

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of Pacific Gas and Electric Company (U 39 E) for Review of the Disadvantaged Communities – Green Tariff, Community Solar Green Tariff and Green Tariff Shared Renewables Programs.

Application 22-05-022
(Filed May 31, 2022)

And Related Matters.

Application 22-05-023
Application 22-05-024

**COMMENTS OF DIMENSION RENEWABLE ENERGY ON ADMINISTRATIVE LAW
JUDGE’S RULING DIRECTING RESPONSES TO QUESTIONS REGARDING
IMPLEMENTATION OF DECISION 24-05-065**

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Dated: July 10, 2024

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“CPUC” or “Commission”), the Dimension Energy LLC, dba Dimension Renewable Energy (“Dimension”) hereby submits these comments on the *Administrative Law Judge’s Ruling Directing Responses to Questions Regarding Implementation Of Decision 24-05-065* (“Ruling”), filed June 5, 2024, as modified by the *Email Ruling Granting Request for Extension of Comment Deadlines*, filed June 13, 2024.

I. INTRODUCTION.

Dimension thanks the Commission for the opportunity to answer the questions raised by Administrative Law Judge Hymes in her June 5th Ruling. Dimension is a community solar developer headquartered in Atlanta, Georgia but with deep roots in California. Dimension’s executive team has developed projects for the past 17 years under various California solar programs. Most recently, Dimension is proud to have successfully developed projects under the

Disadvantaged Communities (“DAC”) and Community Solar Green Tariff (“CSGT”) programs, as well as the Green Tariff/Shared Renewables Enhanced Community Renewables Program (“GTSR-ECR”) program. Dimension is a member of the Coalition for Community Solar Access (“CCSA”).

Respectfully, Dimension urges the Commission to maximize the opportunity presented by the US Environmental Protection Agency’s Solar for All (“SFA”) program. These funds are a once-in-a-generation opportunity to use Federal funds to provide significant savings for low-income households through community solar + storage while supporting California’s grid reliability. The solar + storage program envisioned by Dimension is modest, less than 800 megawatts, but sufficient to provide meaningful energy bill savings for approximately 160,000 low-income households. This program is founded on, and funded through, a one-time federal grant, and is intended to be established only for the purpose of deploying those dollars.

The utilities’ forthcoming tariffs can build off of the Renewable Market Adjusting Tariff (“ReMAT”) to provide a structure that can support solar + storage projects. We look forward to the utilities’ advice letter filings on additional tariffs later this summer. These comments build on our earlier modifications to the Community Renewable Energy Program (“CREP”) proposed in our comments on the Proposed Decision in March and outline how federal and state funds could be disbursed, consistent with requirements and guidelines of those funds, to support savings for low-income customers. These comments also build off new information from Resolution E-5323, which was approved by the Commission on June 20, 2024, setting new pricing terms for the ReMAT program.¹

¹ This is new information since the approval of D.24-05-065.

Dimension presents its responses to ALJ Hymes' questions in the balance of our comments. In order to provide context for these answers, we first outline our proposed approach to implementation of the CREP.

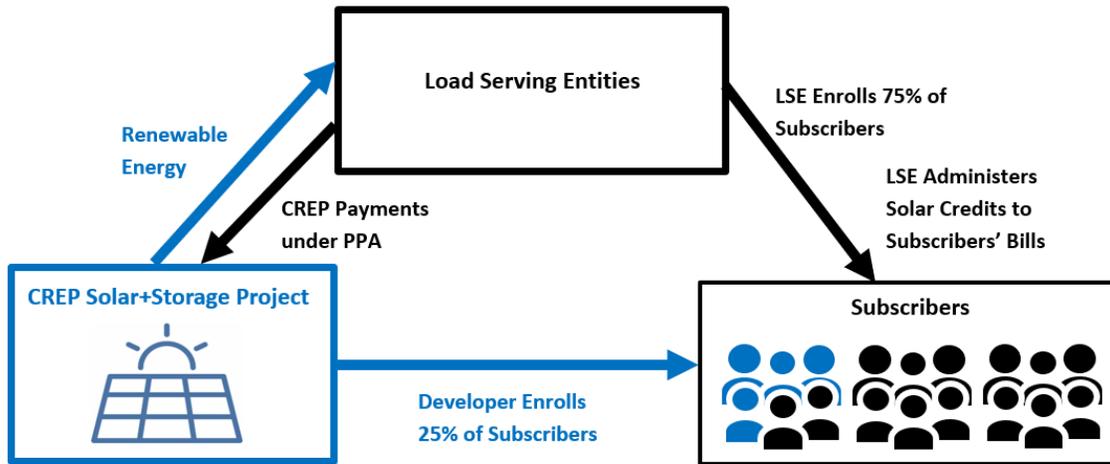
II. OVERVIEW OF DIMENSION'S PROPOSAL FOR OPERATIONALIZING THE COMMUNITY RENEWABLE ENERGY PROGRAM.

Decision ("D.") 24-05-065 establishes a structure whereby the utility or CCA has a wholesale power contract with a community solar + storage project and retains some revenues from that contract in a balancing account to allocate to customers as a bill credit. The current Ruling asks parties to clarify some of the outstanding details of the structure, particularly:

- How non-ratepayer funds should be spent,
- The role of the solar + storage project in acquiring customers versus the role of the utility in auto-enrolling customers, and
- The bill credits that should be available to customers.

Dimension conducted rigorous project finance modeling to refine the following structure, which answers those questions in a way consistent with D.24-05-065 and the restrictions on available federal and state funds to create a commercially viable program. Figure 1 outlines these relationships with clarifications proposed by Dimension. In addition to clarifying the customer, utility and project relationships, Dimension is proposing a process by which projects are awarded a place in the program and proceed from award to operation.

Figure 1: CREP Structure as Proposed by Dimension



First, to secure a place in the program, a community solar + storage project developer would need to bring forward a de-risked project demonstrating advanced project development, with fully executed interconnection agreements and all discretionary permits secured. The project would be able to secure some of the capacity in the CREP program with these demonstrations and payment of a refundable performance deposit, as is the practice in Load Serving Entities (“LSE”) solicitations for the existing DAC green access programs and other programs around the country.

Once the project is awarded a place in the program, the developer would execute a standard CREP Power Purchase Agreement (“PPA”) based on the ReMAT PPA. After executing this PPA and paying the performance deposit, the project would proceed to construction and begin to acquire customers.

Dimension believes that a division of labor for customer acquisition and management between the solar + storage project and the utility best balances the goals of SFA, the non-energy benefits of community solar (such as community engagement and workforce development), and the limited funding available to support customer savings. Specifically, the project would be required to sign up 25% of the project with SFA-eligible low-income subscribers and the utility

will be responsible for subscribing the balance of the project. This recommendation is developed further in Dimension's responses to Questions 3 and 4c.

Once 25% of the project's capacity has been subscribed by the project developer with SFA eligible customers, and has completed construction, it will receive permission to operate. The utility will enroll the remaining 75% of customers and manage the billing and subscriptions for all customers subscribing to the project for the 20-year term of the PPA.² The auto-enrolled customers will include the remaining 26% of the project's capacity serving low-income customers, up to 51% of the project's capacity, and the 49% of the project's capacity serving non-low-income customers.

The low-income customers receiving bill savings enabled by the SFA funding will receive savings for 20 years, consistent with SFA guidelines. In exchange for the upfront incentive received by the project, the utility or CCA will withhold a portion of the PPA revenues paid to the project and deposit them in a balancing account that will be used to pay out bill credits to subscribers. This withholding will take place year after year for the term of the contract. The utility will be responsible for applying credits for bundled and (as applicable) CCA customers.

Funding Availability and Constraints on those Funds

The size of CREP, and what kinds of customers it can support, will be dictated by the funds available. In this proposal, Dimension designs a program open to all ratepayers that is compliant with funding source constraints.

There are two specific sources of funding which are available, consistent with those identified in D.24-05-065. The first is the SFA award. Dimension's assumption is that EPA and the State will allocate at least half of the award's funding to the community solar + storage program

² This is currently the practice for the Disadvantaged Communities Community Solar Green Tariff Program.

being developed in this docket, consistent with the state’s application to EPA. There is also \$33 million already appropriated by the state legislature to the Commission for providing low-income savings, with additional planned funding of \$25 million in fiscal year 2025-26 and \$25 million in 2028-29. Dimension assumes that these funds will be allocated proportionally across all California LSEs under CPUC jurisdiction. Funding allocations for each LSE would be as outlined in Table 1.

Table 1: LSE Allocation of Available Non-ratepayer Funding

Load Serving Entity	Percent of Total	Federal Funding (\$m)	State Funding - Authorized (\$m)	State Funding - Current Budget (\$m)	Portion of Program (MW)
PG&E	39.22%	\$ 49.0	\$ 12.9	\$ 9.8	312.2
SCE	30.10%	\$ 37.6	\$ 9.9	\$ 7.5	239.6
CPA	9.16%	\$ 11.5	\$ 3.0	\$ 2.3	72.9
SDCP	8.53%	\$ 10.7	\$ 2.8	\$ 2.1	67.9
MCE	3.49%	\$ 4.4	\$ 1.2	\$ 0.9	27.8
Ava CE	3.08%	\$ 3.9	\$ 1.0	\$ 0.8	24.5
PCE	2.54%	\$ 3.2	\$ 0.8	\$ 0.6	20.2
SDG&E	1.20%	\$ 1.5	\$ 0.4	\$ 0.3	9.6
SJCE	1.10%	\$ 1.4	\$ 0.4	\$ 0.3	8.8
CleanPower SG	1.01%	\$ 1.3	\$ 0.3	\$ 0.3	8.0
CalChoice	0.55%	\$ 0.7	\$ 0.2	\$ 0.1	4.4
TOTAL	100.0%	\$ 125.0	\$ 33.0	\$ 25.0	796.0

In the case of both the authorized state funding and the SFA funds, the funding must solely benefit eligible low-income customers. In addition, the SFA Funding must provide meaningful benefits, including 20% electric bill savings.

The New CREP Tariff will dictate the success of the program

Dimension’s comments seek to work from the structure adopted in D.24-05-056 and are mindful of the Commission’s focus on minimizing ratepayer cost and maximizing the use of federal funds.

Dimension's modeling of a tariff based on ReMAT (with modifications) will support projects with low-cost interconnections and the ability to capture enhanced federal tax incentives. However, while Dimension outlines a structure *based* on the current ReMAT program, the ReMAT program as is will not work.

Without a new tariff, the program is going to be very limited in its scope and reach. In the case where tariffs are not changed, the program will need to be exclusively low-income, rather than a program for all Californians. The SFA requirements coupled with tariff revenues will create a situation in which incentives approach or exceed project costs, creating a disincentive to efficient project operations. Even without the complications of applying SFA requirements to existing tariffs, the outdated ReMAT lacks the price signals to support solar + storage projects and does not assure projects deliver during peak hours.

Dimension's CREP implementation proposal is capable of serving over 160,000 customers with solar+ storage projects

With the program elements described in these comments, 161,437 low-income customers could be served with 20 years of savings along with a similar number of non-low-income customers via a program of 796 MW of solar projects with 4-hour battery storage. As explained in the response to Question 1, simply applying the federal dollars to the existing tariffs will yield a non-viable situation in which project incentives would need to nearly pay for the entire project, providing little incentive for efficient operation of the project over its lifetime. The state could also choose a middle path of providing half the project with SFA incentives, but that would dramatically limit the numbers of subscribers to 84,387 customers served by 381 MW of solar + storage projects, even with a new tariff based on ReMAT.

III. RESPONSES TO QUESTIONS FROM THE JUNE 5TH RULING.

A. Response to Question 1.

1. *The new community renewable energy program is designed to deliver value through two streams of funding: (i) the stable but moderately adjusting compensation from wholesale tariffs and (ii) the external, non-ratepayer, funding or “adder” that is managed through investor-owned utility (Utility) balancing accounts. How should these streams of funding be applied to provide both developer compensation and subscriber savings or revenue share (i.e., percentage split of total revenue from a project between the developer or generator account and benefiting or subscriber accounts)?*

Response:

The CREP should be structured such that the project receives its revenues from a standard PPA developed for the CREP program, based on ReMAT. Non-ratepayer funds should be paid as an up-front incentive in exchange for some of the project revenues being withheld and disbursed to low-income customers as a bill credit.

SFA funds should be deployed as an upfront incentive to meet federal requirements

The EPA’s SFA program requires that low-income subscribers receive a credit equal to 20% of their household electric bill³ with an expectation that those savings endure for the lifetime of the asset.⁴ Community solar + storage projects are long-lived assets generating energy (and customer savings) for 20 years or more. However, SFA funding must be deployed entirely within 5 years of California receiving the SFA award. Spreading out SFA funding over 20 years to provide

³ California has not disclosed the details of its SFA application but EPA has provided the following FAQ: *Should 20% savings be calculated based on the energy portion of the bill or the entire bill, including fixed costs?*

Household savings should be calculated based on the average household’s entire electric utility bill, including both the energy portion of the bill and the fixed cost portion, in the household’s utility territory.

Available at: <https://www.epa.gov/greenhouse-gas-reduction-fund/frequent-questions-about-solar-all>

⁴ “For example, if a building is delivering household savings as a financially equivalent one-time investment, the value of the one-time investment should be calculated as if households benefiting from the program received 20% household savings for the entire lifetime of the asset.” Full Announcement - EPA-R-SFA-23-01 at p. 79 Available at: <https://www.grants.gov/search-results-detail/348957>

bill credits directly to subscribers isn't consistent with SFA's guidelines given the five years in which the funding needs to be spent. Savings will need to come from ongoing project operations.

The Commission should use SFA funds as an up-front incentive, using the state's own successful incentive program, the California Solar Initiative ("CSI"), as a model. The CSI program included a well-defined application process that allowed for incentive reservation following appropriate security deposits, and disbursed funds and refunded deposits once projects achieved development milestones to ensure performance.⁵ We describe this upfront incentive in more detail in response to Question 4a below.

Utilizing SFA as an upfront incentive that buys down the capital costs of the project will enable long-term savings for customers. As discussed below, Dimension's proposal for a tariff based on ReMAT can provide sufficient revenues for developers to invest in projects; SFA funds can therefore be used entirely to provide customer bill savings for low-income customers.

With the tariff changes recommended by Dimension, we recommend that all of the SFA money given to a project be recuperated over time through the ongoing PPA revenues and kept by the LSE in a balancing account to provide bill savings to low-income customers. The customers served through SFA funds will receive \$233 per year over 20 years⁶. The \$33 million currently appropriated and additional \$50 million planned in State funds could be used to extend SFA savings or further expand the number of low-income customers served by the program by providing a more modest bill credit.

Neither existing wholesale tariff can adequately serve CREP

⁵ CSI included a refundable application fee, project milestones, and a performance based payment. See details in the CSI Program Handbook available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/files/legacyfiles/c/6442454547-csi-handbook-2017.pdf>

⁶ Calculated based on average residential utility bills in SCE and PG&E, net of 35% CARE discounts, using the most recently available EIA-861 data from 2022. Available at: <https://www.eia.gov/electricity/data/eia861/>

D.24-05-065 Ordering Paragraph 1 states that CREP will include, as the ongoing revenue for the project, “[s]election of one of the existing tariffs that are compliant with the federal Public Utility Regulatory Policies Act including, but not limited to, the Renewable Market Adjusting Tariff (ReMAT) and Standard-Offer-Contract.” Based on analysis using new ReMAT pricing in Resolution E-5323,⁷ neither tariff will support project participation in CREP. As discussed by Commissioner Houck in her dissent, ReMAT has only led to 12.7 MW of installed projects since 2017, the Standard Offer Contract (“SOC”) has only led to 1 project in the last five years, and “Given the small number of projects produced through the ReMAT and PURPA Standard Offer Contract Program, there is concern that the CRE may not be successful.”⁸

As discussed in depth in Appendix 1, project economics validate Commissioner Houck’s concerns. Neither of the existing wholesale tariffs identified for the CREP are adequately structured to support the goals of the CREP. Table 2 outlines these shortcomings which are addressed in depth in Appendix 1.

Table 2: Summary of Current Limitations to PURPA-approved programs

Limitation	Tariffs Affected
Lack of price signals that encourage dispatch during net peak period of 4-9pm	ReMAT, SOC
Lack of ability to qualify for capacity payments until 2027-2028	SOC
Program and project capacity limitations	ReMAT
Short 12-year contract term (SFA requires a 20-year project)	SOC

⁷ Resolution E-5323 was approved by the Commission on June 20, 2024.

⁸ *Concurrence and Dissent of Commissioner Darcie L. Houck on the Decision Modifying Green Access Program Tariffs and Adopting a Community Renewable Energy Program* at p.4.

The CREP tariff should be based on the ReMAT tariff with modifications to include time of delivery (“TOD”) periods and differentials that reflect net peak, compensate for the value that the energy storage has for meeting net peak, have project and program caps that meet the CREP needs and federal project size maximums, and create a streamlined administrative process for inclusion of these hybrid projects. Adding meaningful penalties within the PPAs for non-performance can ensure projects meet their contractual obligations in the new CREP tariff.

With these revisions, a tariff would yield approximately 14.6c/kWh revenue to the Solar + Storage project. Using the models put forward by Witness Kennerly in the instant docket,⁹ this amount of revenue is sufficient to meet the revenue requirements of a subset of solar + storage projects. Specifically, this revenue will support projects that have low-cost interconnections and receipt of Investment Tax Credit adders, such as the Energy Communities adder, Indian Lands adder, or Low-Income Economic Benefit adder. However, these revenues are *not* sufficient to cover customer acquisition and management costs nor customer bill savings. External funds will need to be relied on to provide bill savings and there will need to be a division of labor between the LSE and community solar + storage project to manage customer acquisition.

Using a tariff with modifications to ReMAT is important to provide adequate price signals for dispatch of a solar + storage project. However, these tariff changes are also important to avoid a nonsensical outcome where projects will need an incentive that could exceed the cost of the project in order to provide 20% bill savings to subscribers.

External funding alone cannot overcome the wholesale tariffs’ shortcomings and can create unintended consequences

⁹ Dimension has updated the inputs for the CREST model, using the same sources. Workpapers are available for review.

Given that SFA funds require all customers benefiting from the funds to receive a 20% bill credit, a tariff that cannot support project economics without SFA funds will require all customers to have 20% bill savings. If the entire project is dependent on SFA funds, all subscribers must be SFA beneficiaries. A portion of each SFA incentive must also be dedicated to making projects financially viable under existing wholesale tariffs. Under Dimension's approach, tariff revenues support project economics, which means that SFA incentives can be transferred entirely to eligible subscribers while non-SFA customers can still participate.

However, without tariff changes, project cash flows would be close to, or exceeded by, bill credit costs. For a 5MW solar-only project, expected annual tariff revenues are \$797,000 under ReMAT and \$687,000 under the Standard Offer Contract. For a 5MW/20MWh solar plus storage project, expected annual tariff revenues are \$967,000 under ReMAT and \$952,000 under Standard Offer. To provide all customers a 20% bill credit, \$463,000 annually would be needed, half or more of projects' gross revenue under existing wholesale tariffs. After accounting for other operating expenses (e.g. operations and maintenance, lease rate, insurance), bill credit costs could reach or exceed project cash flows. This raises the possibility of incentives paying close to (or in excess of) the cost of the entire project, leaving little incentive for the project to operate efficiently in response to ongoing revenues.

ReMAT provides the basis for building the new CREP tariff

For the reasons summarized above and described in detail Appendix 1, neither tariff (without modifications) is a proper fit for supporting the CREP program. The ReMAT tariff, with prices based on similarly sized solar projects, is the proper foundation from which to build and should include modifications in Appendix 1, specifically: compensation for the capacity value of the project, appropriate Time of Delivery periods and factors, larger project sizes, and adequate

program capacity to match the scale of the CREP program. Such changes would yield a program very similar to the PURPA-CR program put forward by Southern California Edison, which could be made viable using external funding.

Table 3: Summary of Proposed CREP Tariff Elements

Tariff term	20 years
Energy Rate	Existing ReMAT rate
Capacity Rate	ACC Generation Capacity value (allocated to net peak period)
Payment Allocation Factors	Based on differential in forecasted wholesale prices for each of the time periods
Max project size	5MW-ac

B. Response to Question 2.

- Decision (D.)24-05-065 states, “The Commission finds that a minimum 20 percent revenue share for low-income subscribers is reasonable and provides protection for subscribers. However, the record of this proceeding does not contain adequate details on a specific percentage credit.” What should the revenue share for low-income subscribers be and how should it be calculated? Comments should consider that some external funding types may have certain conditions to ensure the funding benefits low-income customers.*

Response:

The Commission Must Provide 20% Bill Savings for Customers Supported by Solar for All Funds and Should Provide Different Savings Levels for Other Low-Income Customers

For customer savings provided via the Solar for All funding, the Commission should choose an amount equal to 20% reduction of a typical low-income household electric bill, as required by SFA and deducted monthly from project revenues provided in the CREP PPA.

Based on the average household energy bill in California, and after accounting for CARE discounts, the required savings under EPA’s SFA is \$233 per household per year.¹⁰ The utility-retained revenue should be based on average household usage and the number of average households expected to be on a project. This is consistent with EPA guidance on how to calculate the 20% bill savings.¹¹

In order to extend the available funds to serve more customers and meet D.24-05-065’s directive that the program be open to all customers, different savings rates for some low-income customers and for non-low-income customers are necessary. While SFA may not limit the number of low-income households to only 51% of a project’s capacity, the Commission clearly stated its intention that the CREP be available to all ratepayers.¹² Additionally SFA has not dictated that all low-income customers on a project receive SFA benefits, only those who are receiving the SFA incentive. As Table 4 shows, using multiple bill credit options for low-income customers maximizes the number of low-income customers that federal and state dollars can serve. The GHG-value credit is discussed further below in response to Question 3 on non-low-income customer savings.

¹⁰ Calculated based on average residential utility bills in SCE and PG&E, net of CARE discounts, using the most recently available EIA-861 data from 2022. Available at: <https://www.eia.gov/electricity/data/eia861/>

¹¹ Solar For All Grant Funding Opportunity, EPA-R-HQ-SFA-23-01 at Appendix C. Available at: <https://www.grants.gov/search-results-detail/348957>

¹² D.24-05-065 at p.119.

Table 4: Low-Income Customers Served Under Different Savings Scenario

SFA Scenario	LMI Subscribers under SFA	Total LMI
51% LMI @ 20% Bill Savings	77,355	77,355
25% LMI @ 20% Bill savings, 26% LMI @ 20% of Project Revenue	41,366	84,387
25% LMI @ 20% Bill savings, 26% LMI @ GHG- value-based Credit (Dimension Proposal)	79,136	161,437

C. Response to Question 3.

3. *D.24-05-065 states “With respect to bill credits, the Commission finds the [Southern California Edison (SCE)] proposal to use the simplified Shared Savings Model using balancing accounts to provide a flat monetary credit on subscriber bills is reasonable...The Commission finds that a minimum 20 percent revenue share for low-income subscribers is reasonable and provides protection for subscribers. However, the record of this proceeding does not contain adequate details on a specific percentage credit. A future ruling in this proceeding will allow for additional record development. The Commission also declines to specify a minimum revenue share for -non-low-income- subscribers as they will not receive a subsidy through external funding.” Propose, in detail, how a low-income and non-low-income bill credit should be applied, including billing presentment.*

Response:

The Commission intends CREP to be available to all California ratepayers, and at the same time, seeks to control the cost of the program by using external funding to provide benefits. All of the appropriated external funding is exclusively for low-income households. This seems to create a conundrum—what benefits can be delivered to non-low-income households and small businesses? Limiting CREP exclusively to low-income households is contrary to the Commission’s intent and would be a wasted opportunity.

Below, Dimension outlines three options for providing bill credits to non-low-income customers and low-income customers who are not receiving a SFA funded benefit.

The Commission can use non-SFA funds for additional low-income savings and has multiple options for non-low-income customers.

Option 1: Provide customers not provided savings using SFA Funds a GHG-value based credit

Southern California Edison (“SCE”), in its proposal on which the Commission based CREP, identified the GHG value from the ACC as an applicable avoided cost.¹³ Although this value is quite small, it could be provided as a bill credit to customers who are not eligible for the bill credits provided through external funding. The avoided GHG value should be recovered through customer rates since it is a benefit provided to all California customers

Option 2: Provide only the RECs to non-low-income customers and use state funds to expand low-income customer savings

Alternatively, the Commission could decline to assign any bill credit value to the portion of each project not subscribed by low-income subscribers. This capacity might be attractive to corporate or government customers who wish to make their electric consumption 100% renewable or could be used to satisfy Title 24 requirements by providing renewable attributes for compliance without imposing costs on the buildings.

In this case, low-income subscribers, beyond those served by the SFA funds, would still be entitled to savings. Lower savings levels could be supported by state funds, which do not have the same minimum savings requirements as SFA.

Option 3: Hybrid approach

¹³ *Reply Comments of Southern California Edison Company (U 338-E) On ALJ Ruling Setting Aside Submission of the Record to Seek Comments on Aspects of Net Value Benefit Tariff Proposal* at p.13.

Finally, the Commission could adopt a combination of the two approaches above, such as providing low-income customers a GHG-value credit and a state-funded credit.

D. Response to Question 4.

4. *What should be the developer incentive or adder per project and how should it be calculated? Potential funding sources include the Environmental Protection Agency's (EPA) Solar for All grant funding, General Funds allocated to the Commission, and others to be determined. Pursuant to D.24-05-065, "low-income subscribers meeting each Utility or CCA's Arrearage Management Program enrollment criteria will be prioritized for automatic enrollment, followed by all other low-income customers (as defined in Pub. Util. Code §769.3) who subscribe to the tariff. These low-income customers will be automatically enrolled by their utility or participating CCA but provided an opportunity to opt out of the tariff. See D.24-05-065 at 118- 119. 3 D.24-05-065 at 158.*
 - a. *On April 22, 2024, the EPA announced that California was selected to receive \$249,800,000 in grant funding. The EPA anticipates that awards to the selected applicants will be finalized in the summer of 2024. The Commission anticipates using some portion of these funds to support the community renewable energy program. Should the incentives for developers be based on dollars per watt, dollars per kilowatt-hour, a lump sum, or some other scheme? Explain why.*

Response:

SFA and other funding should be allocated through an up-front incentive similar to the Commission's successful California Solar Incentive ("CSI") program which was a dollar per watt incentive.

An upfront incentive based on an installed-dollar-per-watt structure is simple to administer, fits the timelines required in SFA, and efficiently fills the gap in project economics needed to provide customer savings. An upfront incentive 'buys down' the capital cost of a project and thereby allows a portion of the PPA revenue to be diverted to subscriber savings.

To ensure projects applying for scarce incentives are not speculative, and to align with tariff enrollment requirements, the Commission should require that each project entering the program:

- Post a security deposit of \$65/kWdc which would be refundable when the project reaches commercial operation;¹⁴
- Have an executed interconnection agreement; and
- Have received all non-ministerial permits.

California has already proven this type of incentive structure can be deployed effectively and other states have followed its example (e.g. New York and Massachusetts). The California Solar Initiative deployed \$3 billion in funding for thousands of large and small solar projects.¹⁵ Given the time constraints on SFA funds, the Commission should rely on previously proven models.

With Dimension's tariff suggestions and customer savings proposal, an incentive of \$0.17/Wdc would support nearly 800MW. Greater savings to more low-income customers would require a greater upfront incentive and would therefore reduce the number of customers served, as outlined in Table 5.

¹⁴ This is the amount assessed in DAC-Green Tariff solicitations and is vital to ensure developers do not secure time-limited federal dollars without high confidence of being able to bring the project to commercial operation.

¹⁵ D.06-12-033.

Table 5: Incentive levels needed for different savings scenarios with proposed CREP tariff

SFA Scenario	Tariff Rate	Incentive \$/Wdc	Incentive \$/Wac	Program MWac	LMI Subscribers under SFA	Total LMI Customers
1. 51% LMI customers @ 20% Savings	\$0.146/kWh	\$0.36	\$0.48	381	77,355	77,355
2. 25% LMI @ 20% bill savings, 26% LMI @ 20% of Project Revenue		\$0.33	\$0.44	416	41,366	84,387
3. 25% LMI @ 20% bill savings, 26% LMI @ GHG Credit (Dimension Proposal)		\$0.17	\$0.23	796	79,136	161,437

b. What process should the Commission use for determining the incentive or adder? Should the Commission set the incentive or adder price administratively or should it require the utilities to use a method such as a reverse auction that would introduce price discovery? If you recommend a price discovery method, specify the method you propose and the justification for using that method.

Response:

Time is of the essence to deploy SFA funds and a utility-led reverse auction would frustrate timely implementation. The Commission should use the CREST project finance model to determine incentives.

The incentive amount should be set administratively, using the CREST model. The CREP will be a small, limited program with stringent funding timelines dictated by EPA’s SFA grant.

While an auction mechanism could lead to some price discovery, the Commission already has a rich evidentiary record in this proceeding and a thoroughly vetted tool, the CREST model, upon which to base its calculation of revenue and incentive amounts. Auctions take more time to execute and will likely delay allocation of funds. If the Commission wants to ensure utilization of the SFA funds, it needs to deploy a mechanism that can allocate funding in 2025.

Additionally, as noted above the incentive amount will be dependent on the accompanying tariff and the accompanying tariff should be designed to benefit as many customers as possible and meet California's energy needs.

c. Should the incentive or adder be based on a minimum dollar amount per customer or a minimum percentage of project revenue share? Should the incentive or adder increase if more low-income customers are signed up beyond the 51 percent per project minimum threshold?

Response:

The incentive should be a standard amount with projects required to meet standard customer enrollment thresholds

The incentive should be set on the project's total capacity, in direct current. In exchange for receiving an incentive, the developer should be required to subscribe 25% of the capacity to low-income customers, who will receive the SFA-enabled credit to their bill. The balance of low-income customers (and non-low-income customers) will receive a bill credit based on the ACC GHG value or non SFA funds, as described above.

d. What other non-monetary incentives or assistance could utilities or Community Choice Aggregators (CCAs) provide to community renewable energy program projects and developers?

Response:

Successful low-income community solar is well documented and broadly demonstrated. Viable project economics through PPAs and incentives are all that is needed.

E. Response to Question 5.

5. Some CCAs who administer the Disadvantaged Communities Green Tariff (DAC-GT) have successfully negotiated lower Power Purchase Agreement contract prices with selected developers if a project receives the federal Investment Tax Credit (ITC) Low-Income Community Bonus Credit. Similarly, the Solar on Multifamily Affordable Housing program also set a precedent for aligning incentives, such as the federal ITC, with incentives provided for the installation of solar. Should the new community renewable energy program follow a similar process for leveraging the federal incentives available in the Inflation Reduction Act including the Low-Income Community Bonus Credit and other new and available tax credits?

Response:

Implementation of the CREP, as described by Dimension, will require projects to receive an investment tax credit adder above and beyond the standard 30% investment tax credit. Indeed, based on the modeling described elsewhere in this filing, a project will need a 40% ITC to be viable. This means that the project will need to receive a Low-Income Economic Benefit Adder, Indian Lands, or Energy Communities adder.

The program, as proposed by Dimension, effectively accounts for these adders, given the economics. It is important to remember that Low-Income Economic Benefit Adders are currently awarded through a lottery-process and there are specific project qualification requirements for the program and may put constraints on the Commission's CREP. The CREP program should not be designed around awarding projects contingent on adders which may or may not be captured by chance in the future. This is particularly true since the rules that dictate if and how the Low Income Community Benefits adder can be captured by a project are largely defined by administrative guidelines, which could change dramatically under a new US Presidential administration.

F. Response to Question 6.

6. D.24-05-065 states "Utilities would have the role of fiscal agents and apply monetary credits to the generation, i.e., benefiting, and customer, i.e., subscriber, accounts. The Commission finds that it is reasonable to direct Utilities to establish a balancing account to track the subscriber revenue shares and distribute the appropriate shares through the bill credit. Further, changes to

the credits based on facility performance and credit distribution can be easily updated through an annual true-up process.” How should the external funding be disbursed to the projects and participating customers of Utilities and CCAs?

Response:

As described above, projects should receive an upfront incentive. In each payment period under the Power Purchase Agreement, amounts necessary to provide customers applicable bill credits will be withheld from the PPA revenues. These reductions in PPA revenue should be tracked through utility balancing accounts and provided to customers via a bill credit.

G. Response to Question 7.

7. What funding source should be used to pay for start-up costs and program administration and what process should be used for cost recovery? This may include costs associated with billing system updates, the customer enrollment process buildout, ongoing subscription management and development of a new solar and storage contract (if needed).

Response:

These costs will be minimal and should be recovered through utility rates, similar to any other program costs and utility overhead associated with statewide programs.

H. Response to Question 8.

8. D.24-05-065 states “As CCAs are permitted to participate in the new community renewable energy program, the foundational tariffs will need to be revised to accommodate this participation. At this time, the record does not contain the specifics for CCA participation.”

a. What process should be employed to enable CCA participation in the community renewable energy program? This would include discussion of how CCAs must notify the Commission of their participation in accordance with Pub. Util. Code Section 769.3(b)(2)(B) and the process for CCAs to access external funds?

Response:

The CCAs have broad discretion to establish tariffs and contracts for procuring power. The Commission’s main task will be determining how state funds are allocated to the CCAs,

establishing provisions for ensuring those funds are spent consistently with CREP rules, and directing the billing process for the IOUs to allocate credits to CCA customers' bills.

Assuming federal and state dollars are allocated proportionate to load, approximately 30% of the available funds would go to CCAs, as outlined in Table 1. The successful deployment of tens of millions of dollars will depend on the CCAs' implementation. As such there should be clear rules for allocation of these funds and recapture.

Dimension recommends that funds be provisionally allocated to the CCAs, proportionate to load, should the individual CCA have identified standard PPA and agree to conform with determinations made in the forthcoming Decision adopted to determine the issues in this Ruling. Pursuant to PU Code 769.3(b)(2)(B), the CCAs should make their decision to participate in the program known to the Commission and provide necessary demonstrations of established standard contracts and commitments to rules, within 180 days of D.24-05-065 (i.e., November 26th, 2024).

Before funds are disbursed to LSEs on or before September 1, 2025, the CCAs must demonstrate that they are prepared to award projects under the program with the contracts and other program elements prepared to do so. If a CCA cannot demonstrate that it is prepared to open its program to projects, funds should be reallocated to all other LSEs. Similarly, if after 2 years (i.e., by September 2027) the CCA has not been able to allocate at least 40% of its capacity to projects, remaining funds should be reallocated proportionately to the other LSEs. These milestones and clawback provisions will ensure that the entirety of federal and state funds are deployed to serve Californians.

b. Which CCA tariffs should be eligible for the program?

Response:

The CCAs have the ability to develop their own wholesale energy contracts and tariffs for enabling this program.

I. Response to Question 9.

9. Parties raised concerns about the community renewable energy program in relation to reporting requirements for the Low-Income Communities Bonus Credit Program and EPA Solar for All in their comments on the draft proposed decision. How should the Commission account for reporting for various potential tax incentives and funding types? How should the Commission incorporate this efficiently into the community renewable energy program design?

Dimension provides no response at this time but reserves the right to respond to comments filed by other parties.

J. Response to Question 10.

10. Should Utility-facilitated or CCA-facilitated auto-enrollment be the only enrollment pathway for low-income customers in DAC-GT and the new community renewable energy program? What other enrollment options are available? What are the benefits or drawbacks of either approach? Comments should consider potential administrative cost, alignment with other low-income programs like the California Alternate Rates for Energy (CARE) program, compatibility with Title 24, the customer enrollment experience, ease of customer understanding billing/crediting, and consumer protections.

Response:

Both programs should build on a successful element of the projects which achieved commercial operation under the Disadvantaged Communities Green Tariff, requiring workforce development and work with a community sponsor to enroll customers. Such provisions are consistent with SFA. Given the limited tariff revenue for projects, and the high cost of providing 20% bill discounts, the project's obligation for enrolling customers should be 25%, as was the practice in the CSGT program. Remaining capacity in the project will need to be met through auto-enrollment because projects will not be able to support the cost of subscriber acquisition.

K. Response to Question 11.

11. *If you recommend auto-enrollment, describe the criteria that should be used for i) determining which customers would be auto-enrolled in the community renewable energy program and ii) ensuring that customers aren't enrolled in more than one program (i.e. community renewable energy program and DAC-GT). Additionally, explain which program (i.e. community renewable energy program and DAC-GT) would low-income customers be enrolled in first?*

Dimension recommends the following:

- Use the existing utility auto-enrollment criteria.
- The utilities can track their customers to ensure they are enrolled in only one program.
- Customers should be enrolled first in the program that provides them the greatest savings, as capacity is available.

L. Response to questions 12-22.

Dimension declines to respond but reserves the right, as applicable, to respond to comments made in response to these questions.

IV. CONCLUSION

Dimension appreciates the opportunity to provide these comments on the questions outlined in the Ruling. We look forward to further collaboration with the Commission and stakeholders on developing a CREP to benefit Californians.

Respectfully submitted,

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APPENDIX 1:

Challenges with Existing Wholesale Tariffs and Modifications Needed For a CREP Tariff

Neither of the existing wholesale tariffs identified for the CREP are adequately structured to support the goals of the CREP. The CREP tariff should take the ReMAT tariff and modify it to include TOD periods and differentials that reflect net peak, compensate for the value that the energy storage has for meeting net peak, have project and program caps that meet the CREP needs and federal project size maximums, and create a streamlined administrative process for inclusion of these hybrid projects.

ReMAT vs. PURPA Standard Offer Contract: Current tariffs do not support solar + storage projects

ReMAT and PURPA SOC do not provide adequate revenue to support either solar-only projects let alone solar + storage; this is the case even without the project providing customer bill savings. The inadequacy of the tariffs is evidenced by the low number of projects that have participated in either program in recent years and can be corroborated by using the CREST model. Table A1 shows that existing tariff revenues fall short of project revenue requirements, *even before* accounting for revenue to be withheld for customer bill credits, which further raise the project revenue requirements.

Table A1: Revenue Requirements Versus Tariff Revenues for project developments

Rates (c/kWh)		SCE			PG&E			Average		
Project Type	Tariff	Revenue Requirement	Tariff Revenue	Shortfall	Revenue Requirement	Tariff Revenue	Shortfall	Revenue Requirement	Tariff Revenue	Shortfall
		Solar-Only	ReMAT	\$0.073	\$0.050	-\$0.022	\$0.074	\$0.070	-\$0.004	\$0.073
Standard Offer	\$0.073		\$0.051	-\$0.021	\$0.074	\$0.052	-\$0.021	\$0.073	\$0.052	-\$0.021
Solar+Storage	ReMAT	\$0.140	\$0.076	-\$0.063	\$0.142	\$0.070	-\$0.072	\$0.141	\$0.073	-\$0.068
	Standard Offer	\$0.140	\$0.073	-\$0.067	\$0.142	\$0.071	-\$0.071	\$0.141	\$0.072	-\$0.069

Adequate pricing is needed to yield solar + storage projects

The set of existing generators used to calculate ReMAT prices does not reflect the cost nor value of solar + storage. A tariff based on ReMAT should price in the value solar + storage resources contribute to reducing net peak.

The Commission has already calculated the Real Effective Carrying Cost of generation capacity in the Avoided Cost Calculator (“ACC”), which can serve as the basis for a capacity payment. This value in the 2022 ACC is \$192-\$197/kW-year. Other sources of actual capacity costs show similar value. Looking at capacity costs under California's resource adequacy program shows that the current Power Charge Indifference Adjustment (“PCIA”) Forecast Benchmark determined by the Commission for 2024 includes a System Resource Adequacy(RA) price benchmark of \$15.23/kW-month or \$182.76/kW-year.¹⁶ Capacity prices are also rapidly increasing and have increased beyond previous forecasts, with the 2023 final System RA price benchmark being almost double the forecasted benchmark that was released in 2022.¹⁷

Peak Periods and pricing differentials in ReMAT are outdated and don’t reflect grid needs

The current tariffs are structured such that project owners do not have an incentive to dispatch a hybrid project to meet grid needs. Instead, the tariffs are biased toward standalone solar projects. To meet current grid needs and maximize ratepayer benefits, CREP projects should provide energy during California’s peak load hours—so it is essential that they include battery

¹⁶ *Calculation of the Market Price Benchmarks for the Power Charge Indifference Adjustment Forecast and True Up*, published October 2, 2023. Available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/community-choice-aggregation-and-direct-access/calculation-of-mpb-2023-2024-final.pdf>

¹⁷ The PCIA 2023 forecasted benchmark was \$7.39/kW-mo, but the 2023 final benchmark was \$14.37/kW-mo. See the 2023 Final Benchmark at Ibid. See the 2023 Forecasted Benchmark at *Calculation of the Market Price Benchmarks for the Power Charge Indifference Adjustment Forecast and True Up*, published September 30, 2022 Available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/community-choice-aggregation-and-direct-access/calculation-of-the-market-price-benchmarks-20220930.pdf>

storage and that the contract language support charging and discharging that storage in a way that supports California's grid.

Although it is more suitable than the SOC, ReMAT's product categories do not reflect current grid needs nor facilitate hybrid resources. ReMAT's three project categories¹⁸ are defined around a "peak" period that lasts the entire daytime period, with projects qualifying for the As Available Peak price if a resource has "95% or more of the expected output generated between the hours of 6:01 a.m. and 10:00 p.m."¹⁹ These time periods reflected the grid needs when ReMAT was established nearly 20 years ago but do not reflect the needs of the grid of today. Without modifications to ReMAT, the new CREP tariff would result in undervaluing and discouraging hybrid resources that are designed to dispatch at times of highest grid value, which is now in the evening net peak. The As Available Peaking category has a higher energy price than the non-peak category, but the definition of an all-day peak encourages standalone solar to qualify for this category, without a need for storage.

Payment Allocation Factors inadequately counterbalance the shortcomings of the antiquated Peak Period

Despite the outdated product categories, ReMAT does allow the IOUs to send more granular price signals for different hours of the day by assigning Payment Allocation Factors, i.e. payment multipliers, for different times of delivery. However, only SCE²⁰ provides more granular price signals for ReMAT, while PG&E²¹ and SDG&E²² have a flat price for energy delivery

¹⁸ The three project categories are: As Available Non-peaking, As Available Peaking, and Baseload.

¹⁹ See the ReMAT Tariff at pg. 13 for PG&E. Available at: https://www.pge.com/assets/pge/docs/about/doing-business-with-pge/ELEC_SCHEDS_E-ReMAT.pdf

²⁰ SCE ReMAT PPA at Appendix C. Available at: <https://www.sce.com/procurement/solicitations/ReMAT>

²¹ PG&E ReMAT PPA at Appendix C. Available at: https://www.pge.com/assets/pge/docs/about/doing-business-with-pge/ReMAT_PPA.pdf at Appendix C

²² SDG&E ReMAT PPA at Appendix C:
https://www.sdge.com/sites/default/files/documents/SDGE%20ReMAT%20Standard%20PPA_11-29-2022.pdf
Appendix C

throughout the entire day. SCE's allocation factor for Summer Peak (defined as Weekdays from 4 - 9 pm) is also only 1.18, with the Winter Off-Peak (defined as 9 pm - 8 am) receiving the highest payment allocation factor of 1.39. Payment allocation factors can also be used to provide additional revenue for projects that qualify for Resource Adequacy, but these allocation factors are not used by any of the IOUs.

ReMAT has cumbersome procedural hurdles for solar + storage projects

On top of not having price signals that encourage ReMAT projects to add energy storage, ReMAT actively discourages storage pairing by having a Tier 2 Advice Letter approval process only for projects with storage. The Tier 2 Advice Letter must state which ReMAT product the hybrid project will participate in and share the controls in place that ensure that the storage only charges from the onsite renewable and is unable to charge from the grid.²³ Again, this may be a relic of an outdated program and there is no reason these two elements of a hybrid project with storage require oversight in the form of a Tier 2 Advice Letter. There are other contractual and tariff mechanisms to ensure that deliveries will occur during required times. There are also standard procedures for ensuring that storage devices charge from onsite renewables, such as the Certified Power Control Systems used in the Net Energy Metering/Net Billing Tariff for paired storage devices. California does not need more standalone solar, so in the CREP, Dimension recommends that the Commission include a standard process for accepting hybrid projects instead of relying on an Advice Letter process.

The Standard Offer Contract has better Allocation Factors but impracticable means of compensating capacity value

²³ D.21-12-032 at p.32.

The SOC has some useful features, but it also contains fatal flaws for energy storage. The ratio SOC has more price differentiation across the day, as the Payment Allocation Factors for the energy price are used by all three IOUs. The Peak to Off Peak energy price ratio is higher than the ReMAT factors - with SCE having a summer ratio of 2.16.²⁴ The SOC also offers a separate capacity payment. However, the project must qualify for Resource Adequacy to be eligible for that capacity payment. Creating a capacity payment contingent on deliverability will fatally delay the implementation of CREP and is not consistent with SFA's guidelines on timelines for funds disbursement. In order for a project to qualify for capacity payments, SOC projects must complete CAISO interconnection and deliverability studies, and those processes will not be open for applications until sometime in 2026. The standard offer contract will not provide compensation for the capacity value of the projects before 2027 or 2028, at the earliest, given current CAISO study timelines.

A CREP Tariff needs to reflect current grid conditions

Neither ReMAT nor SOC encourages dispatch at what we now know to be the Summer Net Peak (4 - 9pm). In order to encourage efficient dispatch of the battery, the Commission should adopt a tariff with payment allocation factors or other mechanisms to increase the value of energy delivered during net peak (4 - 9 pm) that reflect that actual value of providing energy at net peak. To clarify, adjusting the TOD factors will not necessarily change the average price paid for energy delivered, instead it will shape payments so that projects receive compensation aligned with the

²⁴ Data from SCE Advice Letter 5297-E, "New Standard Offer Contract Price Terms for Qualifying Facilities 20 Megawatts or Less," filed May 7, 2024.

PG&E's average Peak to Off Peak price ratio is 1.69. Data from PG&E Advice Letter Advice 7293-E, "Energy Price Updates for June 2024 Eligible to Qualifying Facilities of 20 Megawatts or Less in Compliance with Decision 20-05-006," filed June 7, 2024.

SDG&E's average Peak to Off Peak price ratio is 2.07. Data from SDG&E Advice Letter 4446-E, "San Diego Gas & Electric Calculation of Revised Energy Prices Pursuant to Decision 20-05-006," filed May 7, 2024.

value of delivery during a given hour. The Commission has already acknowledged the value of TOD factors that reflect the value of energy delivered during distinct periods.²⁵ The utilities can also update their TOD periods for the SOC via Advice Letter.²⁶ Accurate TOD factors could be established by comparing the ratio of wholesale market prices (forecasted or actual) for the different time periods. As an example, we calculate what accurate TOD factors would look like using actual wholesale market prices for PG&E and comparing them to PG&E’s current factors in its ReMAT tariff.

Table A2: PG&E TOD factors- as is and adjusted to accurately reflect differentials in wholesale market prices²⁷

Season	Peak	Mid-Day	Night
Summer:	Current: 1.00 Adjusted: 1.62	Current: 1.00 Adjusted: 1.28	Current: 1.00 Adjusted: 1.72
Non-Summer	Current: 1.00 Adjusted: 1.65	Current: 1.00 Adjusted: 0.91	Current: 1.00 Adjusted: 1.52

Project and Program Cap Limitations in ReMAT will lead to a de minimis program

ReMAT is capacity limited, both in terms of the size of the program and the size of the projects. These limitations create two challenges. First, the program capacity is less than the amount of capacity to be served by the SFA dollars. Second, the project size is too small to maximize the benefits of federal tax credits.

²⁵ D.12-05-035 at Finding of Fact 13: “Adjusting the starting price by time-of-delivery factors based on the generator’s actual energy delivery profile captures the value of each generator to the utility.”

²⁶ D.20-05-006 at Ordering Paragraph 7: “PG&E, SCE, or SDG&E may file a Tier 2 Advice Letter in that monthly filing with the Commission proposing new hours and justifying the proposal’s rationale if the Time-of-Day Periods should be revised due to future market conditions or their Time-of-Use periods are updated.”

²⁷ Wholesale market prices are projected NP15 2030 energy prices from the Avoided Cost Calculator.

SFA allows projects of up to 5 MW to utilize federal funds to provide bill savings to customers. If the Commission relies on ReMAT as the base tariff for the new CREP, the smaller 3 MW projects will be deployed and the Commission will not be able to take full advantage of the economies of scale that are achieved by allowing projects up to 5 MW to participate in the program. Therefore, the Commission should increase the project cap to 5 MW to allow California to maximize SFA funding.

As captured in Table A3, only 206.1 MW of program capacity is still available, with only 39.5 MW available in the As Available Peaking category that solar + storage best fits into. The 493.6MW ReMAT program is effectively a 39.6MW program for CREP.

Table A3: Available ReMAT Capacity Across IOU Territories

IOU	As Available Non-Peaking	As Available Peaking	Baseload
PG&E ²⁸	31.3 MW	29.7 MW	46.4 MW
SCE ²⁹	35.2 MW	2.8 MW	39.7 MW
SDG&E ³⁰	7.0 MW	7.0 MW	7.0 MW
Total	73.5 MW	39.5 MW	93.1 MW

Given the amount of current available capacity in ReMAT, not all of the SFA funds will be used. Even if all 493.6MW of ReMAT was available, the ReMAT Tariff would not allow for the full deployment of federal and state dollars available for low-income community solar + storage and allow for the participation of non-low-income customers. Therefore, Dimension

²⁸ PG&E ReMAT Feed-in Tariff program capacity as of June 1, 2024. Data from https://pge.accionpower.com/_pgeReMAT/home.asp

²⁹ SCE Re-MAT Capacity Calculations as of May 8, 2024. Data from “Re-MAT Available Allocation Calculation 5-8-2024.pdf” at https://sceReMAT.accionpower.com/_sceReMAT/documents.asp?Col=DateDown

³⁰ SDG&E ReMAT Feed-in Tariff program capacity as of May 23, 2024. Data from https://sdgeReMAT.accionpower.com/_sdgeReMAT/home.asp

recommends an overall program cap of 800 MW for the CREP tariff specifically to ensure that California maximizes the use of federal money and meets the goals of AB 2316 and D.24-05-065.

SFA allows projects of up to 5 MW to utilize federal funds to provide bill savings to customers. If the Commission relies on ReMAT as the base tariff for the new CREP, the smaller 3 MW projects will be deployed and the Commission will not be able to take full advantage of the economies of scale that are achieved by allowing projects up to 5 MW to participate in the program. Therefore, the Commission should increase the project cap to 5 MW to allow California to maximize SFA funding.

Standard Offer Contracts lacks caps but have an insufficient term

The SOC contract term is only 12 years, versus 20 for the ReMAT tariff and the 20 years of benefits required by SFA. This shorter term means revenues beyond year 12 will be discounted for the purposes of financing projects, leading to higher financing cost and requiring higher incentive levels.

ReMAT provides the foundation, but a CREP tariff needs modifications

As outlined above, both wholesale tariffs currently available for the investor-owned utilities do not adequately reflect current grid conditions and compensate resources to get the types of resources and operation of those resources to meet those needs. Given its basis in similarly sized solar projects, ReMAT provides the foundation upon which to build. However, the CREP cannot simply utilize the existing ReMAT program. the CREP tariff should take the ReMAT tariff as its foundation and modify it to include TOD periods and differentials that reflect net peak, compensate for the value that the energy storage has for meeting net peak, have project and program caps that meet the CREP needs and federal project size maximums, and create a streamlined administrative process for inclusion of these hybrid projects.