BEFORE THE PUBLIC UTILITIES COMMISSION OF THE

STATE OF CALIFORNIA

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SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) MOTION FOR RELIEF

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I.

INTRODUCTION

Pursuant to Rule 11.1 of the California Public Utilities Commission's (Commission's or CPUC's) Rules of Practice and Procedure, Southern California Edison Company (SCE) respectfully requests relief for a certain subset of customers seeking to participate in the Self-Generation Incentive Program (SGIP). Specifically, and as further described in Sections II-III below, this Motion requests that the Commission waive the SGIP's Qualified Demand Response Program (QDRP) enrollment requirement for a certain subset of departing load customers[1] who are not allowed to enroll in a QDRP because these customers are enrolled in SCE Schedule MB-E (Medical Baseline Exemption)[2] (Limited Waiver Customers).

SCE approximates there are close to 100 Limited Waiver Customers.[3] Without a waiver of the SGIP QDRP enrollment requirement, these Limited Waiver Customers' SGIP applications will expire

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[1] Departing load customers continue to receive transmission and distribution service from SCE but obtain some or all of their electric generation from a source other than SCE's bundled utility service. This Motion specifically addresses departing load customers that are Community Choice Aggregator (CCA) customers (customers whose generation is procured by a CCA rather than SCE).

[2] Schedule MB-E is available at https://www.sce.com/regulatory/regulatory-information/tariff-books/rates-pricing-choices.

[3] This is the current estimate as of this filing. Although SGIP is no longer accepting applications, this estimate may change if an SCE bundled customer who applied to the program leaves SCE's bundled service for a CCA.

under program rules, and those customers will permanently lose access to incentives, which could cause financial burden or harm.

II.

BACKGROUND

A. SGIP

The Commission established SGIP in Decision (D.)01-03-073 in response to Assembly Bill (AB) 970.[4] Since 2001, the California State Legislature has refined and extended the SGIP several times. Currently, SGIP provides financial incentives for the installation of eligible behind-the-meter (BTM) distributed generation and energy storage technologies that meet all or a portion of a customer's electricity needs.[5] In September 2022, Governor Newsom signed AB 209 which, among other things, added Public Utilities Code (PUC) Section 379.10 to provide funding for combined solar and storage incentives to California residential customers.[6]

When an SCE customer applies for an incentive under SGIP, the application must show that the applicant meets the program's eligibility criteria in accordance with the program's handbook.[7] Once an application is submitted, the application is reviewed to ensure it meets program requirements. If it does not, projects may receive extensions to provide the applicant an opportunity to meet program requirements. Specifically, the program rules allow for up to three six-month extensions beyond the original Incentive Claim Form deadline, providing a maximum of eighteen additional months to meet program requirements.[8] If an applicant cannot meet requirements within the extension period, their

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4 AB 970 directed the Commission to provide incentives for distributed generation resources to reduce peak energy demand.

5 D.24-03-071, p. 4.

6 *Id.* at p. 6.

7 SGIP Program Handbook, available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/self-generation-incentive-program/2025-sgip-handbook-v1.pdf (*SGIP Program Handbook*).

8 *Id.* at pp. 17-18.

incentive reservation is at risk of expiring, which would mean the customer would lose the SGIP reservation and funding.[9]

B. SGIP QDRP Requirement

In Decisions D.24-03-071[10] and D.25-12-003[11], the Commission adopted requirements that certain SGIP participants must enroll in a QDRP as a condition of receiving SGIP incentives. The Commission adopted the requirement to align SGIP-funded storage resources with demand response (DR) and peak load reduction objectives.[12]

Within SCE's service territory, the Commission authorized two QDRPs that may be used to satisfy the SGIP QDRP enrollment requirement: Critical Peak Pricing (CPP)[13] and Capacity Bidding Program-Elect (CBP-E).[14] Of these two SGIP QDRPs, CBP-E is the only approved option available to departing load customers.[15]

Under the CBP-E, customers may earn incentives by reducing electricity use during high-demand periods, helping maintain grid reliability during critical conditions.[16] MB-E customers regularly

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[10] D.24-03-071, Ordering Paragraph (OP) 21 (ordering Program Administrators (PAs) to "ensure that incentive applicants are required to enroll in an approved qualified Demand Response program as described in Appendix E and Section 12.3 of this Decision"). The PAs for SGIP include Pacific Gas & Electric, SCE, the Southern California Gas Company, and the Center for Sustainable Energy. *SGIP Program Handbook,* p. 9.

[11] D.25-12-003, Conclusion of Law (COL) 3.a., pp. 58-59 (removing the QDRP enrollment requirement for approved applications for all residential low-income customers under the Residential Solar and Storage Equity (RSSE) budget).

[12] D.24-03-071, p. 6 ("Among these outcomes are increasing individual customer resiliency, reducing the electrical grid's net peak demand, reducing electric ratepayer costs, and reducing emissions of greenhouse gases and localized air pollution").

[13] D.24-03-071, Appendix E; Advice 5531, p. 12.

[14] Energy Division approved SCE's CBP-E as an SGIP QDRP in SCE Advice 5531-E and 5531-E-A.

[15] CPP is only available to eligible SCE bundled customers; departing load customers cannot enroll onto CPP without electing to opt-out of their CCA service.

[16] SCE, *CBP-E Direct Participation*, available at https://www.sce.com/save-money/savings-programs/ways-to-save-at-home/what-is-demand-response/capacity-bidding-program-elect/capacity-bidding-program-direct.

require the use of vital electrically powered medical devices.[17] SCE's CBP-E tariff explicitly excludes MB-E customers from participation.[18] Because CBP-E is the only SGIP QDRP available to departing load customers, this restriction precludes customers who are both MB-E and departing load to comply with the SGIP QDRP enrollment requirement.

C. SCE's Efforts to Seek Relief for Limited Waiver Customers

On April 1, 2026, SCE sought an exemption under D.24-03-071 for Limited Waiver Customers in the weekly joint PA & Energy Division Staff SGIP Working Group (SGIP Working Group). Program rules allow PAs, in consultation with the SGIP Working Group, to grant applicants and exemption from the QDRP enrollment requirement if (a) "Non-IOU customers do not have access to qualified DR programs" or (b) "Customers would have to forfeit a low-income rate to join a DR program."[19] After consultation with Energy Division (ED) staff on the call, the exemption was not granted because ED indicated that Limited Waiver Customers did not meet the two conditions because they are not "non-IOU customers" and the MB-E rate is not a "low-income rate."

In the Demand Response Proceeding,[20] SCE requested authority to submit an expedited advice letter to implement the removal of the MB-E restriction from Schedule CBP-E. Specifically, in comments on the draft Resolution submitted June 18, 2026, SCE requested that the Commission add an ordering paragraph directing SCE to submit a Tier 1 advice letter to revise CBP-E to permit eligible MB-E customers to participate and to establish customer protection provisions.[21] The Commission rejected that request without prejudice on procedural grounds because the MB-E proposal had not been included in Advice Letter 5675-E and parties had not had a reasonable opportunity to comment.[22]

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[17] SCE, *Medical Baseline Allowance*, available at https://www.sce.com/save-money/rebates-financial-assistance/bill-assistance-programs/medical-baseline-allowance.

[18] SCE Schedule CBP-E, Applicability Section, Sheet 1.

[19] D.24-03-071, p. 76.

[20] Resolution E-5456.

[21] *Id.*, p. 4.

[22] *Id.*

III.

DISCUSSION

A. Good Cause Exists for the Requested Relief

The Limited Waiver Customers have no reasonable means of complying with the Commission's SGIP QDRP enrollment requirement without making significant changes to their current electric service. As explained earlier, there are only two QDRPs in SCE's service territory: CPP and CBP-E. CPP is only available to bundled-service customers. On other hand, CBP-E explicitly excludes MB-E customers. This means that Limited Waiver Customers would have to forgo their medical baseline rate and allowance to participate in CBP-E, which is something they may not be able to do depending on their medical condition, and if they are, they would be penalized by being subject to higher costs. These customers would otherwise be eligible for an incentive under SGIP but for the QDRP enrollment requirement. The Limited Waiver Customers should not be required to choose between bundled or departed load service or giving up their MB-E rate schedule to participate in SGIP.

Without relief, Limited Waiver Customers will likely suffer harm. SCE's most recent tracking identified approximately 100 Limited Waiver Customers whose SGIP incentives remain pending due to the lack of QDRP enrollment, representing approximately $1.7 million in reserved SGIP incentive funding at risk. The oldest of these applications was submitted in June 2024 and is on its third and final extension.[23] Customers must often pay for their SGIP-qualified systems upfront, thereby relying on timely processing and issuance of SGIP incentives to limit the economic hardship for covering these expenses. The QDRP enrollment barrier has delayed incentive payments to otherwise qualified SGIP participants and placed their incentive funding at risk.

B. Granting Relief Will Not Prejudice Other Parties

The requested relief is specific to a limited subset of SCE customers, specifically the Limited Waiver Customers. If granted, relief would not remove the SGIP QDRP requirement for customers who are able to enroll in an approved program (*i.e.*, bundled MB-E customers and departing load non-MB-E

[23] As of July 2026, SCE reported that thirteen Limited Waiver Customers were on their first extension request, fourteen were on their second extension request, and three were on their final extension request.

customers). In fact, the requested relief preserves customer protections, as it protects departing load customers' choice of generation service provider and MB-E customers' ability to retain their rate schedule.

C. The Requested Relief Supports Broader Program Goals and Promotes Administrative Efficiency

The requested relief is consistent with the purpose of the SGIP QDRP requirement. The Commission adopted the requirement to encourage DR participation and align SGIP-funded storage with peak load reduction objectives.[24] It did not intend to create a situation where otherwise eligible customers are unable to access incentives because no qualified enrollment pathway exists to satisfy the QDRP enrollment requirement. Granting the requested relief would advance the objectives of SGIP by allowing otherwise eligible storage projects to move forward and receive incentives for which they otherwise qualify, while preserving the Commission's broader policy goals.

Further, the requested relief promotes administrative efficiency because it would provide a clear, direct path for Limited Waiver Customers to receive SGIP incentives. The requested relief would ensure that applications that have been pending for several months can be processed, and incentives can be issued accordingly. Without the requested relief, the applications of Limited Waiver Customers would remain pending or be at risk of expiring, creating an additional administrative burden.

IV.

REQUESTED RELIEF

SCE respectfully requests that the Commission grant the following relief:

1. Grant a waiver of the SGIP QDRP enrollment requirement to Limited Waiver Customers, and

2. Authorize SCE to continue processing and approving Limited Waiver Customers' applications and incentive claims, provided all other SGIP eligibility requirements are met.

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[24] *See* D.24-03-071, p. 71.

V.

CONCLUSION

For the forgoing reasons, SCE respectfully requests that the Commission grant this motion.

Respectfully submitted,

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