

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 18, 2018

Advice Letter 5016-G

Ronald van der Leeden
Director, Regulatory Affairs
Southern California Gas
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

SUBJECT: Revisions to the Self-Generation Incentive Program (SGIP) Pursuant to Decision (D.) 16-06-055

Dear Mr. van der Leeden:

Advice Letter 5016-G is effective as of May 16, 2018 per Resolution E-4926 Ordering Paragraphs.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division



Ronald van der Leeden
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.2009
Fax: 213.244.4957

RvanderLeeden@semprautilities.com

August 22, 2016

Advice No. 5016
(U 904 G)

Subject: Revisions to the Self-Generation Incentive Program (SGIP) Pursuant to Decision (D.) 16-06-055

Public Utilities Commission of the State of California

Southern California Gas Company (SoCalGas) hereby submits for approval to the California Public Utilities Commission (Commission) the cost allocation proposal to implement the statutory requirement of equitable distribution of the costs and benefits of the Self-Generation Incentive Program (SGIP).

Purpose

This filing represents SoCalGas' cost allocation proposal to implement the statutory requirement of equitable distribution of the costs/benefits of the SGIP in compliance with Ordering Paragraph (OP) 4 of D.16-06-055.

Background

On November 23, 2015, the assigned Commissioner issued a ruling asking parties to comment on an Energy Division Staff Proposal to Modify the SGIP pursuant to Senate Bill (SB) 861 and Assembly Bill (AB) 1478 and to improve SGIP's ability to achieve the program's goals. The Staff Proposal provided recommendations on how to: 1) maximize ratepayer value; and 2) provide for an equitable distribution of costs and benefits of the program.

To accomplish the first requirement, the Staff Proposal recommended that the program should lower rebates for those qualifying technologies which meet too few of the program goals and lower rebates for those technologies that are already cost effective from the participant's perspective. For the second statutory criterion, the Staff Proposal recommended that future general rate cases (GRCs) adjust the SGIP cost allocation.

On June 23, 2016 the Commission issued D.16-06-055 which modified the SGIP to implement changes pursuant to SB 861, AB 1478, and to make other program changes to improve SGIP's ability to achieve its goals. As per D.16-06-055 OP 4, the utilities are required to file a cost allocation proposal on how to implement the statutory requirement of equitable distribution of cost and benefits of the SGIP, in Tier 3 advice letters within 60 days after the effective date of the Decision.¹

Cost and Benefit Allocation Proposal

SoCalGas proposes to maintain the current cost allocation and propose any necessary adjustments in the next Triennial Cost Allocation Proceeding (TCAP). Primarily, SoCalGas finds that through D.16-06-055 the Commission has made improvements to the distribution of funds with the forethought of ensuring equitable participation among all customer classifications. Specifically, a 15% statewide carve out will help increase Residential customer participation. For that reason, SoCalGas proposes that cost allocation adjustments should be made only after the implementation of the program modifications have been evaluated, if deemed appropriate.

SoCalGas notes that greenhouse gas (GHG) reduction, peak load reduction, and grid stability are program benefits that are not specific to any one customer classification. In fact, non-participants also benefit from the reduction of GHGs and criteria air pollutants. Similarly, peak load reduction and grid stability provide benefits to all electric customers. However, despite the fact that the overall program benefits are realized by all customer classifications, it is also important to note that D.16-06-055 modified incentive rates, and budget allocations with the intent of improving incentive equity among all technologies. For this reason, SoCalGas finds that it is appropriate to propose incentive benefit adjustments only after the impacts of the program modifications have been evaluated.

The modifications of D.16-06-055 will inherently impact overall costs and incentive benefits within all customer classifications. As such, it is appropriate to allow for these modifications to take place before cost or incentive benefit adjustments are made. Therefore, SoCalGas proposes that cost allocation adjustments for SGIP should be addressed in our next TCAP, and that any adjustments to incentive benefits should be addressed in future proceedings.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this Advice Letter, which is September 11, 2016. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

¹ D.16-06-055 at 84.

CPUC Energy Division
Attn: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: snewsom@SempraUtilities.com

Effective Date

Pursuant to OP 4 of D.16-06-055, this Advice Letter is designated as Tier 3 pursuant to General Order (GO) 96-B and, as such, requires a Commission resolution to approve. SoCalGas respectfully requests that it be included as an item in the Commission Meeting Agenda on October 27, 2016.

Notice

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.12-11-005. Address change requests to the GO 96-B should be directed by electronic mail to tariffs@socalgas.com or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Ronald van der Leeden
Director – Regulatory Affairs

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY (U 904G)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: SNewsom@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 5016

Subject of AL: Revisions to the Self-Generation Incentive Program (SGIP) Pursuant to Decision

(D.) 16-06-055

Keywords (choose from CPUC listing): Self-Generation; Storage

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D. 16-06-055

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: After Commission Approval

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Southern California Gas Company

Attention: Sid Newsom

555 West 5th Street, GT14D6

Los Angeles, CA 90013-1011

SNewsom@semprautilities.com

¹ Discuss in AL if more space is needed.