



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)

**Comments of Center for Sustainable Energy® in response to the Assigned
Commissioner's Ruling Regarding Requirement to Comply with Recently
Adopted Rules for Participation in an SGIP Qualifying Demand Response
Program**

Center for Sustainable Energy®

July 15, 2025

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I. INTRODUCTION

Center for Sustainable Energy® (CSE), as the Self-Generation Incentive Program (SGIP) Program Administrator (PA) for San Diego Gas and Electric (SDG&E) service territory, appreciates the opportunity to provide these Comments in response to the Assigned Commissioner’s Ruling (Ruling) regarding whether the requirement to comply with recently adopted rules for participation in an SGIP qualifying Demand Response (DR) program should be removed for all residential low-income customers applying to the Residential Solar and Storage Equity (RSSE) budget.

II. DR PROGRAM PARTICIPATION SHOULD BE OPTIONAL, RATHER THAN REQUIRED, TO ALLOW SGIP PARTICIPANTS TO DETERMINE FOR THEMSELVES HOW TO OPERATE THEIR SYSTEM.

Decision (D.)24-03-071 required “[a]ll host customers in any storage budget category receiving SGIP incentives ... to enroll in a qualified DR program listed in Appendix E [of the Decision, comprised of] a sub-set of the qualified DR programs that meet criteria established in D.23-12-005 that best serves SGIP program implementation”.¹ As the Commission stated in D.23-12-005, its *Decision Directing Certain Investor-Owned Utilities’ Demand Response Programs, Pilots, and Budgets for the Years 2024-2027*, “[DR] programs encourage reductions, increases, or shifts in electricity consumption by customers in response to economic or reliability signals”,² noting that “[s]uch programs can provide benefits to ratepayers by reducing the need for construction of new generation and the purchase of high priced energy, among others”.³

CSE sees value in DR program participation and supports these goals. Nevertheless, the list of SGIP qualified DR programs in Appendix E of D.24-03-071 constitutes significantly limited program offerings for SGIP customers. These limited DR program offerings do not

¹ D.24-03-071, *Decision Implementing Assembly Bill 209 and Improving Self-Generation Incentive Program Equity Outcomes*, March 21, 2024, page 75.

² D.23-12-005, *Decision Directing Certain Investor-Owned Utilities’ Demand Response Programs, Pilots, and Budgets for the Years 2024-2027*, December 14, 2023, page 2.

³ *Id.*

outweigh the complication they add to SGIP participation, especially where significant efforts have been made and proposed to simplify and streamline the program for applicants.

Moreover, participation in SGIP qualified DR programs presents a significant challenge for customers receiving electric service from entities outside the four major IOUs.⁴ For example, CSE administers SGIP in SDG&E's service territory, where more than 80% of electric customers are served by Community Choice Aggregators (CCAs,) including San Diego Community Power (SDCP) and Clean Energy Alliance (CEA),⁵ customers for whom there is no currently available SGIP qualified DR program approved by the Commission. CSE has submitted two Advice Letters seeking to add a DR program for SDCP,⁶ as well as a Response to CEA's Advice Letter⁷ seeking to add its DR program to the approved list. To date, the Commission has not granted eligibility to these programs. Thus, for CCA customers in SDG&E's service territory, more than four out of five Californians in the service territory of California's third-largest utility presently cannot gain access to the benefits of SGIP. This situation is not unique to CSE's program territory. Multiple CCA DR programs across the state have sought to be added to the approved list of SGIP qualified DR programs but have been rejected for not meeting the outlined requirements. Presently no SGIP qualified DR programs are available to CCA customers without turning to an IOU to meet their needs for electric service.

Furthermore, as CSE has previously noted, energy storage systems operating on the required SGIP approved time-of-use (TOU) rates are currently aligned with the peak periods

⁴ See, e.g., D.24-03-071, page 73.

⁵ San Diego Gas and Electric Company Website: *Community Choice Aggregation*. Available at <https://www.sdge.com/customer-choice/community-choice-aggregation#>

⁶ See, CSE AL 159-E, submitted September 6, 2024; and CSE AL 159-E-A, submitted October 8, 2024; and CSE AL 165-E, submitted May 30, 2025.

⁷ See, *Response of Center for Sustainable Energy® to CEA Advice Letter 12-E: Clean Energy Alliance Advice Letter to Update Qualified Demand Response Program List for AB 209 SGIP Incentives in Compliance with D.23-12-005 and D.24-03-071*, submitted June 4, 2025.

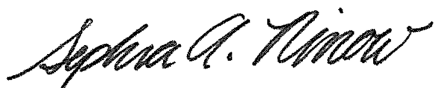
in which DR programs are aimed; therefore, the grid benefit already exists, making required participation in these DR programs unnecessary. In addition, not all customers intend to operate their system beyond energy arbitrage, as TOU ensures, but instead in resiliency mode, which requires extra stored capacity in the battery. Instead of using this extra capacity for a DR program, customers, especially those in rural or High Fire Threat Districts (HFTDs) where power outages are frequent, would want to preserve extra capacity for resiliency during these outages.

Accordingly, DR program participation should be optional in SGIP, rather than required, to allow SGIP participants to determine for themselves how to operate their system.

III. CONCLUSION

CSE appreciates the opportunity to provide these comments in response to the Ruling and encourages the Commission to determine that DR program participation should be optional in SGIP, rather than required, to allow SGIP participants to decide for themselves how best to operate their system.

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