

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 19, 2017

**Advice Letter 5219-G**

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

**SUBJECT: Proposed Modifications to the California Solar Initiative (CSI) - Thermal Program Budget in Accordance with Assembly Bill (AB) 797**

Dear Mr. van der Leeden:

Advice Letter 5219-G is effective as of December 17, 2017.

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](mailto:RvanderLeeden@semprautilities.com)

November 17, 2017

**Advice No. 5219**

(Southern California Gas Company – U 904 G)

**Advice No. 3910-G**

(Pacific Gas and Electric Company – U 39 E/G/M)

**Advice No. 85**

(Center for Sustainable Energy®)

Public Utilities Commission of the State of California

**Subject: Proposed Modifications to the California Solar Initiative (CSI) - Thermal Program Budget in Accordance with Assembly Bill (AB) 797**

**Purpose**

Southern California Gas Company (SoCalGas) respectfully submits this Tier 2 Advice Letter on behalf of the CSI-Thermal Program Administrators (PAs),<sup>1</sup> seeking approval from the California Public Utilities Commission (Commission or CPUC) to modify the existing program budget to reflect the changes authorized by AB 797 (Stats. 2017, Ch. 473) and support the continuation of program operations through July 31, 2020.

**Background**

The CSI-Thermal Program was established in 2010 with Commission Decision (D.)10-01-022, which authorized the existing budget allocations, and has the goal of installing solar thermal systems to displace 463 million therms by the original program end date of December 31, 2017.

On October 4, 2017, Governor Edmund G. Brown, Jr., signed AB 797, which authorizes the CSI-Thermal Program to continue operation from January 1, 2018 through July 31,

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<sup>1</sup> The CSI-Thermal PAs are SoCalGas, Pacific Gas and Electric Company (PG&E), and the Center for Sustainable Energy® (CSE).

2020. Although the overall budget will not exceed the existing \$250 million maximum, AB 797 alters the budget allocations to increase the budget allocations devoted to low-income residential housing or disadvantaged communities buildings segments, as well as to industrial applications. The revised budget will account for these changes as well as allow the PAs to continue program operations through the new program end date. The budget modifications should be effective as of January 1, 2018.

In order to avoid any gaps in program administration, the CSI-Thermal PAs submit this Tier 2 Advice Letter pursuant to D.15-01-035, which states, “[i]t is reasonable to allow future substantive CSI-Thermal Program changes to be requested by the PAs via Tier 2 advice letter after consultation with the Energy Division.”<sup>2</sup> The Energy Division agrees with the PAs that this option serves as the most expedient method to make the necessary modifications to the CSI-Thermal Program and ensure the program will continue seamlessly as intended.

Furthermore, the CSI-Thermal PAs note that they will be filing a subsequent joint Advice Letter, which will include the necessary revisions to the CSI-Thermal Program Handbook and address specific incentive levels and eligibility requirements pursuant to AB 797. In addition, the PAs will each file separate Advice Letters to propose their individual 2018 Market Facilitation Plans and Budgets. These subsequent Advice Letters will only be approved contingent upon approval of this Advice Letter, Advice No. 5219, et al.

### **CSI-Thermal PA Budget Proposals**

AB 797 requires that fifty percent of the total program budget shall be reserved for the installation of solar thermal systems in low-income residential housing or in buildings in disadvantaged communities. Additionally, ten percent of the total budget shall be reserved for industrial applications. The remaining allocations are modeled after the adopted budget in D.10-01-022, Table 7.<sup>3</sup>

In addition, both CSE in D.16-07-009 and PG&E in D.16-12-007 previously received authorization from the Commission to combine their market facilitation and program administration budget subcategories within the CSI-Thermal Program administration budget. To make things consistent across all PAs, SoCalGas hereby similarly seeks authorization from the Commission to combine these budget subcategories. This will give SoCalGas the flexibility to fund the necessary marketing tasks in the near term and support program administration activities until the scheduled closure of the program in 2020.

The CSI-Thermal Program will not stop and restart; as such, this will serve as a continuation of the existing program. Therefore, at the request of the Commission’s Energy Division, the following tables are projected estimates of remaining budgets as

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<sup>2</sup> D.15-01-035, Conclusion of Law 14 at p. 28.

<sup>3</sup> D.10-01-022 at p. 57.

of December 31, 2017. Although the actual total budget amount remaining will change, the budget category percentages are fixed. The financial reports indicating the final budget amounts remaining for each PA will be available in January 2018.

Center for Sustainable Energy

<b>Total Budget Remaining (Projected estimates as of 12/31/2017)</b>		<b>\$10,600,000</b>
<b>Incentives (82%)</b>	LI/DAC (50% of total funds)	\$5,300,000
	Industrial (10% of total funds)	\$1,060,000
	GM SF & MF/C; Pools	\$2,332,000
	<b>Subtotal</b>	<b>\$8,692,000</b>
<b>Program Administration/Market Facilitation (18%)</b>	App/incentive processing, General Administration, and System Inspection (6%)	\$636,000
	ME&O Activities (10%)	\$1,060,000
	M&E (2%)	\$212,000
	<b>Subtotal</b>	<b>\$1,908,000</b>

Pacific Gas & Electric Company

<b>Total Budget Remaining (Projected estimates as of 12/31/2017)</b>		<b>\$57,000,000</b>
<b>Incentives (82%)</b>	LI/DAC (50% of total funds)	\$28,500,000
	Industrial (10% of total funds)	\$5,700,000
	GM SF & MF/C; Pools (22%)	\$12,540,000
	<b>Subtotal</b>	<b>\$46,740,000</b>
<b>Program Administration/Market Facilitation (18%)</b>	App/Incentive processing, General Administration, and System Inspection (6%)	\$3,420,000
	ME&O Activities (10%)	\$5,700,000
	M&E (2%)	\$1,140,000
	<b>Subtotal</b>	<b>\$10,260,000</b>

Southern California Gas Company

<b>Total Budget Remaining (Projected estimates as of 12/31/2017)</b>		<b>\$63,500,000</b>
<b>Incentives (82%)</b>	LI/DAC (50% of total funds)	\$31,750,000
	Industrial (10% of total funds)	\$6,350,000
	GM SF & MF/C; Pools	\$13,970,000
	<b>Subtotal</b>	<b>\$52,070,000</b>
<b>Program Administration/Market Facilitation (18%)</b>	App/incentive processing, General Administration, and System Inspection (6%)	\$3,810,000
	ME&O Activities (10%)	\$6,350,000
	M&E (2%)	\$1,270,000
	<b>Subtotal</b>	<b>\$11,430,000</b>

**Protests**

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 December 7, 2017. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Copies of the protest should also be sent via e-mail to the attention of the Director, Energy Division, Room 4004, at the address shown above.

A copy of the protest should also be sent via both e-mail, facsimile and U.S. mail to the addresses shown below on the same date it is mailed or delivered to the Commission:

**For SoCalGas:**  
Attn: Ray B. Ortiz  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-mail: [ROrtiz@Semprautilities.com](mailto:ROrtiz@Semprautilities.com)

**For PG&E:**

Attn: Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, CA 94177  
Facsimile No. (415) 973-3582  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

**For CSE:**

Attn: Sephra Ninow  
Associate Director, Regulatory Affairs  
Center for Sustainable Energy®  
9325 Sky Park Court, Suite 100  
San Diego, CA 92123  
E-mail: [sephra.ninow@energycenter.org](mailto:sephra.ninow@energycenter.org)

**Effective Date**

SoCalGas believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that this Advice Letter become effective on regular notice, December 17, 2017, which is 30 days from the date filed.

**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 service list should be directed by electronic mail to [tariffs@socalgas.com](mailto:tariffs@socalgas.com) or call 213-244-2837. 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](mailto:Process_Office@cpuc.ca.gov).

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Ronald van der Leeden  
Director – Regulatory Affairs

Attachments

# 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: Ray B. Ortiz

Phone #: (213) 244-3837

E-mail: [ROrtiz@semprautilities.com](mailto:ROrtiz@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) #: 5219, et al.

Subject of AL: Proposed Modifications to the California Solar Initiative (CSI) - Thermal Program Budget in Accordance with Assembly Bill (AB) 797

Keywords (choose from CPUC listing): Energy Efficiency, Solar

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

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

N/A

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 AL<sup>1</sup>: N/A

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

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 12/17/17

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: None

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: None

**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**

[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

**Southern California Gas Company**

**Attention: Ray B. Ortiz**

**555 West 5<sup>th</sup> Street, GT14D6**

**Los Angeles, CA 90013-1011**

[ROrtiz@semprautilities.com](mailto:ROrtiz@semprautilities.com)

[Tariffs@socalgas.com](mailto:Tariffs@socalgas.com)

<sup>1</sup> Discuss in AL if more space is needed.