

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 21, 2019

Advice Letter 5456-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 Handbook to Clearly Define a Program End Date and Sunset Period in Compliance with Assembly Bill 797

Dear Mr. van der Leeden:

Advice Letter 5456-G is effective as of May 20, 2019.

Sincerely,

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

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: Center for Sustainable Energy® (CSE)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Sephra Ninow

Phone #: (858) 244-1186

E-mail: sephra.ninow@energycenter.org

E-mail Disposition Notice to: sephra.ninow@energycenter.org

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

April 18, 2019

Advice Letter (AL) #: 102

Tier Designation: 2

Subject of AL: Proposed Modifications to the California Solar Initiative (CSI) – Thermal Program Handbook to Clearly Define a Program End Date and Sunset Period in Compliance with Assembly Bill 797

Keywords (choose from CPUC listing): Compliance; Self Generation; Solar

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.15-01-035

Does AL replace a withdrawn or rejected AL?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Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? Yes No

If yes, specification of confidential information: N/A

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: N/A

Resolution required? Yes No

Requested effective date: 5/20/19

No. of tariff sheets: 0

Estimated system annual revenue effect (%): 0

Estimated system average rate effect (%): 0

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: Proposed Modifications to the California Solar Initiative (CSI) – Thermal

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

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: Sephra Ninow
Title: Associate Director, Regulatory Affairs
Utility Name: Center for Sustainable Energy®
Address: 3980 Sherman St., Suite 170 Zip Code: 92110
City: San Diego State: California
Telephone (xxx) xxx-xxxx: (858) 244-1186
Facsimile (xxx) xxx-xxxx: (858) 244-1178
Email: sephra.ninow@energycenter.org

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

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	

April 18, 2019

Advice No. 102
(Center for Sustainable Energy®)

Advice No. 4090-G
(Pacific Gas and Electric Company – U 39 E/G/M)

Advice No. 5456
(Southern California Gas Company – U 904 G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

**SUBJECT: Proposed Modifications to the California Solar Initiative (CSI) –
Thermal Program Handbook to Clearly Define a Program End Date
and Sunset Period in Compliance with Assembly Bill 797**

PURPOSE

Pursuant to Conclusion of Law (COL) 14 of California Public Utilities Commission (CPUC or Commission) Decision (D.)15-01-035,¹ the Center for Sustainable Energy® (CSE), on behalf of the California Solar Initiative (CSI)-Thermal Program Administrators (PAs),² submits this Advice Letter requesting modifications to the CSI-Thermal Program Handbook to clearly define a program end date and sunset period in compliance with Assembly Bill (AB) 797 (Stats. 2018, ch. 473). In accordance with these requested modifications, the PAs provide necessary revisions to the CSI-Thermal Program Handbook (Attachment A).

¹ D.15-01-035, *Decision Granting Petition for Modification of D.12-08-008 and D.13-08-004 Regarding Changes to the California Solar Initiative Thermal Program*, January 29, 2015, page 28, COL 14.

² The CSI-Thermal PAs are CSE, Pacific Gas and Electric Company (PG&E), and Southern California Gas Company (SoCalGas).

BACKGROUND

On January 21, 2010, in accordance with AB 1470 (Stats. 2007, ch. 536), the Commission signed D.10-01-022, *Decision Establishing the California Solar Initiative Thermal Program to Provide Solar Water Heating Incentives*. D.10-01-022, among other things, established that the CSI-Thermal Program would run through December 31, 2017.³

In 2017, the California Legislature passed AB 797 (Stats. 2017, ch. 473). This bill revised many aspects of the CSI-Thermal Program and extended operation of the Program through July 31, 2020. In addition, AB 797 requires “the governing body of each local publicly owned utility providing gas service, until August 1, 2020, to adopt, implement, and finance a solar thermal system incentive program.”

In compliance with AB 797, and on behalf of the CSI-Thermal PAs, SoCalGas submitted Advice Letter (AL) 5262-A, et al.,⁴ requesting modifications to the CSI-Thermal Program Handbook. SoCalGas AL 5262-A, et al., was effective May 24, 2018. This Advice Letter did not provide a clearly defined end date for the CSI-Thermal Program, nor did it establish procedures for how the program is expected to sunset.

Given diminishing incentive funds and industry inquiries, as well as to provide guidance to stakeholders and ensure administrative efficiency, the CSI-Thermal PAs find it necessary to clearly define a CSI-Thermal Program end date and sunset period in the CSI-Thermal Handbook to comply with AB 797. Accordingly, the CSI-Thermal PAs submit the following proposed modifications to the CSI-Thermal Program Handbook.

DISCUSSION

Program Timeline and End Date

Clearly defined end dates allow market transformation programs to define the scope and availability of funds to ensure resources are used efficiently between Program Administrators⁵ as operations wind down. A clearly defined program end date also provides industry a clear signal for when the CSI-Thermal Program will cease taking applications. Thus, the CSI-Thermal PAs propose the following addition to the CSI-Thermal Handbook:

³ D.10-01-022, Appendix A, page 1.

⁴ SoCalGas AL 5262-A / PG&E 3942-G-A / CSE 88-A, April 24, 2018, effective May 24, 2018 (SoCalGas AL 5262-A, et al.).

⁵ On December 15, 2016, the Commission signed D.16-12-055, *Decision Granting the Joint Motion of the California Solar Initiative Program Administrators to Establish a Program Closure Date for the General Market Program of the California Solar Initiative*. In this Decision, the Commission found that a “uniform [Program] end date promotes the goals of efficient resource sharing between the Program Administrators.” (p. 5).

The CSI-Thermal Program will accept new Incentive Claims for one-step projects and Reservation Requests for two-step projects through July 31, 2020.

For one-step projects, the Applicant must have submitted all required documentation to the online database (see Section 2 for detailed requirements), and the project must have attained a status of “Incentive: Application Review” with a timestamp prior to August 1, 2020.

For two-step projects, the Applicant must have submitted all required documentation to the online database (see Sections 3 through 5 for detailed requirements, based on the type of project), and the project must have attained a status of “Reservation: Application Review” with a timestamp prior to August 1, 2020. If an application fee is required, the application fee must be received by the Program Administrator by no later than July 31, 2020.

For projects submitted on or near the July 31, 2020 deadline, Applicants will be allowed to provide reasonable corrections to project documents, as required by the Program Administrator, after the deadline. However, the Program Administrators reserve the right to cancel Incentive Claims and Reservation Requests submitted prior to the deadline but deemed to have been intentionally submitted with incomplete or inadequate documentation.

Program Sunset Period

The CSI-Thermal Program features an 18-month reservation period, offers a 180-day extension to Applicants, and requires two years of data from projects that receive performance-based incentives. Accordingly, the CSI-Thermal PAs will be conducting program activities for many years after the program is closed to new project applications. Without a clearly defined program end date and established sunset period, “reporting delays or delays in project completion could result in the Program going on indefinitely.”⁶ Thus, the CSI-Thermal PAs find the following proposed CSI-Thermal Program Handbook modification is necessary to effectively plan and budget for CSI-Thermal Program closure:

The CSI-Thermal Program Administrators will continue to process applications, administer rebate payments and conduct field inspections for a program sunset period (Program Sunset Period) that is to end no later than October 31, 2024 (Program End Date). The Program Sunset Period is designed to honor the 18-month reservation period, as well as one 180-

⁶ See Commission comments regarding statements made by the CSI General Market Program Administrators in D.16-12-055 at 4.

day extension, for all projects receiving reservations on or before July 31, 2020, as well as to meet the requirements for two years of data collection for Performance Based Incentive projects. The Program Administrators may request to the CPUC that the Program End Date be advanced to reduce administrative costs.

PROPOSED CSI-THERMAL PROGRAM HANDBOOK MODIFICATIONS

The proposed modifications to the CSI-Thermal Program Handbook, to be reflected in the approved May 2019 CSI-Thermal Program Handbook, are also shown in redlined format in Attachment A.

The following Handbook Section has been added to provide the CSI-Thermal Program a clearly defined end date and sunset period to comply with AB 797:

Section 1.4

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, and D.15-01-035, COL 14, this Advice Letter is submitted with a Tier 2 designation.

PROTESTS

Anyone wishing to protest this Advice Letter may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than May 8, 2019, which is twenty (20) days after the submittal of this Advice Letter. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Copies of the protest should also be sent 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 e-mail and U.S. mail to CSE at the address shown below on the same date it is mailed or delivered to the Commission:

Sephra Ninow
Associate Director, Regulatory Affairs

Center for Sustainable Energy®
3980 Sherman St., Suite 170
San Diego, CA 92110
E-mail: sephra.ninow@energycenter.org

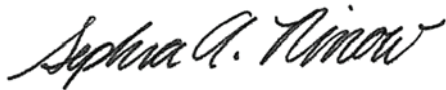
There are no restrictions as to who may submit a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

EFFECTIVE DATE

CSE requests that this Advice Letter become effective on regular notice, May 20, 2019, which is thirty-two (32)⁷ calendar days after the date of submittal.

NOTICE

CSE is providing a copy of this Advice Letter to service list R.12-11-005.



Sephra A. Ninow, J.D.
Associate Director, Regulatory Affairs
Center for Sustainable Energy®

Attachments: Attachment A – Notice of Availability for Redlined Proposed CSI-Thermal Program Handbook, Rev. 21.0, May 2019.

cc: Service List R.12-11-005

⁷ The thirtieth day after the submittal of this Advice Letter falls on Saturday, May 18, 2019. Rule 1.15 of the CPUC Rules of Practice & Procedure, provides that “[i]f the last day falls on a Saturday, Sunday, holiday or other day when the Commission offices are closed, the time limit is extended to include the first day thereafter.” Thus, the effective date to this Advice Letter is extended to Monday, May 20, 2019.

Notice of Availability

On behalf of the California Solar Initiative (CSI)-Thermal Program Administrators, please find CSE Advice Letter 102 / PG&E Advice Letter 4090-G / SoCalGas Advice Letter 5456, a submittal to propose modifications to the CSI-Thermal Program Handbook to clearly define a program end date and sunset period in compliance with Assembly Bill 797.

Due to the size of Attachment A, an electronic/hard copy of the Redline CSI-Thermal Program Handbook illustrating proposed amendments was not included. We instead provide notice that Attachment A may be viewed at:

https://energycenter.org/sites/default/files/docs/nav/policy/proposed/CSI-Thermal-Handbook_May%202019_Program_Sunset_Final.pdf

If you would like to request a hard copy of the Redline CSI-Thermal Program Handbook illustrating proposed amendments, please contact Sephra Ninow via e-mail at sephra.ninow@energycenter.org or via telephone at 858-244-1186.

Thank you!