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BEFORE THE PUBLIC UTILITIES COMMISSION

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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

REPLY COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE REGARDING THE AB 209 STATUS CONFERENCE

December 4, 2023

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I. Introduction

The California Energy Storage Alliance (CESA) submits these comments in reply to party comments regarding a status conference on administration of the Self Generation Incentive Program (SGIP) considering modifications made to the program by Assembly Bill 209 (AB 209)[1].

II. Establishing New POU Program Administrators will Delay Customer Access to Funds

While CESA appreciates the preference of publicly owned utilities (POUs) to administer their own SGIP program funds, CESA opposes such a policy at this time due in large part to further delays it would cause in release of program funds. Los Angeles Department of Water and Power (LADWP) states it believes it would take 9-12 months to stand up a program where it

[1] Chapter 251, Statutes of 2022

serves as its own program administrator.[2] CESA is concerned that customers served by POUs that elect to administrator their own SGIP funding will be unable to access funding until a year or more from now – 4th Quarter of 2024 or possibly Q1 of 2025. Obviously, those customers will not be able to access the resiliency and bill management benefits that solar and storage can provide in the meantime.

III. Divergent Interpretation of SGIP Program Rules Increases Complexity and Administrative Burden on Third Parties

The comments of both the California Municipal Utility Association (CMUA) and LADWP suggest that they would adhere to the tenets of the program, while desiring a degree of flexibility to establish their own approach to the program[3]. CESA is concerned that another variation on SGIP program rules will make an already complex program even more so, thereby potentially frustrating the timely availability of SGIP funding to low-income Californians.

Third parties primarily interact with program administrators and not end-use customers, as third parties submit applications on behalf of most customers participating in SGIP. Third parties also manage the applications from submittal to award of funding. The SGIP program is currently administered by four utilities. Under the existing structure, third parties face some challenges resulting differing interpretations of SGIP program rules, which leads to additional administrative burden to the degree that these different interpretations mean that developers must tailor even fundamentally identical applications to suit the Program Administrator within whose

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[2] Opening Comments of the Los Angeles Department of Water and Power on the Administrative Law Judge's Ruling Setting Comments and Replies to Status Conference Issues. November 27, 2023. Page 8.

[3] Opening Comments of the Los Angeles Department of Water and Power on the Administrative Law Judge's Ruling Setting Comments and Replies to Status Conference Issues. November 27, 2023. Page 8-9; Opening Comments of the California Municipal Utilities Association on the Administrative Law Judge's Ruling Setting Comments and Replies to Status Conference Issues. November 27, 2023. Page 5-6.

service territory an application fall. This issue would be compounded if the POUs establish their own program rules. CESA notes that there are over 40 POUs in the state[4] and while many of those might not elect to be their own SGIP administrator, the Commission should take caution of the precedent it sets here.

IV. Allocating SB 209 Funding Across IOU and POU Service Territories May Result in Stranded Funds

In comments, POUs propose allocating SGIP funds such that each IOU and POU service area would receive a dedicated pool of funding for the exclusive use of low-income qualified ratepayers in its service territory. LADWP proposes to base this on the "proportionate share of the total statewide disadvantaged population served", [5] and CMUA proposes allocating based on each utility's "share of statewide load associated with low-income customers".[6]

CESA is concerned that if program administration is expanded beyond the four current administrators, and each administrator has its own pro rata reserved pool of funding, the risk of stranded funding is increased to the degree these allocations do not align with actual demand from low-income customers. It is reasonable to expect, and indeed likely, that demand for solar and storage will differ substantially across the state, based on various factors, including the different rate designs across load serving entities (LSEs), the risk of outages and climatic conditions. A single statewide budget from which all eligible customers can draw regardless of their host utility would be a significant improvement to SGIP program design.

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[4] See https://www.energy.ca.gov/sites/default/files/2019-06/Fact_Sheet_California_Energy_Governing_Institutions.pdf

[5] Opening Comments of the Los Angeles Department of Water and Power on the Administrative Law Judge's Ruling Setting Comments and Replies to Status Conference Issues. November 27, 2023. Page 3.

[6] Opening Comments of the California Municipal Utilities Association on the Administrative Law Judge's Ruling Setting Comments and Replies to Status Conference Issues. November 27, 2023. Page 2.

V. Conclusion

CESA appreciates consideration of these comments.

Respectfully Submitted,

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