

Decision 20-05-041 May 28, 2020

**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.

Rulemaking 12-11-005

**DECISION GRANTING PETITION FOR MODIFICATION  
OF DECISION 19-08-001**

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**DECISION GRANTING PETITION FOR MODIFICATION  
OF DECISION 19-08-001**

**Summary**

This decision grants the Petition for Modification (PFM) of Decision (D.) 19-08-001 addressing greenhouse gas emission reduction requirements for energy storage systems receiving Self-Generation Incentive Program (SGIP) incentives. The PFM was filed by Pacific Gas and Electric Company on March 11, 2020. This decision modifies D.19-08-001 to permit Medical Baseline customers to participate in SGIP by enrolling in any Time of Use (TOU) rate with Medical Baseline where no SGIP-approved Medical Baseline TOU rate is available, consistent with treatment of California Alternate Rates for Energy customers in D.19-08-001.

This proceeding remains open to address another pending petition for modification.

**1. Background**

The California Public Utilities Commission (Commission) established the Self-Generation Incentive Program (SGIP) in 2001 in Decision (D.) 01-03-073 in response to Assembly Bill (AB) 970 (Stats. 2000, ch. 329). In 2011, the Commission approved SGIP net greenhouse gas (GHG) emission requirements for specific technologies and added advanced energy storage as an eligible technology.<sup>1</sup> In Resolution E-4519, the Commission approved minimum round-trip efficiencies (RTE) for storage systems receiving SGIP incentives,

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<sup>1</sup> The Commission implemented Senate Bill (SB) 412 in D.11-09-015. All statutory references are to the California Public Utilities Code.

stating that these complied with the GHG reduction requirements in Section 379.6(b).<sup>2</sup> In 2015, the Commission issued D.15-11-027, which updated the SGIP RTE requirement to 66.5 percent, again linking this requirement to expected GHG emission reductions. In D.16-06-055, the Commission approved the reduction of GHGs and other criteria air pollutants as one of three primary SGIP goals alongside the existing program goals of provision of grid services and market transformation.<sup>3</sup>

On July 26, 2018, an Assigned Commissioner's Ruling (ACR) directed Energy Division (ED) Staff to prepare a proposal for new SGIP storage operational requirements to replace the RTE standard and new verification and enforcement mechanisms to ensure compliance. ED prepared a proposal to revise SGIP based on the ACR and the proposal was edited based on stakeholder comments. In late 2018, SB 700 was enacted, which directed the Commission to adopt requirements for SGIP energy storage systems to ensure that eligible systems reduce GHG emissions. On August 9, 2019, the Commission issued D.19-08-001 to modify the SGIP to implement changes pursuant to Section 379.6(b)(3).

On November 7, 2019, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company

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<sup>2</sup> Resolution E-4519, issued September 14, 2012, Finding 4; RTE is defined as the total kilowatt hour (kWh) discharge of the system divided by the total kWh charge over some period or number of cycles.

<sup>3</sup> The goals listed in Section 379.6(a)(1) include: reduce or shift peak demand; improve reliability of the distribution and transmission system, reduce emissions of greenhouse gases and lower grid infrastructure costs.

(SoCalGas) and the Center for Sustainable Energy (CSE) (collectively SGIP Program Administrators (PAs)) submitted a Joint Advice Letter (AL) implementing various directives of D.19-08-001, including proposing specific Time of Use (TOU) rates for inclusion in the SGIP as “SGIP-approved.”<sup>4</sup> Pursuant to D.19-08-001, the 2020 SGIP Handbook states that “all new residential [investor-owned utility] (IOU) and non-IOU customers are required to enroll in a time-varying rate with a peak period starting at 4:00 p.m., or later and with a summer peak to off-peak price differential of 1.69 or more, if such rate is available.”<sup>5</sup> The Joint AL was approved and made effective as of February 24, 2020.

D.19-08-001 exempts customers eligible for California Alternate Rates for Energy (CARE) from the requirement to enroll in an SGIP-approved TOU rate on the grounds that such customers may not have access to a CARE TOU rate with the approved minimum peak to off-peak or peak to super off-peak differential. D.19-08-001 also found that customers who are eligible for CARE should not have to forego CARE bill discounts in order to participate in SGIP.<sup>6</sup> D.19-08-001 provides that if an SGIP-approved CARE TOU rate is not available to a CARE-eligible customer at the time of submittal of an SGIP incentive reservation

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<sup>4</sup> SCE AL 4118-E; PG&E AL 4186-G/5701-E; SoCalGas AL 5551-G, CSE AL 104.

<sup>5</sup> SGIP Handbook 2020 at 47 (as of March 10, 2020).

<sup>6</sup> D.19-08-001 at 43 states that “All IOU customers currently have access to at least one rate that meets these criteria and approving a specified minimum peak to off-peak or peak to super off-peak differential reduces developer uncertainty and eases PA administrative burden. However, some CARE-eligible customers may not have access to a rate that meets these criteria and that is also a CARE rate.”

request, it is reasonable to require the customer to enroll in any CARE TOU rate. If an SGIP-approved CARE TOU rate is available to a CARE-eligible customer at the time of submittal of an incentive reservation request, it is reasonable to require the customer enroll in an SGIP-approved TOU rate.<sup>7</sup>

On March 11, 2020, PG&E filed a *Petition for Modification of D.19-08-001* (PFM). The PFM states that no one recognized at the time that the Joint AL was approved that PG&E did not have an SGIP-approved rate that is available to Medical Baseline customers. The PFM requests that, similar to the provision for CARE customers, the Commission modify D.19-08-001 to specify that if an SGIP-approved TOU rate with Medical Baseline is not available, Medical Baseline customers may enroll in any Medical Baseline TOU rate that is available to them. PG&E reasons that, like CARE customers, Medical Baseline Customers should not have to forego the benefits of Medical Baseline allowances in order to participate in SGIP.

On March 13, 2020 the assigned Administrative Law Judge (ALJ) issued an email ruling shortening the response period to the PFM to 15 days. The California Energy Storage Alliance filed a response on March 26, 2020 strongly supporting the PFM.

## **2. Jurisdiction**

Section 379.6 established the SGIP program in 2001. Section 379.6(b)(1) requires the Commission to limit eligibility for SGIP incentives to distributed energy generation and storage technologies that reduce GHG emissions.

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<sup>7</sup> D.19-08-001, Conclusion of Law 25.

Section 379.6(b)(3) requires that the Commission adopt requirements for energy storage systems to ensure that eligible energy storage systems reduce the emissions of GHGs.

### **3. Issues Before the Commission**

The issue addressed in this decision is the following:

- Should the Commission modify D.19-08-001 to specify that if an SGIP- approved Medical Baseline TOU rate is not available to a Medical Baseline customer at the time of submittal of an SGIP incentive application the Medical Baseline customer can enroll in any Medical Baseline TOU rate that is available to them?

### **4. D.19-08-001 Requirements**

As indicated in section 3, D.19-08-001 requires all new residential IOU and non-IOU customers participating in SGIP to enroll in a TOU rate with a peak period starting at 4:00 p.m., or later and with a summer peak to off-peak price differential of 1.69 or more, if such a rate, called an “SGIP-approved” rate, is available to them.<sup>8</sup> D.19-08-001 exempts CARE-eligible customers from the requirement to enroll in an SGIP-approved TOU rate if the customer does not have access to a SGIP-approved TOU rate that allows CARE customer participation at the time of submittal of an SGIP application. If an SGIP-approved CARE TOU rate is available to a CARE-eligible customer at the time of submittal of an incentive reservation request, D.19-08-001 requires the customer to enroll in an SGIP-approved rate.<sup>9</sup> D.19-08-001 reasons that CARE-eligible

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<sup>8</sup> *Id* at 41.

<sup>9</sup> *Id* at Conclusion of Law 25.

customers should not have to forego CARE bill discounts in order to participate in SGIP, if an SGIP-approved CARE TOU rate is not available to them.<sup>10</sup>

D.19-08-001 states that the 1.69 peak to summer off-peak or super off-peak price differential is necessary to ensure that customers optimizing for bill savings also reduce GHG emissions. D.19-08-001 further states that requiring this minimum price differential is necessary to ensure that the Commission fulfills the requirements of Section 379.6(b)(3) to ensure that eligible storage systems reduce GHG emissions.<sup>11</sup>

Additionally, D.19-08-001 prohibits CARE-eligible and general market residential customers participating in SGIP from using TOU bill protection measures.<sup>12</sup> D.19-08-001 finds that enrollment of residential SGIP customers in a TOU bill protection program prevents the customer from receiving a TOU price signal and increases the likelihood of GHG emission increases from use of the system.<sup>13</sup>

## **5. PG&E's Requested Modification**

PG&E's PFM states that no one recognized at the time that the Joint AL was approved that PG&E did not have a SGIP-approved rate that is available to Medical Baseline customers. In approving the Joint AL, ED confirmed that San Diego Gas and Electric Company's (SDG&E) default residential TOU DR-1

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<sup>10</sup> *Id* at 43.

<sup>11</sup> *Id* at 76.

<sup>12</sup> *Id* at Attachment A, Section IV.

<sup>13</sup> *Id* at Finding of Fact 41.



rate approved in D.18-12-004 provides for Medical Baseline customer participation. Additionally, SCE filed AL 4173-E in February 2020 requesting to include its TOU 5-8pm rate as SGIP-approved, as it both has the requisite price differential and allows for Medical Baseline. The Commission has little information about rates available to non-IOU customers with underlying medical conditions as it does not regulate these entities.

PG&E's PFM requested the following modifications to D.19-08-001 (proposed changes underlined):

- Finding of Fact (FOF) 35: All residential IOU customers have access to a residential rate with a 1.69 or more differential between summer peak and off-peak or summer peak and super off-peak periods, and a peak period that starts at or later than 4:00 p.m., but some [Community Choice Aggregation] CCA and municipal residential customers may not, and CARE or Medical Baseline customers may not have access to an SGIP-approved rate restricted to CARE-eligible or Medical Baseline customers.
- Conclusion of Law (COL) 25: If an SGIP-Approved CARE TOU or Medical Baseline TOU rate is not available to a CARE-eligible or Medical Baseline-eligible customer at the time of submittal of an incentive reservation request, it is reasonable to require the customer to enroll in any CARE TOU or Medical Baseline TOU rate. If an SGIP-approved CARE TOU or Medical Baseline TOU rate is available to a CARE-eligible or Medical Baseline-eligible customer at the time of submittal of an incentive reservation request it is reasonable to require the customer to enroll in an SGIP-approved rate.
- Attachment A, Section IV: Upfront Requirements-3: An SGIP-approved rate restricted to CARE-eligible or Medical Baseline-eligible customers is not available to a CARE-

eligible or Medical Baseline-eligible customer at the time of submittal of an incentive reservation request: the CARE-eligible or Medical Baseline-eligible customer must enroll on any CARE TOU rate and may not utilize TOU bill protection measures, which the PA shall verify[.]

## **6. Discussion**

This decision approves the PFM filed by PG&E and modifies D.19-08-001 to provide a limited exemption for Medical Baseline customers for whom a Medical Baseline SGIP-approved TOU rate is not available at the time of submittal of an SGIP application. If an SGIP-approved Medical Baseline TOU rate is available to a Medical Baseline-eligible customer at the time of submittal of an incentive reservation request, the customer must enroll in an SGIP-approved rate. If a Medical Baseline customer does not have access to an SGIP-approved Medical Baseline TOU rate, the customer must enroll in any Medical Baseline TOU rate in order to participate in SGIP. Medical Baseline customers participating in SGIP may not enroll in a TOU bill protection program.

Several considerations guide this decision. Pursuant to Section 379.6(b)(3), the Commission must adopt requirements for energy storage systems to ensure that eligible energy storage systems reduce the emissions of GHGs. D.19-08-001 requires all new SGIP energy storage projects to reduce GHG emissions and we see no compelling reason at this time to exempt Medical Baseline customers from this requirement.

To ensure GHG emission reductions, Medical Baseline customers participating in SGIP should enroll in a Medical Baseline TOU rate with a 1.69 price differential between summer peak and off-peak or super off-peak periods

and a peak period starting no earlier than 4 pm, if one is available.<sup>14</sup> This is the base Upfront Eligibility Requirement adopted in D.19-08-001 for all new residential systems.<sup>15</sup> This requirement was based in large part on modeling performed for the SGIP technical working group (TWG), which did not include Medical Baseline rates, to our knowledge. However, the TWG modeling is the best information the Commission currently has regarding minimum requirements to ensure GHG emission reductions from SGIP new residential storage systems and it is reasonable to rely on this information to inform SGIP requirements for Medical Baseline customers.<sup>16</sup>

It is important that the Commission provide a pathway for participation in SGIP to Medical Baseline customers lacking access to a Medical Baseline SGIP-approved TOU rate until such time as such rates are more universally available. This is true for all Medical Baseline customers and particularly for those eligible for the Equity Resiliency Budget.

Some 51.3 percent of Northern California is located in a Tier 2 or Tier 2 High Fire Threat District (HFTD) and thousands of PG&E's customers were subject to two or more Public Safety Power Shutoffs events in 2019.<sup>17</sup> As

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<sup>14</sup> *Id* at Conclusion of Law 38.

<sup>15</sup> *Id* at Attachment A, Section IV.

<sup>16</sup> *Id* at Finding of Fact 34, which states that Open Source Energy Storage modeling showed that that 100 percent of runs of systems on residential TOU rates with a 1.69 or more price differential between summer peak and off-peak periods, with a peak period that starts at or later than 4 pm and with an 85 percent or more SCRTE reduced GHG emissions customers.

<sup>17</sup> Safety Policy Division, "Public Safety Power Shutoff Overview," December 12, 2019, available at:

<https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/Ener>

*Footnote continued on next page.*

provided for in D.19-09-027, Medical Baseline customers residing in such areas are eligible for the Equity Resiliency budget. This Commission anticipates that many PG&E Medical Baseline customers eligible for the Equity Resiliency Budget may wish to participate in the SGIP in the next year or two to increase their resiliency to wildfire-related outages. As with CARE customers, Medical Baseline customers should not have to forgo the cost savings of Medical Baseline to participate in the SGIP.

Additionally, D.19-08-001 prohibits residential customers from enrolling in a TOU bill protection program because such programs prevent customers from receiving a TOU price signal and increase the likelihood of GHG emission increases from energy storage systems. To increase the likelihood that Medical Baseline customers participating in SGIP reduce GHG emissions, we similarly prohibit them from enrolling in a TOU bill protection mechanism.

Based on these reasons, we modify D.19-08-001 as proposed by PG&E and presented in section 5 with two modification added for clarity as italicized or struck below:

- Attachment A, Section IV: Upfront Requirements-3: An SGIP-approved rate *allowing enrollment of* ~~restricted to~~ CARE-eligible or Medical Baseline-eligible customers is not available to a CARE-eligible or a Medical Baseline-eligible customer at the time of submittal of an incentive reservation request: the CARE-eligible or Medical Baseline-eligible customer must enroll on any CARE TOU rate *or*

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[gyPrograms/Infrastructure/Resiliency Microgrids/3 BACKGROUND CPUC%20Safety%20and %20Enforcement%20Division.pdf](#)

*any Medical Baseline TOU rate* and may not utilize TOU bill protection measures, which the PA shall verify[.]

We also modify several additional sections in D.19-08-001 to reflect our adopted approach (additions underlined):

- Summary Section at 2: This decision also: Requires customers with new residential storage projects to enroll in an approved time-varying rate if one is available. If such a rate is not available, the customer may install storage with solar-only charging or a solar self-consumption system set to manufacturer-certified settings, or, if eligible for California Alternate Rates for Energy (CARE) or a Medical Baseline rate, the customer may enroll in any CARE or Medical Baseline time-varying rate, respectively;
- Section 6.2.3 at 42: We require all new residential SGIP systems to enroll in a time-varying rate with a peak period starting at 4 pm or later and with a summer peak to off-peak price differential of 1.69 or more, if such a rate is available to the customer, with the exception of customers that are eligible for California Alternate Rates for Energy (CARE) or Medical Baseline rates, which we discuss further below;
- Section 6.2.3 at 43: All IOU customers currently have access to at least one rate that meets these criteria and approving a specified minimum peak to off-peak or peak to super off-peak differential reduces developer uncertainty and eases PA administrative burden. However, some CARE-and Medical Baseline-eligible customers may not have access to a rate that meets these criteria and that is also a CARE or a Medical Baseline rate. Customers who are eligible for CARE or a Medical Baseline rate should not have to forego these bill discounts in order to participate in SGIP. We approve the following approach for CARE- and Medical Baseline-eligible customers: if a CARE or Medical Baseline TOU rate meeting our approved criteria is not

available to a CARE-eligible or a Medical Baseline-eligible customer in their service territory at the time of submittal of an SGIP incentive reservation request, the customer may enroll in any CARE or Medical Baseline TOU rate. If a CARE or Medical Baseline TOU rate meeting our approved criteria is available to a CARE- or Medical Baseline-eligible customer at the time of submittal of an SGIP incentive reservation request, the customer must enroll in a rate that meets our adopted criteria. We encourage all electric utilities to develop CARE and Medical Baseline TOU rates that meet our established criteria as soon as possible. In addition, we clarify that PAs shall not enroll SGIP new residential customers in TOU bill protection programs, as this would eliminate the price signals that support GHG emission reductions;

- Section 6.3.1 at 49: As discussed in Section 6.3, all non-CARE- or non-Medical Baseline-eligible IOU customers have access to such rates, but some CARE-and Medical Baseline-eligible IOU customers and non-IOU customers may not;
- FOF 47: Approving pathways for solar-only, solar self-consumption, Medical Baseline, and CARE customers to comply with our adopted GHG emission reduction requirements until appropriate SGIP-approved TOU rates become available ensures that these customers can participate in SGIP regardless of electricity provider or the time frame of Commission approval of SGIP-approved rates ~~limited to~~ allowing enrollment of Medical Baseline or CARE customers.
- Attachment A, Section IV: Upfront Requirements-2: A SGIP-approved rate ~~restricted to~~ allowing enrollment of CARE-eligible or Medical Baseline-eligible customers is available to a CARE-eligible or Medical Baseline-eligible customer at the time of submittal of an incentive reservation request: The CARE-eligible or Medical

Baseline-eligible customer must enroll in an SGIP-approved rate, and may not utilize TOU bill protection measures, which the PA shall verify;

- Attachment A, Section IV: Upfront Requirement 4: An SGIP-approved rate is not available to a customer that is not eligible for CARE or for a Medical Baseline rate at the time of submittal of an incentive reservation request, in which case the customers must: Install a solar-only charging battery, defined as a battery that begins charging at dawn and continues charging from the solar unit until fully charged, and that never charges from the grid; OR, Install a solar self-consumption system set to self-supply mode, which is defined as system using a battery to store solar generation and discharging the stored power only to meet onsite load;

We note that SDG&E and SCE have SGIP-compliant TOU rates that are available to Medical Baseline customers. This suggests that there are not insurmountable barriers to PG&E offering an SGIP-compliant TOU rate to its Medical Baseline customers, subject to Commission approval. Offering such a rate would ensure that energy storage systems installed by PG&E Medical Baseline customers who receive SGIP incentives do not increase those customers' GHG emissions. Therefore, we direct PG&E to as expeditiously as possible propose an SGIP-compliant TOU rate that is available to Medical Baseline customers pursuant to existing rate design procedures. PG&E shall confer with ED staff within 60 days to determine when and how to submit this proposed rate.

We similarly strongly encourage other non-IOU entities participating in the SGIP such as the Los Angeles Department of Water and Power (LADWP),

Sacramento Municipal Utility District (SMUD), and Community Choice Aggregators (CCAs) to as expeditiously as possible develop a TOU rate with a summer peak to off-peak or super off-peak price differential of at least 1.69 and a peak period that starts no earlier than 4:00 p.m. that permits Medical Baseline customer enrollment, if they do not already have such a rate. This will provide the greatest certainty that Medical Baseline customers participating in SGIP reduce GHG emissions.

We direct the SGIP PAs to submit a Tier 1 advice letter within 10 days of Commission issuance of this decision proposing the SGIP handbook revisions necessary to implement this decision.

## **7. Comments on Proposed Decision**

The proposed decision in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on May 7, 2020 by PG&E.

PG&E supports the decision but requests additional flexibility regarding development of an SGIP-approved TOU rate that allows for Medical Baseline participation. PG&E requests that the Commission not require it to develop an SGIP compliant rate for what it anticipates could be a relatively small number of customers (5,000 by 2025).<sup>18</sup> PG&E expresses concern about the impact of a 1.69 summer peak to off-peak or super off-peak price differential on Medical Baseline customers' bills and states that further study is necessary before requiring such a

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<sup>18</sup> PG&E Comments on Proposed Decision, filed on May 7, 2020, p. 4.



rate. PG&E requests a longer timeline to develop the rate, pointing to the roll-out of default TOU rates, which is ongoing and is demanding significant resources.

For the most part, we deny PG&E's requested modifications. While we agree that additional study would be helpful, PG&E should undertake such study as develops an SGIP compliant rate. As noted in the proposed decision, SCE and SDG&E have SGIP compliant rates that allow Medical Baseline customer participation. Therefore, we continue to believe that PG&E too is capable of offering an SGIP-approved rate that is attractive to Medical Baseline customers, provides for reasonable customer bills and leads to GHG emission reductions.

To allow PG&E some additional flexibility, however, we modify our direction that it "quickly" develop a Medical Baseline SGIP compliant rate to instead require this "as expeditiously as possible." We also modify the final decision to direct PG&E to "appropriately balance customer impacts" as it develops the rate. For consistency, we also modify the final decision to apply the same language to non-IOU entities.

## **8. Assignment of Proceeding**

Commissioner Clifford Rechtschaffen is the assigned Commissioner and Cathleen A. Fogel is the assigned Administrative Law Judge in this proceeding.

## **Findings of Fact**

1. Pursuant to Section 379.6(b)(3), the Commission must adopt requirements for energy storage systems to ensure that eligible SGIP energy storage systems reduce the emissions of GHGs.

2. D.19-08-001 requires all new SGIP energy storage projects to reduce GHG emissions.

3. D.19-08-001 states that residential customer enrollment in a TOU rate with a 1.69 peak to summer off-peak or super off-peak price differential and a peak period starting at 4:00 p.m. or later is necessary to ensure that customers optimizing for bill savings also reduce GHG emissions.

4. D.19-08-001 states that requiring the minimum 1.69 price differential for new residential customers, if such a rate is available, is necessary to ensure that the Commission fulfills the requirements of Section 379.6(b)(3) to ensure that eligible storage systems reduce GHG emissions.

5. The Commission based the new residential rate requirements adopted in D.19-08-001 on modeling performed for the SGIP TWG—the best information the Commission currently has regarding minimum requirements to ensure GHG emission reductions from new residential storage systems—and it is reasonable to rely on this information to inform Medical Baseline customer requirements.

6. PG&E does not currently have a TOU rate with a peak period starting at 4:00 p.m. or later and with a summer peak to off-peak price differential of 1.69 or more that permits Medical Baseline customer enrollment. Other non-IOU entities participating in the SGIP such as LADWP, SMUD and CCAs also may not have such rates.

7. Medical Baseline customers should not have to forgo the cost savings of a Medical Baseline rate to participate in the SGIP.

8. It is important that the Commission provide a pathway for participation in SGIP to Medical Baseline customers lacking access to an SGIP-approved Medical Baseline rate until such rates are universally available.

9. D.19-08-001 finds that enrollment of a residential SGIP customer in a TOU bill protection program prevents the customer from receiving a TOU price signal and increases the likelihood of GHG emission increases from the system.

10. D.19-08-001 prohibits CARE-eligible and general market residential customers participating in SGIP to use TOU bill protection measures.

11. Requiring PG&E and encouraging all non-IOU electric utilities participating in SGIP to as expeditiously as possible develop a TOU rate with a summer peak to off-peak or super off-peak price differential of at least 1.69, with a peak period that starts no earlier than 4:00 pm, that permits Medical Baseline customer enrollment, and that appropriately balances customer impacts provides the greatest certainty that all Medical Baseline customers participating in SGIP will reduce GHG emissions.

### **Conclusions of Law**

1. The Commission should require Medical Baseline customers participating in SGIP to enroll in a Medical Baseline TOU rate with a 1.69 price differential between summer peak and off-peak or super off-peak periods and a peak period starting no earlier than 4:00 p.m., if one is available.

2. The Commission should permit Medical Baseline customers that do not have access to an SGIP-approved Medical Baseline TOU rate to enroll in any Medical Baseline TOU rate.

3. The Commission should prohibit Medical Baseline customers participating in SGIP from using TOU bill protection measures.

4. The Commission should require PG&E to as expeditiously as possible develop a TOU rate with a summer peak to off-peak or super off-peak price differential of at least 1.69, with a peak period that starts no earlier than 4:00 pm, that permits Medical Baseline customer enrollment, and that appropriately balances customer impacts.

5. The Commission should encourage all non-IOU entities participating in SGIP to as expeditiously as possible develop a TOU rate with a summer peak to off-peak or super off-peak price differential of at least 1.69, with a peak period that starts no earlier than 4:00 p.m., that permits Medical Baseline customer enrollment, and that appropriately balances customer impacts, if they do not already have such a rate.

6. The Commission should direct the SGIP PAs to submit a Tier 1 advice letter within 10 days of Commission issuance of this decision proposing the SGIP handbook revisions necessary to implement this decision.

7. This proceeding should remain open to address the remaining pending petition for modification.

## **O R D E R**

**IT IS ORDERED** that:

1. The Petition for Modification of Decision 19-08-001 filed by Pacific Gas and Electric Company on March 11, 2020 is granted.

2. Decision 19-08-001 is modified as follows (insertions underlined):

- (a) Summary Section at 2: This decision also: Requires customers with new residential storage projects to enroll in an approved time-varying rate if one is available. If such a rate is not available, the customer may install storage with solar-only charging or a solar self-consumption system set to manufacturer-certified settings, or, if eligible for California Alternate Rates for Energy (CARE) or a Medical Baseline rate, the customer may enroll in any CARE or Medical Baseline time-varying rate, respectively.
- (b) Section 6.2.3 at 42: We require all new residential SGIP systems to enroll in a time-varying rate with a peak period starting at 4 pm or later and with a summer peak to off-peak price differential of 1.69 or more, if such a rate is available to the customer, with the exception of customers that are eligible for California Alternate Rates for Energy (CARE) or for Medical Baseline rates, which we discuss further below.
- (c) Section 6.2.3 at 43: All IOU customers currently have access to at least one rate that meets these criteria and approving a specified minimum peak to off-peak or peak to super off-peak differential reduces developer uncertainty and eases PA administrative burden. However, some CARE- and Medical Baseline-eligible customers may not have access to a rate that meets these criteria and that is also a CARE or a Medical Baseline rate. Customers who are eligible for CARE or a Medical Baseline rate should not have to forego these bill discounts in order to participate in SGIP. We approve the following approach for CARE- and Medical Baseline-eligible customers: if a CARE or Medical Baseline TOU rate meeting our approved criteria is not available to a CARE-eligible or a Medical Baseline-eligible customer in their service territory at the time of submittal of an SGIP incentive reservation request, the customer may enroll in

any CARE or Medical Baseline TOU rate. If a CARE or Medical Baseline TOU rate meeting our approved criteria is available to a CARE- or Medical Baseline-eligible customer at the time of submittal of an SGIP incentive reservation request, the customer must enroll in a rate that meets our adopted criteria. We encourage all electric utilities to develop CARE and Medical Baseline TOU rates that meet our established criteria as soon as possible. In addition, we clarify that PAs shall not enroll SGIP new residential customers in TOU bill protection programs, as this would eliminate the price signals that support GHG emission reductions.

- (d) Section 6.3.1 at 49: As discussed in Section 6.3, all non-CARE- or non-Medical Baseline-eligible IOU customers have access to such rates, but some CARE-and Medical Baseline-eligible IOU customers and non-IOU customers may not.
- (e) Finding of Fact 35: All residential IOU customers have access to a residential rate with a 1.69 or more differential between summer peak and off-peak or summer peak and super off-peak periods, and a peak period that starts at or later than 4:00 p.m., but some [Community Choice Aggregation] CCA and municipal residential customers may not, and CARE or Medical Baseline customers may not have access to an SGIP-approved rate ~~restricted to~~ allowing enrollment of CARE-eligible or Medical Baseline customers.
- (f) Finding of Fact 47: Approving pathways for solar-only, solar self-consumption, Medical Baseline, and CARE customers to comply with our adopted GHG emission reduction requirements until appropriate SGIP-approved TOU rates become available ensures that these customers can participate in SGIP regardless of electricity provider or the time frame of Commission approval of SGIP-approved

rates ~~limited to~~ allowing enrollment of Medical Baseline or CARE customers.

- (g) Conclusion of Law 25: If an SGIP-Approved CARE TOU or Medical Baseline TOU rate is not available to a CARE-eligible or Medical Baseline-eligible customer at the time of submittal of an incentive reservation request, it is reasonable to require the customer to enroll in any CARE TOU or Medical Baseline TOU rate. If an SGIP-approved CARE TOU or Medical Baseline TOU rate is available to a CARE-eligible or Medical Baseline-eligible customer at the time of submittal of an incentive reservation request it is reasonable to require the customer to enroll in an SGIP-approved rate.
- (h) Attachment A, Section IV: Upfront Requirements-2: A SGIP-approved rate ~~restricted to~~ allowing enrollment of CARE-eligible or Medical Baseline-eligible customers is available to a CARE-eligible or Medical Baseline-eligible customer at the time of submittal of an incentive reservation request: The CARE-eligible or Medical Baseline-eligible customer must enroll in an SGIP-approved rate, and may not utilize TOU bill protection measures, which the PA shall verify[.]
- (i) Attachment A, Section IV: Upfront Requirements-3: An SGIP-approved rate restricted to allowing enrollment of CARE-eligible or Medical Baseline-eligible customers is not available to a CARE-eligible or Medical Baseline-eligible customer at the time of submittal of an incentive reservation request: The CARE-eligible or Medical Baseline-eligible customer must enroll on any CARE or Medical Baseline TOU rate and may not utilize TOU bill protection measures, which the PA shall verify; and,
- (j) Attachment A, Section IV: Upfront Requirement 4: An SGIP-approved rate is not available to a customer that is

not eligible for CARE or for a Medical Baseline rate at the time of submittal of an incentive reservation request, in which case the customers must: Install a solar-only charging battery, defined as a battery that begins charging at dawn and continues charging from the solar unit until fully charged, and that never charges from the grid; OR, Install a solar self-consumption system set to self-supply mode, which is defined as system using a battery to store solar generation and discharging the stored power only to meet onsite load.

3. Pacific Gas and Electric Company (PG&E) shall as expeditiously as possible develop a time-of-use rate with a summer peak to off-peak or super off-peak price differential of at least 1.69, with a peak period that starts no earlier than 4:00 p.m., that permits Medical Baseline customer enrollment, and that appropriately balances customer impacts. PG&E shall confer with Energy Division staff within 60 days to determine the timing and procedure for seeking approval of this proposed rate.

4. Non-investor owned utility entities participating in the Self-Generation Incentive Program are strongly encouraged to as expeditiously as possible develop a time-of-use rate with a summer peak to off-peak or super off-peak price differential of at least 1.69, with a peak period that starts no earlier than 4:00 p.m., that permits Medical Baseline customer enrollment, and that appropriately balances customer impacts if they do not already have such a rate.

5. Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and Center for Sustainable Energy shall each submit a Tier 1 advice letter within 10 days of Commission issuance of this



decision proposing the Self-Generation Incentive Program handbook revisions necessary to implement this decision.

6. Rulemaking 12-11-005 remains open.

This order is effective today.

Dated May 28, 2020, at San Francisco, California.

MARYBEL BATJER

President

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

Commissioners