

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 25, 2019

Advice Letter 5310

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

**SUBJECT: Information-Only Advice Letter-Self-Generation Incentive Program Equity
Budget Incentive Adjustment Because of an Incentive Triggering Event
Pursuant to Ordering Paragraph 2 of Decision 17-10-004.**

Dear Mr. van der Leeden:

Advice Letter 5310 is effective as of June 14, 2018.

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
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June 14, 2018

Advice No. 5310
(U 904 G)

Public Utilities Commission of the State of California

Subject: Information-Only Advice Letter - Self-Generation Incentive Program Equity Budget Incentive Adjustment Because of an Incentive Triggering Event Pursuant to Ordering Paragraph 2 of Decision 17-10-004

Purpose

Southern California Gas Company (SoCalGas) submits for approval from the California Public Utilities Commission (Commission or CPUC) this information-only Tier 1 Advice Letter (AL) to provide notice of SoCalGas' Self-Generation Incentive Program (SGIP) Equity Budget incentive adjustment because of an incentive triggering event.

Background

On October 13, 2017, the Commission issued Decision (D.) 17-10-004 establishing an SGIP Equity Budget and requiring the Program Administrators to reserve 25 percent of the energy storage incentive budgets beginning with Step 3 to the SGIP Equity Budget for qualifying projects. The Commission's objective in creating the SGIP Equity Budget was to meet the following three objectives: 1) bring positive economic and workforce development opportunities to the state's most disadvantaged communities; 2) help reduce or avoid the need to operate conventional gas facilities in these communities, which are exposed to some of the poorest air quality in the state;¹ and 3) to ensure that low-income customers

¹ On its website, the Office of Environmental Health Hazard Assessment (OEHHA) notes that CalEnviroScreen scores are mapped so that different communities can be compared. An area with a high CalEnviroScreen score is one that experiences a much higher pollution burden than areas with low scores. See, CalEnviroScreen 3.0: Update to the California Communities Environmental Health Screening Tool. (January 2017)

<https://oehha.ca.gov/media/downloads/calenviroscreen/report/ces3report.pdf>.

and non-profit or public sector organizations in disadvantaged or low-income communities have access to energy storage resources incentivized through SGIP.²

On March 5, 2018, SoCalGas opened Step 3 of the SGIP Equity Budget, Non-Residential Storage Equity and Residential Storage Equity. During a three-month rolling period from March 5, 2018 through June 3, 2018, SoCalGas did not confirm any projects for the Equity Budget in either the Non-Residential Storage Equity or Residential Storage Equity. Moreover, during this same three-month period, SoCalGas confirmed more than five energy storage projects not eligible for the SGIP Equity Budget.³ This constitutes an incentive triggering event, provided for in Ordering Paragraph (OP) 2 and defined in Conclusion of Law (COL) 12 of D.17-10-004, requiring SoCalGas to increase the SGIP Equity Budget incentive amount.

In compliance with D.17-10-004, SoCalGas has increased the SGIP Equity Budget incentive amount by \$0.05/Wh⁴ for qualifying SGIP Equity Budget projects, as shown in the table below.

SoCalGas SGIP Equity Budget Incentive Increase by Customer Class

SGIP Customer Class	SGIP Incentive March 5, 2018 to June 3, 2018 (\$/Wh)	SGIP Incentive after June 3, 2018 (\$/Wh)
Residential		
Energy Storage <=10kW	0.35	0.40
Energy Storage > 10kW + ITC	0.25	0.30
Non-Residential		
Energy Storage	0.35	0.40
Energy Storage + ITC	0.25	0.30

Protest

In accordance with GO 96-B, General Rule 6.2, this information-only AL is not subject to protest.

Effective Date

SoCalGas believes that this AL is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to OP 2 of D.17-10-004 and GO 96-B. Therefore, SoCalGas respectfully requests that this AL be effective on June 14, 2018, which is the date submitted.

² See D.17-10-004, Finding of Fact 2.

³ D.17-10-004, COL 12 defines an incentive triggering event, which requires a Program Administrator to increase its Equity Budget incentive amount by \$0.05/Wh.

⁴ See D.17-10-004, COL 12.

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 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.

Ronald van der Leeden
Director - Regulatory Affairs

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER SUBMITTAL 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

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Submitted/ Received Stamp by CPUC)

Advice Letter (AL) #: 5310

Subject of AL: Information-Only Advice Letter - Self-Generation Incentive Program Equity Budget Incentive Adjustment Because of an Incentive Triggering Event Pursuant to Ordering Paragraph 2 of D.17-10-004

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

AL type: Monthly Quarterly Annual One-Time Other _____

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.17-10-004

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: 6/14/18

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 proposed¹: See Advice Letter

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 submittal, 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

Southern California Gas Company
Attention: Ray B. Ortiz
555 West 5th Street, GT14D6
Los Angeles, CA 90013-1011
ROrtiz@semprautilities.com
Tariffs@socalgas.com

¹ Discuss in AL if more space is needed.