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PRESS RELEASE

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CPUC RELAUNCHES PROGRAM FOR CUSTOMER-SITED ENERGY STORAGE AND GENERATION

SAN FRANCISCO, May 11, 2017 - The California Public Utilities Commission (CPUC) today announced that the state's Self-Generation Incentive Program (SGIP) successfully relaunched on May 1, 2017, amidst heavy customer demand for program incentives, particularly for energy storage projects. A total of \$50 million was awarded in the first incentive step to projects that include storage paired with solar energy, projects to help offset the impact of reduced gas storage at the Aliso Canyon Natural Gas Storage Facility, and projects in disadvantaged communities.

SGIP is one of the nation's longest running programs incentivizing customer investment in clean, distributed energy resources. It provides rebates to support energy resources installed on the customer's side of the utility meter, including wind turbines, waste heat to power technologies, pressure reduction turbines, internal combustion engines, microturbines, gas turbines, fuel cells, and energy storage systems. In June 2016, the CPUC set the SGIP budget at more than \$270 million through 2019. Also, to maximize the value of ratepayer incentives and to create more equitable distribution of funds, the CPUC instituted a lottery mechanism to select projects and replaced a first-come first-served system when demand for incentives is high. In April of this year, in response to the Legislature's passage of Assembly Bill 1637 in 2016, the CPUC increased the total SGIP budget to more than \$500 million through 2019. Nearly 80 percent of that budget is reserved for energy storage projects, with more than \$100 million of funds for energy storage projects planned to be made available in June 2017.

Over the past 16 years, more than 3,700 clean energy projects have been funded by SGIP. On May 1, 2017, more than 130 companies submitted applications for more than \$90 million in available



incentives, more than 50 percent of which were reserved for energy storage projects. In total, hundreds of projects received incentive reservations. Initial data from the May 1, 2017, reopening indicate that the average cost per watt for storage systems seeking SGIP incentives fell from \$3.33 in 2016 to \$2.55 in 2017.

“We have successfully revamped our Self-Generation Incentive Program and have reserved rebates for projects across various technologies that will promote reliability and provide clean energy,” said Commissioner Clifford Rechtschaffen. “I am pleased to see that there are so many customers seeking clean energy solutions on their side of the meter, and that the market for these technologies is robust and growing. I am also very pleased that a significant portion of the projects are located in disadvantaged communities.”

Of note in the SGIP results:

- Of the approximately \$50 million made available for energy storage projects on May 1, 2017, the majority of that funding was reserved on the day the program reopened.
- Approximately 28 percent of the incentives reserved by large-scale energy storage projects in the territories of Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E) are for projects sited in community census tracts identified by CalEnviroScreen 3.0 as being in the top 25 percent (i.e., most heavily impacted) of disadvantaged census tracts statewide.
- As intended by CPUC policy priorities, energy storage projects paired with solar and/or located in the Aliso Canyon-affected areas performed well in the lotteries. For example, 58 of the 66 funded applications in SCE’s large-scale (i.e., projects over 10kW in size) energy storage lottery, totaling 15.4 megawatts, are sited in SCE’s West Los Angeles Local Reliability Area, an area impacted by the leak that occurred at Southern California Gas Company’s (SoCalGas) Aliso Canyon.

SGIP is funded by the ratepayers of PG&E, SCE, SDG&E, and SoCalGas. It is administered by those utilities in their territories, with the exception of SDG&E, the administration of which is managed by the Center for Sustainable Energy.

For more information on SGIP, please visit www.cpuc.ca.gov/sgip.

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