

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Southern California Gas Company**  
**GAS (Corp ID 904)**  
**Status of Advice Letter 5927G**  
**As of March 1, 2022**

Subject: Final Allocation Report Regarding Self-Generation Incentive Program (SGIP) Accumulated Funds Pursuant to Decision (D.) 21-12-031

Division Assigned: Energy

Date Filed: 01-19-2022

Date to Calendar: 01-24-2022

Authorizing Documents: D2112031

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>01-19-2022</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

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

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213-244-2822

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**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**



**Joseph Mock**  
Director  
Regulatory Affairs

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January 19, 2022

Advice No. 5927  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Final Allocation Report Regarding Self-Generation Incentive Program (SGIP) Accumulated Funds Pursuant to Decision (D.) 21-12-031**

**Purpose**

Pursuant to Ordering Paragraph (OP) 1(d) in D.21-12-031 (Decision), Southern California Gas Company (SoCalGas) hereby submits this Tier 1 Advice Letter (AL) to report its final allocation of accumulated funds to the California Public Utilities Commission (Commission or CPUC).

The Decision requires the SGIP Program Administrators (SGIP PAs or PAs) to report after-the-fact on the final allocation that was made of accumulated funds to waitlisted projects, and/ or to the Equity Resiliency budget, in a Tier 1 AL submitted no later than 30 days from issuance of the Decision.

**Background**

On January 12, 2021, Pacific Gas and Electric Company (PG&E) submitted AL 4360-G/6052-E where it was indicated PG&E has a budget of unspent and unencumbered SGIP funds requesting for its use to be considered for an energy storage pilot program for K-12 schools.

On April 16, 2021, the Commission issued *Administrative Law Judge's Ruling Providing Proposal, Requesting Comment, and Updating Procedural Schedule* (Ruling). In the Ruling, the Commission took into consideration PG&E's AL and directed each PA to submit an updated budget summary, specifically to identify in each PA's territory the

total amount of accumulated unallocated funds for consideration to fund waitlisted and energy storage projects.<sup>1</sup>

In accordance with the Ruling, on May 19, 2021, SoCalGas filed its territory's respective budget summary update as of March 31, 2021, with the inclusion of its accumulated unallocated funds which totaled \$4.6 million.

On December 16, 2021, after all the PAs' budget summaries were submitted, D.21-12-031 directed use of all SGIP accumulated unallocated funds, approximately \$67 million statewide, to SGIP energy storage budgets.<sup>2</sup> The accumulated funds were derived primarily from previously unreported accrued interest earned on SGIP ratepayer revenue collections since the program's inception. The Decision first prioritizes the allocation of funds to certain energy storage budgets with waitlisted applications and directs the allocation of any remaining funds to the Equity Resiliency budgets.

### **Summary of Allocation of Accumulated Funds to Waitlisted Projects**

As directed in D.21-12-031, the PAs are to report the after-the-fact final allocation of accumulated unused funds to waitlisted projects in a Tier 1 AL submitted no later than 30 days from issuance of that Decision.<sup>3</sup> As such, SoCalGas reports the following allocations of funds according to the directive received within that Decision.

In its response to the Heat Pump Water Heater (HPWH) Staff Proposal,<sup>4</sup> SoCalGas reported accrued interest through March 31, 2021, totaling \$4,610,504; however, updated accrued interest within the Self-Generation Program Memorandum Account (SGPMA)<sup>5</sup> through November 2021 made additional funds available for allocation bringing the unallocated interest total within SoCalGas' territory to \$4,644,156. The Decision ordered these unallocated funds be immediately allocated to any currently waitlisted projects using the following prioritization:<sup>6</sup>

1. Waitlisted Equity Resiliency budget applications, if any;
2. Equity budget applications prioritized by the date the application was waitlisted, if any;
3. General Market Residential waitlisted applications, if any; and
4. General Market Large-Scale waitlisted applications, if any.

The Decision directs any remaining funds after this prioritization to be allocated to the Equity Resiliency Budget.

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<sup>1</sup> Administrative Law Judge's Ruling Providing Proposal, Requesting Comment, and Updating Procedural Schedule on April 16, 2021, at 6.

<sup>2</sup> D.21-12-031 at OP 1(d).

<sup>3</sup> D.21-12-031 at OP 1(d).

<sup>4</sup> SoCalGas' Response of the HPWH Staff Proposal on May 19, 2021, in Table 1 at 3.

<sup>5</sup> SoCalGas' AL 3014 establishes the SGPMA in accordance with D.01-03-073.

<sup>6</sup> D.21-12-031 OP 1(a) at 27.

As of the date immediately following the adoption of the Decision (December 17, 2021), SoCalGas had two budget categories in a 'waitlist' status: The Equity Resiliency Budget and the Non-Residential Storage Equity Budget. The Equity Resiliency Budget had a waitlist of seven applications totaling \$2,959,039, which was able to be fully funded. After allocating accrued interest funds to satisfy the Equity Resiliency Budget waitlist, \$1,685,117 remained available for further distribution; however, the Non-Residential Storage Equity Budget waitlist total exceeded this amount with a value of \$14,190,388. As such, the total remaining balance was applied to one project on the Non-Residential Storage Equity Budget Waitlist, prioritized by the date the applications were waitlisted.

Final allocation of accumulated funds:

	<b># of Waitlisted Projects</b>	<b>Waitlist Value</b>	<b># of Projects Served</b>	<b>Accrued Interest Applied</b>
<b>SoCalGas (Total)</b>	<b>19</b>	<b>\$17,149,427.45</b>	<b>8</b>	<b>\$4,644,156.00</b>
<b>Equity Resiliency</b>	<b>7</b>	<b>\$2,959,039.45</b>	<b>7</b>	<b>\$2,959,039.45</b>
<b>Non-Residential Storage Equity</b>	<b>12</b>	<b>\$14,190,388.00</b>	<b>1</b>	<b>\$193,982.10<sup>7</sup></b>
<b>Balance Remaining</b>				<b>\$1,491,134.45<sup>8</sup></b>

### **Correction to Accumulated Funds**

The accounting as outlined in SoCalGas' budget summary update on May 19, 2021 – and herein accurately identifies total interest accrued within the SGPMA account; however, SoCalGas has identified additional accrued interest that accrued outside of the SGPMA account between program years 2007 and 2010. This interest was accrued in a California Solar Initiative Balancing Account (CSIBA) pursuant to D.06-01-024 where the CPUC approved an 11-year California Solar Initiative (CSI) program and directed each PA to collect the revenue requirement utilizing a similar cost recovery mechanism as used for SGIP costs. These costs were to be, beginning in 2007, transferred into a separate CSIBA. However, immediately thereafter, Senate Bill (SB) 1, which passed on August 21, 2006, mandated the exclusion of gas ratepayer funding for CSI activities occurring on and after January 1, 2007. Consistent with SB 1 and D.06-08-028, SoCalGas maintained a CSIBA only until the related Photovoltaic incentives were paid for SGIP project applications received prior to January 1, 2007. Subsequently, in 2010, SoCalGas submitted AL 4094-A, closing the CSIBA and transferring all remaining funds back into the SGPMA account as directed in D.06-12-033.

<sup>7</sup> The waitlist application funded had an incentive value of \$986,000. As of December 17, 2021, the Non-Residential Storage Equity Budget had unspent funds available totaling \$792,017.90.  $\$792,017.90 + \$193,982.10 = \$986,000$ .

<sup>8</sup> Based on date applications were waitlisted, the next waitlisted application exceeds the *Balance Remaining*.

SoCalGas is verifying the interest accrued in the CSIBA prior to the SGPMA interest adjustment accounting for the transfer of these funds (in 2010) and will include this information within the budget accounting Tier 1 AL due no later than January 30, 2022. Immediately thereafter, and in accordance with the Decision, SoCalGas will fund additional projects as directed in D.21-12-031 as they would have been funded according to the waitlist of projects as of the December 17, 2021, or the date these additional Non-Residential Equity projects would have been funded had these additional funds been made available at that time. In anticipation of these additional funds, SoCalGas will maintain the \$1,491,134.45 reported in Table 1 and report the allocation of these funds in addition to the allocation of the additional accrued interest funds within the Tier 1 AL that will be submitted no later than January 30, 2022.

### **Protest**

Anyone may protest this AL 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 AL, which is February 8, 2022. The address for mailing or delivering a protest to the Commission is:

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

A copy of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)). Due to the COVID-19 pandemic, SoCalGas is currently unable to receive protests or comments to this AL via U.S. mail or fax. Please submit protests or comments to this AL via e-mail to the addresses shown below on the same date it is mailed or e-mailed to the Commission.

Attn: Grisel Juarez Velazquez  
Sr. Regulatory Tariff Administrator  
555 West Fifth Street - GT14D6  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-4957  
E-mail: [GJuarezVelazquez@socalgas.com](mailto:GJuarezVelazquez@socalgas.com)  
E-mail: [Tariffs@socalgas.com](mailto:Tariffs@socalgas.com)

**Effective Date**

SoCalGas believes this AL is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to OP 1(d) of D.21-12-031. Therefore, SoCalGas respectfully requests that it be made effective on January 19, 2022, which is the date submitted.

**Notice**

A copy of this AL is being sent to SoCalGas' General Order (GO) 96-B service list and the Commission's service list in R.20-05-012. Address change requests to the GO 96-B should be directed via e-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 via e-mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

*/s/ Joseph Mock*  
Joseph Mock  
Director - Regulatory Affairs



# 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 proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss 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](mailto: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:  
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