

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 24, 2019

Advice Letter 5396-G

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

SUBJECT: Information-Only Advice Letter – Self-Generating 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 5396-G is effective as of December 10, 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
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December 10, 2018

Advice No. 5396
(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 and non-profit or public sector organizations in disadvantaged or low-income communities have access to energy storage resources incentivized through

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>.

SGIP.²

On March 5, 2018, SoCalGas opened Step 3 of the SGIP Equity Budget, Non-Residential Storage Equity and Residential Storage Equity. During two consecutive three-month rolling periods from March 5, 2018 through June 3, 2018 and June 4, 2018 through September 1, 2018, SoCalGas did not confirm any projects for the Equity Budget in either the Non-Residential Storage Equity or Residential Storage Equity. For the third consecutive three-month rolling period from September 2, 2018 through November 30, 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 September 2, 2018 to November 30, 2018 (\$/Wh)	SGIP Incentive after November 30, 2018 (\$/Wh)
Residential		
Energy Storage <=10kW	0.45	0.50
Energy Storage > 10kW + ITC	0.35	0.40
Non-Residential		
Energy Storage	0.45	0.50
Energy Storage + ITC	0.35	0.40

Protest

In accordance with General Order (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

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.

GO 96-B. Therefore, SoCalGas respectfully requests that this AL be effective on December 10, which is the date submitted.

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 via e-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 via e-mail at Process Office@cpuc.ca.gov.

Ronald van der Leeden
Director - Regulatory Affairs

Attachment



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person:

Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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 Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: