

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



**FILED**

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Order Instituting Rulemaking Regarding  
Policies, Procedures and Rules for the  
California Solar Initiative, the Self-  
Generation Incentive Program and Other  
Distributed Generation Issues.

R.10-05-004

**MOULTON NIGUEL WATER DISTRICT'S  
PETITION FOR MODIFICATION OF DECISION 11-09-015**

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MOULTON NIGUEL WATER DISTRICT

January 30, 2026

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

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues.

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**MOULTON NIGUEL WATER DISTRICT'S  
PETITION FOR MODIFICATION OF DECISION 11-09-015**

In accordance with Rule 16.4 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, Moulton Niguel Water District (District) submits this Petition for Modification (Petition) requesting changes to Commission Decision (D.) 11-09-015.<sup>1</sup> The District requests modification of D.11-09-05 (1) clarifying that an eligible renewable distributed generation resource owned and operated by a local government is reducing demand from the grid by offsetting some or all of the customer's onsite energy load consistent with Public Resources Code section 379.6(e)(1) when it participates in a utility's Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) program and is therefore eligible for Self-Generation Incentive Program (SGIP) incentives for the full capacity of the local government's system, and (2) directing program administrators to file Tier 2 advice letters proposing revisions necessary to implement this modification in the Self-Generation Incentive Program Handbook (SGIP Handbook).

The District filed a Motion for Party Status on March 6, 2025. In anticipation of being granted party status, the District filed its Petition for Modification on July 25, 2025. On August 19, 2025, in an email ruling, the District was granted limited party status to file

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<sup>1</sup> *Decision Modifying the Self-Generation Incentive Program and Implementing Senate Bill 412* (Sept. 16, 2011).

comments and materials related to SGIP and the RES-BCT program. On December 17, 2025, the Commission Docket Office rejected the District's Petition on the grounds that the District only had limited party status in the proceeding. The District sought procedural clarification from Administrative Law Judge Fortune on December 19, 2025 and January 15, 2026 regarding the status of the District's party status and the filing of the Petition. In response to the District's request for procedural clarification via email dated January 21, 2026, ALJ Fortune stated that there had been an inadvertent administrative error and that Rule 1.4(a)(1) automatically provided the District with party status upon the filing of the Petition, and further directed the District to re-file the Petition.

Therefore, the District is re-filing this Petition in accordance with ALJ Fortune's email response and should have full party status to participate in the proceeding pending acceptance of the Petition.

**I. ABOUT MOULTON NIGUEL WATER DISTRICT AND THE PROSPECTIVE SGIP PROJECT**

The District is a public water agency formed in 1960 under the California Water District Act providing water, recycled water, and wastewater collection services for over 170,000 customers across six cities in south Orange County, California. The District pressurizes and maintains nearly 850 miles of mainlines and operates 100 critical assets, including pump stations, flow control facilities, reservoirs, wastewater collection lift stations, and two wastewater treatment plants in its 37 square mile service area. The District's total annual electricity demand is approximately 16,000 megawatt-hours (MWh). Roughly half of the District's electricity is supplied by San Diego Gas & Electric (SDG&E) and the other half is supplied by Southern California Edison Company (SCE).

The District's energy and resiliency goals include generating renewable energy to manage associated energy costs and emissions and exploring technology to enhance reliability of existing energy resources. The District intends to participate in SDG&E's RES-BCT program, which allows a local government to generate electricity at one generating account and transfer excess bill credits to another SDG&E account under the name of the local government.

In May 2024, the District's Board of Directors authorized the purchase of two micro hydropower turbines with pressure regulating valves that will be installed at the Bridlewood Flow Control Facility located in Laguna Hills, CA within SDG&E territory as part of a hydroelectric energy recovery project. Each turbine has a rated capacity of 112 kilowatts (kW) for a total of 224 kW. Using historical pressure and flow data, the turbines are expected to generate approximately 820 MWh annually, which would otherwise be wasted by using mechanical valves, and will offset roughly 5% of the District's system-wide energy demands. The micro hydropower turbines will generate renewable energy on a baseload basis and satisfy the requirements for a qualifying conduit hydropower facility as determined by the Federal Energy Regulatory Commission (FERC).<sup>2</sup> Micro hydropower turbines are considered a "Pressure Reduction Turbine" technology under the SGIP and are consistent with the program's goals.<sup>3</sup> As such, there is precedent for similar systems receiving SGIP funding.<sup>4</sup>

## **II. SUMMARY OF REQUESTED RELIEF**

The District requests the Commission authorize minor changes to D.11-09-015, and specifically to the SGIP Handbook which resulted from that Decision, that would allow the SGIP Program Administrators to extend SGIP incentives for the self-generation capacity necessary to

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<sup>2</sup> 88 Fed. Reg. 37064 (June 6, 2023).

<sup>3</sup> D.11-09-015 at 20.

<sup>4</sup> *See, e.g.*, D.11-09-015.

serve the full loads of the District's designated benefitting accounts and not just the portion of the system serving onsite load at the generating account. More specifically, the Commission should clarify that the SGIP program allows qualified renewable distributed generation resources to be eligible for SGIP incentives for the full capacity of the system under a utility's RES-BCT program.

Under Public Utilities Code section 379.6(e)(1), SGIP eligibility is limited to distributed energy resource technologies that, in part, reduce demand from the grid by offsetting some or all of the customer's onsite energy load. This is interpreted in the SGIP Handbook as applying to one account where the self-generating asset is physically located. The RES-BCT program, however, allows local governments participating in the tariff to oversize their systems where electricity is not exported to the grid but is used to offset load at other eligible local government accounts. In other words, RES-BCT broadens the definition of self-generation for a user's own consumption from just a singular site to self-generation for a larger portfolio of accounts in the name of a local government. The SGIP, however, does not take this concept into consideration and should be clarified or modified. Therefore, the Commission should clarify that an eligible renewable distributed generation resource owned and operated by a local government is reducing demand from the grid by offsetting some or all of the customer's onsite energy load consistent with Public Resources Code section 379.6(e)(1) when it participates in a utility's RES-BCT program and is therefore eligible for SGIP incentives for the full capacity of the local government's system. The Commission should also direct program administrators to file Tier 2 advice letters proposing revisions necessary to implement this modification in the SGIP Handbook. Aligning the definitions and policy goals of RES-BCT and SGIP would allow the District, and other water districts considering this renewable energy technology, to more fully

participate in the SGIP, which would create a greater incentive for water utilities to self-generate baseload clean energy and support greater adoption of this technology by the market.

Exhibit A, attached hereto, contains the specific wording of Ordering Paragraph 2 of D.11-09-015 which the District seeks to change.

### **III. PROCEDURAL BACKGROUND**

In compliance with Rule 16.4(d), the Petition must explain why the petition could not have been presented within one year of the effective date of D.11-09-015. At the time of the decision, over 13 years ago, the District was not considering micro hydropower turbines or other Pressure Reduction Turbine technology because at that time there were not yet any cost-effective options on the market that fit the District's operational needs. Therefore, the District could not have brought the Petition within one year of the issuance of D.11-09-015.

The District has not been a party to this proceeding, and in accordance with Rule 16(e), the Petition must state specifically how the petitioner is affected by the decision and why it did not participate in the proceeding sooner. When D.11-09-015 was issued in September 2011, the District was not yet exploring the integration of micro hydropower turbines or other Pressure Reduction Turbine technology into its operations under the SGIP. The District now intends to integrate micro hydropower turbines into its operations and utilize the SGIP program; therefore, the agency is now affected by portions of D.11-09-015 and the ensuing SGIP Handbook that describe SGIP incentives as applicable only to *onsite* customer load and not to other District accounts allowed by SDG&E's RES-BCT tariff. Therefore, the District did not have a recognizable interest as a party to the proceeding. The District was granted limited party status on August 19, 2025; however, due to an administrative error should have had full status on July 25, 2025 when it filed its original Petition. The District's party status has since been

clarified in an email response to the District's procedural clarification, dated January 20, 2026, stating that the District has full party status by virtue of re-filing this Petition.

In accordance with Program Modification Guidelines as outlined in D.03-08-013, consideration of new technologies and/or SGIP rule changes, a Program Modification Request (PMR) must be submitted to the SGIP Working Group to determine if the SGIP Working Group will support the PMR.<sup>5</sup> If the PMR is minor and does not require modification to a prior Commission decision or order, the working group can make the appropriate change to the handbook. If the PMR requires modification to a prior Commission decision or order or addresses large programmatic or substantive issues, the working group reviews the PMR and makes a recommendation to support or oppose the PMR and drafts a summary of the discussion, so that any Petition for Modification filed by an applicant will have the benefit of the change being vetted before submittal to the Commission.

On August 23, 2024, the District submitted a PMR to the SGIP Working Group requesting revision to the existing SGIP rules regarding how incentivized load is determined for projects participating in RES-BCT.<sup>6</sup> The current version of the SGIP Handbook indicates that project sizing is based on the annual demand of the site on which the SGIP project is located, rather than the portfolio-wide demand of the local government integrating the SGIP project.<sup>7</sup> The District requested that the SGIP incentive approach be updated to consider the energy demand of the full portfolio that the SGIP project will be supporting, rather than just the singular site load. Doing so would allow for system oversizing at the Bridlewood Flow Control Facility,

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<sup>5</sup> D.03-08-013, *Interim Opinion Adopting Process for Adding Technologies and Making Other Changes to Self-Generation Incentive Program*, Attachment 2 (Aug. 22, 2003).

<sup>6</sup> *Program Modification Request Form*, attached hereto as Exhibit B.

<sup>7</sup> SGIP Handbook at 60 (sizing based on 100% Annual Energy Consumption and compliance with RES-BCT 5 MW cap per site).

which could accommodate the District’s portfolio-wide energy demand, as opposed to solely the onsite demand at the Bridlewood Facility itself. On October 16, 2024, the District presented at the SGIP Program Administrators’ weekly Working Group meeting where the program administrators had an opportunity to discuss the District’s request and to ask questions which were answered by the District’s staff.<sup>8</sup> The program administrators continued to discuss the District’s request in subsequent Working Group meetings. On November 13, 2024, the sponsoring program administrator, Center for Sustainable Energy (CSE), recorded its support for the District’s PMR. CSE filed comments in support of this proposed change on August 22, 2025.<sup>9</sup> The other program administrators in the Working Group maintained a neutral stance on the PMR.<sup>10</sup> CSE acknowledged receipt of the District’s SGIP Reservation Request application on November 20, 2025.<sup>11</sup> Review of the application is on hold pending disposition on the District’s Petition here.

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<sup>8</sup> Moulton Niguel Water District, *Program Modification Request for SGIP Program for RES-BCT Projects* (Oct. 16, 2024), attached hereto as Exhibit C.

<sup>9</sup> CSE’s comments noted that “*a mere 14 SGIP Generation Budget projects have been completed in CSE’s program territory*” and that “*no Generation Budget applications have yet been submitted in the 2025 calendar year, and as of this Response’s filing date, only 131 days remain for additional application submissions before the last SGIP applications are anticipated to be accepted on December 31, 2025.*” Additionally, CSE’s comments noted that “[*t]he Generation Budget in CSE’s SGIP territory has approximately \$1.6 million remaining in available incentive funds. The Moulton Niguel Water District’s (MNWD) Bridlewood Flow Control Facility has the capability to offset considerable electric demand with its 224 kW micro hydropower turbine project. If the Commission chooses not to grant the PFM, the program and CSE’s SGIP territory face the potential of stranding program funds and approximately 820 MWh of annual energy ... [t]he system and application proposed by MNWD will offset roughly 5% of MNWD’s system-wide energy demand, which is in alignment with the intent of the SGIP.*”

<sup>10</sup> Email from D. Tzamaras, Sr. Mgr. Distributed Energy Resources, Center for Sustainable Energy, to L. Stuvick, Sustainable Resources Officer, Moulton Niguel Water District, re SGIP Application (Jan. 14, 2025), attached hereto as Exhibit D.

<sup>11</sup> See SGIP RRF Review Receipt, Moulton Niguel Water District [SD-SGIP-2025-14270], attached hereto as Exhibit E.

#### IV. PETITION JUSTIFICATION

Eligibility for incentives under the SGIP are limited to distributed energy resource technologies that shift onsite energy use to off-peak time periods or reduce demand from the grid by offsetting some or all of the customer's *onsite* energy load.<sup>12</sup> On September 8, 2011, the Commission adopted D.11-09-015 to implement Senate Bill (SB) 412 (Kehoe, 2009), which established, among other things, that projects eligible for the SGIP program must be sized to meet a customer's *onsite* load.<sup>13</sup> Ordering Paragraph 2 of D.11-09-015 then directs the SGIP program administrators to file Tier 2 advice letters which propose SGIP Handbook revisions necessary to implement D.11-09-015, summarized in Attachment A of the decision.<sup>14</sup>

The District respectfully requests revision of D.11-09-015 and the language used in the resulting SGIP Handbook in order to consider the District's portfolio-wide energy demands as opposed to solely the on-site demand at the Bridlewood Flow Control Facility itself where the micro turbines will be located when calculating the District's SGIP incentive. Doing so would better align the elements of the RES-BCT and SGIP programs, would provide incentives for the District as well as other public water utilities to implement renewable energy projects, and would alleviate barriers to entry for emerging clean energy technologies such as pressure-reducing turbines.

The District's request is consistent with the SGIP Statement of Purpose adopted in D.11-09-015.<sup>15</sup> The goals in the SGIP Statement of Purpose include greenhouse gas (GHG) emissions reductions, demand reduction and reducing customer electricity purchases, electric system reliability through improved transmission and distribution system utilization, and market

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<sup>12</sup> Pub. Util. Code § 379.6(e)(1).

<sup>13</sup> D.11-09-015 at 24, 25.

<sup>14</sup> *Id.* at 70.

<sup>15</sup> *Id.* at 7.

transformation for distributed energy resource technology. The District's request would reduce GHG emissions because it would allow the District to harness the full potential of the energy generated by the water flow at the Bridlewood facility to create GHG-free electricity that will offset the District's consumption of electricity from other non-GHG-free sources throughout its entire operational footprint. Similarly, the District's request, if granted, will reduce the District's demand for electricity from the grid, not only onsite but also portfolio-wide, and therefore reduce the amount of electricity that the District will need to purchase. Additionally, granting the District's request will foster reliability because it will reduce demand on the grid, especially during peak hours, since the hydropower generated by the Bridlewood facility will be continuously available rather than intermittent like solar or wind. Furthermore, the District's request will stimulate market transformation for distributed energy resource technology because it will provide additional incentives for other water districts to adopt similar technology solutions in order to harness the vast potential energy at their facilities that would otherwise go to waste, and instead convert it into useful and needed electricity.

The issue of extending SGIP incentives to designated benefitting accounts as in the case of the RES-BCT program has also been previously raised and supported by the Energy Division in a 2010 Staff Proposal in R.10-05-004 regarding modifications to the SGIP.<sup>16</sup> In comments, Energy Division staff recommended the Commission clarify that RES-BCT customers receive SGIP credits for the full capacity of the system up to RES-BCT limits regardless of where the generation is installed.

AB 2466 (Laird, 2008) – The Renewable Energy Self-Generation  
Bill Credit Transfer (RES-BCT) program allows qualifying local

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<sup>16</sup> *Administrative Law Judge's Ruling Requesting Comments on Staff Proposal Regarding Modifications to the Self-Generation Incentive Program*, Self Generation Incentive Program (SGIP) Staff Proposal: September 2010, Attachment 1, p. 50 (Sept. 30, 2010), available at: <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=34772>.

governments to allocate bill credits from one or more eligible renewable distributed generation resources to multiple bill accounts of the same local government. These bill credits do not constitute a sale per se, and therefore staff recommends that the Commission clarify that eligible distributed generation resources participating in the AB 2466 program be allowed to receive SGIP incentives for the self-generation capacity necessary to serve the full loads of the designated benefitting accounts, not just the portion of the system serving on-site load at the generating account. This is distinct from the way the CSI treats its incentives. CSI limits incentives to on-site load only, and therefore a CSI system participating in RES-BCT is currently only eligible for incentives up to the load at the site where the generation is installed. Any excess generation installed to generate credits would not be eligible for CSI incentives. However, SGIP has no such size-to-load restriction, and therefore staff recommends that RES-BCT customers receive SGIP incentives for the full capacity (up to 1 MW, per the rules of RES-BCT) of the system—regardless of the load at the site where the generation is installed.<sup>17</sup>

CSE, the SGIP program administrator in this case, supported this portion of the Staff Proposal stating “[w]e support Staff’s recommendation ... [a]llowing RES-BCT customers to receive SGIP incentives for the capacity eligible under the AB 2466 program, regardless of onsite load, may be enough to tip the balance and drive greater installation of DER technologies.”<sup>18</sup>

Granting this Petition will better align the RES-BCT and SGIP programs, provide incentives for public water utilities to implement renewable energy projects, and alleviate barriers to entry for emerging clean energy technologies. This Petition also supports the goals of the SGIP Statement of Purpose by reducing GHG emissions, reducing demand and customer electricity purchases, improving system reliability, and stimulating market transformation for distributed energy resource technology. The Petition is further supported by a previous Staff

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<sup>17</sup> *Id.*, Attachment 1 at 50, available at <https://docs.cpuc.ca.gov/PublishedDocs/EFILE/RULINGS/124214.PDF>.

<sup>18</sup> Center of Sustainable Energy, *Comments of the California Center for Sustainable Energy in Response to Administrative Law Judge’s Ruling Requesting Comments on Staff Proposal Regarding Modifications to the Self-Generation Incentive Program* at 15 (Nov. 15, 2010), available at <https://docs.cpuc.ca.gov/PublishedDocs/EFILE/CM/126561.PDF>.

Proposal in the proceeding and the program administrator, Center for Sustainable Energy, with a neutral stance by other SGIP Program Administrators in the Working Group.

**V. CONCLUSION**

For the reasons stated above, the District respectfully requests that the Commission grant this Petition and modify D.11-09-015 to (1) clarify that an eligible renewable distributed generation resource owned and operated by a local government is reducing demand from the grid by offsetting some or all of the customer's onsite energy load consistent with Public Resources Code section 379.6(e)(1) when it participates in a utility's RES-BCT program and is therefore eligible for SGIP incentives for the full capacity of the local government's system, and (2) direct program administrators to file Tier 2 advice letters proposing revisions necessary to implement this modification in the SGIP Handbook.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ryan M. F. Baron", is written over a horizontal line.

Ryan M. F. Baron  
BEST BEST & KRIEGER LLP

January 30, 2026

EXHIBIT A

## Exhibit A

### Moulton Niguel Water District's Proposed Changes to Ordering Paragraph 2 of D.11-09-015

The detailed modifications contemplated are noted below (proposed additions double underlined).

2. Within 30 days of the effective date of this decision, the program administrators for the Self-Generating Incentive Program shall file Tier 2 advice letters that propose:
  - Handbook revisions necessary to implement this decision, including clarification that eligible distributed generation resources be allowed to receive SGIP incentives for the self-generation capacity necessary to serve the full loads of the designated benefitting accounts and not just the portion of the system serving onsite load at the generating account, and as summarized in Attachment A;

EXHIBIT B

# Program Modification Request Form

Applicant Name:	Lindsey Stuvick	Address:	26161 Gordon Road Laguna Hills, CA 92653
Title:	Sustainable Resources Officer		
Company:	Moulton Niguel Water District	Fax:	
Telephone:	(949) 831-2500	E-mail:	LSTUVICK@MNWD.COM

Check One – Request for  *New Technology* or  *Program Rule Modification*

For *New Technology*

Technology Name: \_\_\_\_\_

Check One –  *Level 1*  *Level 2*  *Level 3-R*  *Level 3-N*

For *Program Rule Modification*

Program Rule Modification Name: D.11-09-015; Public Utilities Code § 379.6 (e)(1)

### Screening Checklist:

The Applicant (App) & Sponsoring Program Administrator (SPA) must check that each screening criterion has been addressed in the proposal by checking the appropriate list of boxes below.

New Technology	App	SPA
Applicable to California electric customers.	<input type="checkbox"/>	<input type="checkbox"/>
Can be sized to operate at or below the site peak demand.	<input type="checkbox"/>	<input type="checkbox"/>
Equipment life is at least 20 years or has sufficient ratepayer & social benefits.	<input type="checkbox"/>	<input type="checkbox"/>
Needs financial assistance or has sufficient ratepayer & social benefits.	<input type="checkbox"/>	<input type="checkbox"/>
Equipment is safe and practical to install and operate.	<input type="checkbox"/>	<input type="checkbox"/>
Can meet utility interconnection requirements.	<input type="checkbox"/>	<input type="checkbox"/>
No significant environmental impacts.	<input type="checkbox"/>	<input type="checkbox"/>
Meets current SGIP equipment eligibility or concurrent rule change proposal included.	<input type="checkbox"/>	<input type="checkbox"/>

Program Rule Modification	App	SPA
Does not conflict with existing utility tariffs or rules.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does not violate local, state or federal laws and regulations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does not decrease SGIP cost effectiveness.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Incentive modifications based on economic & social benefits.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does not increase costs for SGIP Applicants, Host Customers or Administrators in development, submission or processing applications.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Preserves the intent of the SGIP.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The undersigned declares under penalty of perjury under the laws of the State of California that the information provided in this form is true, accurate and complete.

Applicant Signature: Lindsey Stuvick Date: 8/23/24

# Program Modification Request Form

(To be filled in by Sponsoring Program Administrator)  
 Application #: \_\_\_\_\_

## SPONSORING ADMINISTRATOR USE ONLY

Sponsoring Administrator:  SoCalGas  SDREO  
 (Check One)  SCE  PG&E

SPA Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Milestone Dates:

Milestone	Date Completed	Comments/Notes
First Draft Received		
Application Deemed Complete		
Application Distributed to Working Group		
Application Presentation to Working Group		
Working Group Proposed Recommendations Complete		
Recommendations Forwarded to Applicant		
Applicant's Comments Received		
Working Group Final Recommendation Complete		
Energy Division Submission to Assigned Commissioner		
Assigned Commissioner's Ruling		
Commission Decision		
Modification Implemented		

## SGIP Program Modification Request Form

Requestor: Moulton Niguel Water District

Date: August 23, 2024

### INTRODUCTION

Moulton Niguel Water District (Moulton Niguel or District), is a public water agency that provides water, recycled water, and wastewater collection services for over 170,000 across six cities in south Orange County, California. The District pressurizes and maintains over 850 miles of mainlines and operates 100 critical assets, including pump stations, flow control facilities, reservoirs, wastewater collection lift stations, and a wastewater treatment plant in its 37 square mile service area. The District's total annual electricity demands amount to roughly 16,000,000 kWh. Approximately half of the District's electricity is sourced from San Diego Gas & Electric (SDG&E) and the other half is sourced from Southern California Edison (SCE).

Moulton Niguel's energy and resiliency goals include generating renewable energy to manage associated energy costs and emissions and exploring technology to enhance reliability of existing energy resources. Therefore, in May 2024, the District's Board of Directors elected to purchase two micro hydropower turbines with pressure regulating valves from InPipe Energy, which will be installed at the Bridlewood Flow Control Facility in 2025. Each turbine has a rated capacity of 112 kW. Using historical pressure and flow data, the turbines are expected to generate approximately 820,000 kWh annually, which would otherwise be wasted by using mechanical valves, and will offset roughly 5% of the District's system-wide energy demands. Micro hydropower turbines, like those manufactured by InPipe, have the potential to generate renewable energy 24/7. Per previous discussions with the Center for Sustainable Energy, micro hydropower turbines are SGIP-compliant technology under the "Pressure Reduction Turbine" category and there is precedent for similar systems receiving funding under SGIP.

### DESCRIPTION OF PROPOSED MODIFICATION

As a local government agency, the District intends to participate in the Renewable Energy Self-Generation Bill Credit Transfer program (RES-BCT), which allows public agencies to generate energy at a site and apply bill credits to designated accounts owned and operated by the District. Total energy demands at the Bridlewood Flow Control Facility amount to roughly 14,000 kWh annually, so the District is expecting to self-supply an additional 805,000 kwh annually in RES-BCT bill credits.

The SGIP currently restricts incentives to systems sized to meet the customer's peak onsite load, as defined by Public Utilities Code § 379.6 (e)(1). However, there are exceptions for customers participating in RES-BCT and other tariffs that allow for system oversizing. In essence, RES-BCT broadens the definition of self-generation for a user's own consumption from a singular site to self-generation for a portfolio of sites operated by a local government.

The District is submitting the attached SGIP Program Modification Request to the Center for Sustainable Energy to request that the SGIP Work Group and California Public Utilities Commission take a similar policy lens as RES-BCT when considering the District's SGIP application, specifically that the District's system-wide energy demand be considered, as opposed to the site demand at the Bridlewood Flow Control Facility, when calculating the District's SGIP incentive. Aligning these definitions and policy goals would allow the District, and other water districts considering this renewable energy technology, to more fully participate in the SGIP program and create a greater incentive for water utilities to self-generate base load clean energy. Note that this request is highly aligned with the CPUC's goals for the SGIP program as it would both broaden support for new and emerging distributed energy resources and resiliency projects.

#### RATIONALE FOR PROPOSED CHANGE

The proposed modification to Public Utilities Code § 379.6 (e)(1) is necessary to:

- Resolve inconsistencies in state energy programs (RES-BCT and SGIP)
- Provide incentive for public water utilities to implement renewable energy projects
- Remove barriers to emerging clean energy technologies

If modifications are not made to Public Utilities Code § 379.6 (e)(1), then:

- The District's renewable energy project is less viable
- Conflicting rules for SGIP and RES BCT will continue to limit self-supplied renewable energy capacity for public agencies
- There is less incentive for rate payers to adopt innovative renewable energy technologies

Note that this request is consistent with comments for D.11-09-015 from both the California Center for Sustainable Energy and the CPUC Energy Division Staff's own recommendations on the matter:

- The CPUC Energy Division Staff commentary states: "However, SGIP has no such size-to-load restriction, and therefore staff recommends that RES-BCT customers receive SGIP incentives for the full capacity (up to 1 MW, per the rules of RES-BCT) of the system—regardless of the load at the site where the generation is installed."
- CSE's comments state: "We support Staff's recommendation.... Allowing RES-BCT customers to receive SGIP incentives for the capacity eligible under the AB 2466 program, regardless of site load, may be enough to tip the balance and drive greater installation of DER technologies."

#### COSTS AND BENEFITS TO HOST CUSTOMERS AND RATEPAYERS

The District's direct project costs consist of planning, product manufacturing, construction, and

installation costs.

Planning	\$200,000
Manufacturing	\$600,000
Construction/Installation	\$500,000
<hr/>	
Total Project Cost	\$1,300,000

The SGIP incentive pays \$2/Watt. The two-turbines together have a 220 kW capacity. The total SGIP incentive would amount to \$440,000 or just over 30% of the total project costs. Note: At an energy value of \$0.10/kWh, and an assumed project life of 30 years, this project will result in a \$2.4 million savings.

*Quantify (including both supporting assumptions and calculations) the magnitude for each on a statewide basis (e.g., peak load reduction, environmental, system reliability, etc.).*

- 500 additional equivalent sites at public water delivery agencies state-wide, would produce up to 110 megawatts of peak load reduction
- At 50% utilization, 480,000 megawatt hours would contribute to improving system wide reliability
- The CO2 emission offset rate for California is 481 pounds/megawatt hour (USEIA). Therefore, the environmental benefit would be an emissions reduction of 105,000 metric tons of CO2

#### PROS AND CONS OF PROPOSED MODIFICATION

*The following "Pros" were identified in support of the proposed modification for program participants, the energy utility, and ratepayers:*

Program Participant:

The proposed modification shall result in a substantial incentive which:

- Helps enable the installation of a self-generation asset that serves to reduce operating costs, offsets emissions, and improves resiliency for mission critical water infrastructure facilities.
- Removes regulatory inconsistency between SGIP and RES-BCT programs.
- Enables Program Participant to capture energy from pressure regulation that would otherwise be wasted

Utility:

This modification will serve to reduce peak loads and improve grid stability. In this instance, the proposed modification would support self-generation technology that produces clean, renewable energy 24 hours a day, as opposed to more intermittent sources of energy such as

solar and wind.

Ratepayer:

Supporting the installation of distributed generated assets which in turn will reduce transmission and grid costs. This stimulates economic activity including supporting small businesses (suppliers of equipment and services to the project)

*The following "Cons" were identified in support of the proposed modification for program participants, the energy utility, and ratepayers:*

Program Participant:

N/A

Utility:

Reduced energy delivery volume

Ratepayer:

Cost of payment to Program Participant

EXHIBIT C



**moulton niguel** water district

# Program Modification Request for SGIP Program for RES- BCT Projects

**October 16, 2024**



# About Moulton Niguel



**Drinking-Water, Recycled Water, and Wastewater Treatment**



**Serve 170,000+ Customers in 6 Cities in South Orange County**



**7-Member Board of Directors**



**180 Employees**



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**William Moorhead**  
Director



**Sherry Wanninger**  
Director

# Energy Overview

- MNWD serves 37 square miles across 6 cities
- Over 100 SDG&E and SCE electric meters
- Total energy demands exceed 16 GWh annually
- Operate several dozen critical facilities, including pump, flow control, and lift stations, reservoirs, and wastewater treatment facilities
- Small lots limit potential for solar and wind
- Best option: in-conduit hydropower



# In-Conduit Hydropower

- Located at Bridlewood Flow Control Facility
- Generate energy & manage pressure
- 224 kW system (MOVs 2&3)
- Est. production: 820,000 kWh annually
- Current demand: 12,000 kWh annually
- Turbines are expected to offset 5% of the District's total energy demands



# Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT)

- Allows local governments to self-generate energy & apply bill credits to its other electric accounts
- 12.753 MW of 20.25 MW capacity remaining in SDG&E program
- Installing net-generation output meter (NGOM) to receive RES-BCT tariff

# SGIP Disconnect with RES-BCT

- A SGIP program objective is to support deployments of emerging onsite renewable energy generation technologies including pressure reducing turbines in water infrastructure
- There is a disconnect between the SGIP and RES-BCT
  - RES-BCT allows for self generation up to 5 MW per generating account, government agencies can designate up to 50 accounts for bill credits
  - However, the SGIP program limits the capacity generation to 100% of onsite loads, and imposes a maximum of 25% export on an annual basis

# SGIP Program Modification Request

- The SGIP currently restricts incentives to systems sized to meet the customer's peak onsite load, as defined by Public Utilities Code § 379.6 (e)(1).
- The District is requesting that CSE's SGIP Work Group and California Public Utilities Commission take a similar policy lens as RES-BCT when considering the District's SGIP application;
  - **Specifically, that the District's system-wide energy demand be considered, as opposed to the site demand at the Bridlewood Flow Control Facility, when calculating the District's SGIP incentive (up to the 5 MW RES-BCT limit).**
- The SGIP Handbook (8/1/23) states that RES-BCT project sizing is "Based on 100% Annual Energy Consumption" in Table 7.3b. The District is requesting a clarification and or change to allow for inclusion of the system-wide consumption (up to 50 meters) .

# Rationale for Proposed Change

The proposed modification to Public Utilities Code § 379.6 (e)(1) is necessary to:

- Resolve inconsistencies in state energy programs (RES-BCT and SGIP)
- Provide incentive for public water utilities to implement renewable energy projects

If modifications are not made to Public Utilities Code § 379.6 (e)(1), then:

- Conflicting rules for SGIP and RES BCT will continue to limit self-supplied renewable energy capacity for public agencies
- There is less incentive for rate payers to adopt innovative renewable energy technologies

Note that this request is consistent with comments for D.11-09-015 from both the California Center for Sustainable Energy and the CPUC Energy Division Staff's own recommendations on the matter:

- The CPUC Energy Division Staff commentary states: "However, SGIP has no such size-to-load restriction, and therefore staff recommends that RES-BCT customers receive SGIP incentives for the full capacity (up to 1 MW, per the rules of RES-BCT) of the system—regardless of the load at the site where the generation is installed."
- CSE's comments state: "We support Staff's recommendation.... Allowing RES-BCT customers to receive SGIP incentives for the capacity eligible under the AB 2466 program, regardless of site load, may be enough to tip the balance and drive greater installation of DER technologies."

## EXHIBIT D



Outlook

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**Re: [CAUTION]Re: Follow Up - Moulton Niguel Water District SGIP Application**

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**From** Lindsey Stuvick <LStuvick@mnwd.com>**Date** Tue 1/21/2025 10:06 AM**To** Dema Tzamaras <demetra.tzamaras@energycenter.org>**Cc** Jess Hilton <Jessica.Hilton@energycenter.org>; David Frost <david@inpipeenergy.com>; John Robinson <john@inpipeenergy.com>; Todd Dmytryshyn <TDmytryshyn@mnwd.com>; Bryan Hong <BHong@mnwd.com>; Shalene Watanabe-O'Toole <shalene.watanabe-otoole@energycenter.org>

Thanks so much, Deman!

I appreciate you putting this together. I will share with our internal team.

Cheers,  
Lindsey

---

**From:** Dema Tzamaras <demetra.tzamaras@energycenter.org>**Sent:** Tuesday, January 14, 2025 2:21 PM**To:** Lindsey Stuvick <LStuvick@mnwd.com>**Cc:** Jess Hilton <Jessica.Hilton@energycenter.org>; David Frost <david@inpipeenergy.com>; John Robinson <john@inpipeenergy.com>; Todd Dmytryshyn <TDmytryshyn@mnwd.com>; Bryan Hong <BHong@mnwd.com>; Shalene Watanabe-O'Toole <shalene.watanabe-otoole@energycenter.org>**Subject:** RE: [CAUTION]Re: Follow Up - Moulton Niguel Water District SGIP Application

Hi Lindsey,

Please see PA response and stances below:

In August 2024, the Moulton Niguel Water District (Moulton) submitted a PMR to the SGIP Working Group requesting a revision to the existing SGIP rules regarding how incentivized load is determined for projects participating in RES-BCT. The current SGIP Handbook states that RES-BCT project sizing is based on the annual demand of the site on which the SGIP system is located, rather than the District-wide demand. Moulton is requesting that the SGIP incentive approach be updated to consider the demand of the full portfolio the SGIP system will be supporting rather than the single site load.

Moulton attended and presented at the PA's weekly working group meeting on 10/16/2024. In this meeting, the PAs had the opportunity to discuss this topic and ask questions. The PAs continued to discuss in following working group meetings, and on 11/6/2024 the PAs provided their stances/feedback with respect to the PMR. CSE, the sponsoring PA, recorded their support of the PMR. The remaining PAs, SoCalGas, SCE, and PG&E, maintained a neutral stance on the PMR.

Please let me know if you have any questions or need any further guidance.

Thanks,  
Dema

**Demetra (Dema) Tzamaras, P.E.** (She/her)  
Senior Manager, Distributed Energy Resources  
**Center for Sustainable Energy®**

Learn more about our mission to decarbonize at [EnergyCenter.org](https://www.energycenter.org).

*Note, my working hours may be different than your working hours.*

*Please do not feel obligated to respond outside of your normal working hours.*

EXHIBIT E

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**From:** noreply@selfgenca.com <noreply@selfgenca.com>  
**Sent:** Thursday, November 20, 2025 10:41 AM  
**To:** Lindsey Stuvick <LStuvick@mnwd.com>  
**Subject:** [CAUTION]SGIP RRF Review Receipt, Moulton Niguel Water District [SD-SGIP-2025-14270]

You don't often get email from noreply@selfgenca.com. [Learn why this is important](#)



11/20/25

Dear Lindsey Stuvick,

Thank you for interest in the Self Generation Incentive Program (SGIP). This e-mail serves to confirm that we are reviewing your Reservation Request application for the following SGIP project:

<b>Project ID:</b>	SD-SGIP-2025-14270
<b>Host Customer:</b>	Moulton Niguel Water District
<b>Site Address:</b>	25483 Bridlewood Dr. Laguna Hills, CA 92653
<b>Equipment Type:</b>	Pressure Reduction Turbine
<b>Energy Storage Capacity:</b>	kWh

<b>Rated Capacity:</b>	224.000 kW
<b>Incentive Step:</b>	Generation Step 3
<b>Requested Incentive:</b>	\$448,000.00

A detailed review of the Reservation Request application will be performed to ensure that all program requirements have been satisfied. If it is found that documents are missing or clarifications are needed, a request for this information will be issued and you will have 15 days to submit the missing information. Once the Reservation Request is deemed complete, you will receive a Reservation Notice Letter. Please note that incentive funds are only reserved for you once you have received this Reservation Notice Letter.

Complete program information, including required incentive application documents, submittal deadlines and application fee requirements are available in the SGIP Handbook.

Should you have any questions or concerns regarding this matter, please feel free to contact us at [sgip@energycenter.org](mailto:sgip@energycenter.org) or (858) 244-1177.

Best,

Center for Sustainable Energy

**CAUTION:** This email originated from outside of the District's eMail system. DO NOT click links or open attachments unless you recognize the sender and know the content is safe.



**Lindsey Stuvick** | Sustainable Resources Officer  
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