

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking Regarding
Policies, Procedures and Rules for the Self-
Generation Incentive Program and Related
Issues.

Rulemaking 20-05-012
(Filed May 28, 2020)

**REPLY COMMENTS OF
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON PROPOSED DECISION REVISING SELF-GENERATION INCENTIVE PROGRAM
RENEWABLE GENERATION TECHNOLOGY PROGRAM REQUIREMENTS AND
OTHER MATTERS**

May 24, 2021

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**FOR: Center for Energy Efficiency and
Renewable Technologies**

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Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Reply Comments on the Proposed Decision Revising Self-Generation Incentive Program Renewable Generation Technology Program Requirements and Other Matters (Proposed Decision), mailed in this proceeding on April 29, 2021. These Opening Comments are timely filed and served pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure and the instructions accompanying the Proposed Decision.

**I.
HYDROGEN**

CEERT strongly agrees with the California Energy Storage Alliance (CESA) in its synopsis of the Self-Generation Incentive Program (SGIP):

“SGIP will continue to play an important role in transforming the market for energy storage and distributed energy resources (“DERs”), providing grid services, and reducing greenhouse gas (“GHG”) emissions. At the same time, the program will be pivotal in advancing recent Commission priorities to support equitable access to energy storage technologies for low-income and disadvantaged community (“DAC”) customers and offer a near-term resiliency solution in the face of recent wildfires and public safety power shutoff (“PSPS”) events.”¹

¹ Opening Comments of CESA, at pp. 1-2.

The role of the SGIP program in advancing technologies that will help in California's clean energy transition is further heightened as the effects of climate change intensify. As such, CEERT greatly appreciates the contributions of the Commission and stakeholders to this Proposed Decision and the common goal to refine the program to incentivize resources that the grid needs today and in the future.

However, CEERT agrees with the California Hydrogen Business Council (CHBC) and the National Fuel Cell Research Center (NFCRC) that the Proposed Decision is overly restrictive on hydrogen production pathways. CEERT shares NFCRC's concern that the Proposed Decision "creates the risk of policies with unintended negative consequences that will also set bad precedents that could severely restrict markets for hydrogen."² Along that same line, CHBC correctly states:

"it is not consistent with state policy to have renewable hydrogen from biogenic sources treated as eligible under the [renewable portfolio standard (RPS)] and the [Low Carbon Fuel Study (LCFS)] but not eligible under the SGIP program, and is concerned about the kind of market signals this creates for renewable hydrogen investors in California."³

As stated in its Opening Comments, CEERT recommends that projects should be evaluated on a project-by-project basis and awarded funding based on the emission reduction benefits of the project. By utilizing a scaling system, the SGIP program could incentivize those projects with the most emission reduction benefits without excluding broad technology groups. Given the high level of innovation occurring in the energy industry today, the SGIP program should encourage development of the cleanest projects without preemptively excluding potentially important technologies.

² Opening Comments of NFCRC, at p. 3.

³ Opening Comments of CHBC, at p. 3.

II. CLARIFYING CEERT’S POSITION ON BIOGENIC PATHWAYS FOR HYDROGEN

In reference to CEERT’s previous comments in this proceeding, the Proposed Decision incorrectly states that “CEERT emphasizes excluding bio-based feedstocks from renewable energy sources fueling hydrogen”.⁴ However, CEERT never explicitly advocated for excluding bio-based feedstocks from hydrogen production pathways in its comments. In fact, CEERT supported including biogas-generated hydrogen in the definition of green hydrogen in its recent reply comments on the Assigned Commissioner’s March 2nd Ruling Requesting Comment.⁵ This presented a slight adjustment in position from CEERT’s previous position in its corresponding Opening Comments, in which CEERT advocated for a more stringent definition of green hydrogen, as that produced “directly from 100 percent renewable energy, or during times of excess renewable generation.”⁶ Therefore, CEERT asks for the following change in the revised Proposed Decision:

~~CEERT emphasizes excluding bio-based feedstocks from renewable energy sources fueling hydrogen.~~

III. CONCLUSION

CEERT appreciates the opportunity to file these Reply Comments on the Proposed Decision. CEERT encourages the Commission to ensure actions taken at this time through this Proposed Decision do not inadvertently and preemptively inhibit the innovation and economic development of technologies that will have an important place in California’s diverse resource portfolio. As such, CEERT agrees that the unnecessary restrictions on hydrogen production

⁴ Proposed Decision, at p. 35

⁵ Reply Comments of the Center for Energy Efficiency and Renewable Technologies on Assigned Commissioner’s Ruling Requesting Comment, at p. 3.

⁶ Opening Comments of the Center for Energy Efficiency and Renewable Technologies on Assigned Commissioner’s Ruling Requesting Comment, at p. 4.

should be lifted to include biogas pathways. Furthermore, CEERT asks the Commission to correct the misrepresentation of its position on biogenic pathways of hydrogen production in the revised version of this Proposed Decision.

Respectfully submitted,

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