIFORNIA SUPPLIER ADDER**

CSE supports amending the current California supplier adder requirement as proposed but strongly recommends that the new California Supplier certification process be implemented upon program opening rather than delayed 12 months. By delaying the launch of the new certification process to 12 months from the date of the Decision, excess incentive funds will likely be granted to suppliers that are not truly aligned with the spirit of the adder.

## **XI. TECHNOLOGY ELIGIBILITY REQUIREMENTS**

CSE agrees with requiring all SGIP-eligible technologies to receive certification from an NRTL in order to ensure that all incentivized projects meet standardized safety requirements. Nevertheless, given the complexity and limited variety of NRTL certifications currently available, further direction is needed regarding which certifications will in fact be accepted. For example, certifications do not currently exist for all SGIP-eligible technologies, including pressure reduction turbines<sup>15</sup> and AES.<sup>16</sup> CSE therefore recommends that main components of the system, rather than entire systems, should receive NRTL certification so as not to hinder any one technology's eligibility.

## **XII. CAP ON OPERATION AND MAINTENANCE**

CSE agrees with the Commission that capturing accurate project cost data is critical to the success of the SGIP but contends that limiting reported O&M costs is not an effective way to achieve this outcome. Specifically, CSE is concerned that limiting the reported warranty and/or maintenance contract costs to 10% of the total claimed project costs is not only an inaccurate reflection of those costs but may also tempt applicants to inflate costs in other categories in order to compensate for the limitation imposed on O&M costs and secure a higher incentive. Because the Commission has also proposed to remove the 40% minimum customer investment provision, CSE urges the Commission to not implement additional caps that could unintentionally lead to misrepresentation of actual project costs.

## **XIII. ENERGY EFFICIENCY AUDIT REQUIREMENTS**

CSE strongly supports amending the energy efficiency audit requirements to remove the requirement to invest in all measures with paybacks less than two years. However, we find unnecessary the provision that audits must be limited to 5% of the requested incentive as

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<sup>15</sup> See *Reply Comments of NLine Energy, Inc. on the Assigned Commissioner's Ruling (1) Issuing an Energy Division Proposal on Senate Bill 861 Modifications to the Self-Generation Incentive Program (2) Entering the Staff Proposal into the Record*, January 22, 2015, page 6.

<sup>16</sup> The UL standard for AES is currently in development and has not been released for certification.

there are free and low-cost energy audit options available online or through a customer's utility service provider. Moreover, this may unintentionally discourage certain customers from performing more robust audits of their buildings simply to comply with the cost cap.

#### **XIV. SECOND LIFE BATTERIES**

The Proposed Decision denies SGIP eligibility to second-life batteries, reasoning that “[r]efurbished DER equipment should generally be cheaper than new equipment and therefore need[s] less financial support than new equipment.”<sup>17</sup> While it is possible that used batteries may be cheaper than new ones, this assumption fails to take into account high integration costs, such as programing a vehicle battery management system for stationary purposes, engineering and rewiring a vehicle battery to a stationary inverter, and permitting. Through a pilot project that CSE and BMW conducted on second-life batteries for stationary use, we have found that the integration costs of incorporating a used battery results in net system costs that are typically greater than a new system. Thus, second-life batteries in fact require financial support and need SGIP incentives. Given their ability to accomplish program goals, CSE strongly urges the Commission to allow second-life batteries to participate in the SGIP.

#### **XV. STEAM TURBINES**

The Proposed Decision fails to address whether steam turbine CHP remains an SGIP-eligible technology. Steam turbine CHP is currently an SGIP-eligible technology, and the Commission has provided no discussion regarding why it should be excluded from the Program; therefore, CSE respectfully requests that the Commission include steam turbine CHP as an SGIP-eligible technology in the Decision.

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<sup>17</sup> Proposed Decision at 39-40.



**XVI. CORRECTIONS TO ORDERING PARAGRAPHS 5, 6, 7, 8, 9 AND 16**

CSE respectfully notes that the Commission has erred in naming the SGIP PAs in Ordering Paragraphs 5, 6, 7, 8, 9 and 16. The Commission has included San Diego Gas & Electric Company, who is not an SGIP PA, and failed to include Southern California Gas Company and the Center for Sustainable Energy, both of whom are SGIP PAs. CSE respectfully requests the Commission correct Ordering Paragraphs 5, 6, 7, 8, 9 and 16 to state, “Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and the Center for Sustainable Energy (or the Program Administrators) ....” This requested revision will properly name all of the SGIP PAs, reducing any potential for confusion and/or potential for failure to appropriately carry out the directives of this Decision.

**XVII. CONCLUSION**

CSE appreciates the opportunity to provide these comments regarding the Proposed Decision and encourages the Commission to implement our recommendations provided in these comments to ensure its intentions for a step-down design for the SGIP are truly achieved.

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