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

Southern California Gas Company
GAS (Corp ID 904)
Status of Advice Letter 6020G
As of October 26, 2022

Subject: Pacific Gas and Electric Company, Center for Sustainable Energy, Southern California Edison Company, and Southern California Gas Company's Proposed Modifications to Inspections Protocol Procedures in the Self-Generation Incentive Program

Division Assigned: Energy

Date Filed: 08-16-2022

Date to Calendar: 08-24-2022

Authorizing Documents: E-4717

Disposition:	**Accepted**
Effective Date:	**09-15-2022**

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio
(415)973-4587
PGETariffs@pge.com

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Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

Sidney Bob Dietz II
Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B13U
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-3582

August 16, 2022

Advice 4644-G/6680-E
(Pacific Gas and Electric Company U 39 M)

Advice 136-E
(Center for Sustainable Energy®)

Advice 4848-E
(Southern California Edison Company U 338-E)

Advice 6020-G
(Southern California Gas Company U 904-G)

Public Utilities Commission of the State of California

Subject: **Pacific Gas and Electric Company, Center for Sustainable Energy, Southern California Edison Company, and Southern California Gas Company's Proposed Modifications to Inspections Protocol Procedures in the Self-Generation Incentive Program**

Purpose

In accordance with Resolution (Res.) E-4717,[1] Pacific Gas and Electric Company (PG&E), Center for Sustainable Energy® (CSE), Southern California Edison Company (SCE), and Southern California Gas Company (SoCalGas)[2] hereby jointly submit to the California Public Utilities Commission (CPUC or Commission) this Tier 2 advice letter (AL) proposing modifications to the Field Inspection Sampling Protocol for the Self-Generation Incentive Program (SGIP).

Background

Physical and virtual inspections of installed equipment are conducted in SGIP to confirm that a completed project provides benefits to both the grid and the customer, that project components match the application and are in compliance with program requirements, and that the system has been installed to operate as expected. However, these on-site and

[1] Res. E-4717, which approved modifications proposed in Advice Letter PG&E 3552-G/4563-E, CSE 55, SCE 3165-E, and SoCalGas 4741 submitted on January 20, 2015, pg. 1-3.
[2] Collectively the "SGIP Program Administrators" or "SGIP PAs" or "PAs".

virtual verifications increase incentive processing times and incur additional program costs for both the SGIP Program Administrators (PAs) and program participants.

In 2015, with the increased number of standalone Advanced Energy Storage (AES) projects applying for SGIP incentives, the PAs were concerned that projects may be used as "back up"[3] mode only during times of an electric grid outage, which was contrary to the objectives of the SGIP. With this in mind, the PAs proposed stronger safeguards, based on Energy Division recommendations, in PG&E's Joint AL 3552, et al., submitted on January 20, 2015, which proposed all Residential AES projects be subject to a new Residential AES Field Verification Inspection and attest to compliance via a new Residential AES Affidavit. Res. E-4717 was subsequently approved and provided that the PAs could revise the field inspection protocol for energy storage projects as needed based on experience.

In 2016, Decision (D.) 16-06-055 subsequently contemplated revising inspection protocols in SGIP and required the PAs to hold a workshop and publish a report that included recommendations for streamlining the inspection protocol in SGIP to allow for a sampling protocol.[4] D.16-06-055 also authorized the PAs to file a Tier 2 advice letter to propose changes to the inspections protocol (i.e., sampling) if it could benefit the program.[5]

Pursuant to Ordering Paragraph (OP) 7 in D.16-06-055, the PAs held a workshop on November 14, 2016, to discuss incorporating an inspection sampling into the field inspection protocol.

Subsequently, CSE submitted Joint AL 78, et al.,[6] on behalf of the SGIP PAs, proposing to implement a field inspection sampling protocol consistent with the recommendations resulting from the November 14, 2016, Statewide Quarterly Workshop. A supplemental Joint AL was submitted on August 1, 2017, and these ALs were approved and effective as of August 29, 2017.

Furthermore, in 2019, the PAs also incorporated, in certain circumstances, the option of a virtual on-site inspection in lieu of a physical on-site inspection for eligible residential AES projects.[7]

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[3] Systems operating as short-term temporary replacement for electrical power during periods of electric utility power outages. In addition to emergency operation, they ordinarily only operate for testing and maintenance. Backup generators do not produce power to be sold or otherwise supplied to the grid or provide power to loads that are simultaneously serviced by the electric utility grid. Backup generators only service customer loads that are isolated from the grid either by design or by manual or automatic transfer switch.
[4] D.16-06-055, OP 7.
[5] D.16-06-055, OP 8.
[6] CSE AL 78, et al. (https://www.pge.com/tariffs/assets/pdf/adviceletter/GAS_3837-G.pdf).
[7] SCE AL 3966-E, et al., on March 11, 2019.

More recently, the PAs have continued working with industry as part of the Streamlining Technical Working Group (TWG) in support of ongoing process streamlining[8] opportunities to include enhancements to the current field inspection sampling protocol.

Discussion

A. Reasons for Streamlining the Inspection Sampling Protocol

The current Inspection Sampling Protocol was initially implemented in 2017, and since that time, the PAs have evaluated thousands of project inspections with less than a 6.5% inspection failure rate.[9] Furthermore, the protocol primarily focuses on basic project installations where the expectation is that there will be little to no complexity to the installation, as projects expected to include non-standard or otherwise complex installation features are typically inspected at the discretion of the relevant PA. Additionally, all new equipment applying within SGIP is technically evaluated and receives statewide PA approval. This new equipment review process provides a strong familiarity with each battery system prior to installation and inspection.[10] The low failure rate of inspections to-date, coupled with the familiarity of standardized systems being installed, compel the PAs to support a reduction in the current sampling protocol.

Also, since 2017, the program has experienced an increase in the number of developers and battery models applying for SGIP incentives. For example, in 2017 there were 225 developers statewide; however, in 2022 that number has increased to 865 developers.[11] This increase has directly impacted program administration, timelines and costs.

While most inspections that make use of the current sampling protocol are straight-forward installations with minimal complexity, these inspections result in increased ratepayer costs and delays in processing incentive payments to customers. These costs and delays are a result of:

- Inspector coordination and scheduling with the customer, which is dependent on a customer's availability;
- Inspector travel time, which in many cases exceeds four hours when traveling to remote project locations;
- Inspection evaluation costs for analyzing 7-day discharge data and detailing the findings within an inspection report for each project;
- Drafting and finalizing of SGIP inspection report by inspector; and/or

[8] Assigned Commissioner's Scoping Memo and Ruling (R.20-05-012) issued on August 17, 2020, at OP 4.
[9] While each PA has a different failure rate, all PAs have less than a 6.5% failure rate.
[10] SGIP Publication of Equipment Review Process
[11] Figures based on the 7/13/22 SGIP Public Report.

- SGIP PA review and processing to close out the inspection process and move the application to payment processing.

In an effort to provide a more balanced approach to program administration and given the minimal failed inspections since the inception of the current Inspection Sampling Protocol, the SGIP PAs propose the modifications discussed below.

B. Proposed Changes to the Inspection Sampling Protocol

The current SGIP Inspection Sampling Protocol, which may be executed at the discretion of the relevant PA, is summarized below:

For a particular model for a given developer, and for each of the residential and non-residential customer categories, the PAs will inspect:

- The first three projects using the same model for each developer will be physically inspected.
- Once three projects pass an on-site inspection, then one in five projects may be randomly selected for on-site inspection.
- Once six total projects pass an on-site inspection, then one in ten projects may be selected for on-site inspection. Virtual inspections may also be considered for residential projects.
- New equipment models introduced by the developer during the inspection cycle, equipment will be inspected for at least three projects. If all three inspections are successful, then the inspection cycle will resume from the existing sampling rate.

The PAs propose revising the SGIP Inspection Sampling Protocol in the following way and as described in Figure 1 (and included in redline as Appendix A):

For each developer, and for each of the residential and non-residential customer categories, the revised protocol will be as follows:

- The first two projects for each developer will be physically inspected.
- Once two inspections from a single developer have been successfully completed with no failures, there will be a one in five chance that projects may be randomly selected for an on-site inspection.
- Once six total projects pass an on-site inspection, then one in fifteen projects may be randomly selected for inspection. Virtual inspections may also be considered for residential projects.

- Any new equipment model(s) introduced by a developer during the inspection sampling cycle will be inspected for at least one project. If the inspection is successful, the cycle will resume from the existing sampling rate.

Figure 1: Comparison of Current Protocol to Proposed Changes

Inspection Process	Before (current process)	After (proposed change)
Accepted Into Sampling	3 Inspections	2 Inspections
Sampling Rate	1:5	No Change
Six Passed Inspections	1:10	1:15
New Equipment Models	3 Inspections	1 Inspection

C. Potential Impacts of the Proposed Revision

The PAs find that modifying the inspection sampling protocol should not negatively impact safety, as safety is established by the Authorities Having Jurisdiction (AHJ) and the AHJ's inspection approval is required prior to the release of incentives for any SGIP project. Furthermore, the PAs find that the successful evaluation of most inspections to-date provides confidence that the proposed revisions to the inspection protocol should not represent a risk to basic ratepayer assurances. Rather, the changes, as proposed, will result in significantly fewer inspections statewide, thereby reducing application processing times and administrative costs.

Conclusion

The PAs respectfully request the Commission approve this Tier 2 AL as submitted.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than September 6, 2022, which is 21[12] days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

[12] PG&E is moving this date to the following business day because the 20-day protest period concludes on a holiday.

Copies of protests also should be E-mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent via E-mail to the E-mail addresses shown below on the same date it is E-mailed to the Commission:

For PG&E:
Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
E-mail: PGETariffs@pge.com

For CSE:
Sephra Ninow
Director, Regulatory Affairs
Center for Sustainable Energy®
E-mail: sephra.ninow@energycenter.org

For SCE:
Connor J. Flanigan
Managing Director, State Regulatory Operations
Southern California Edison Company
E-mail: AdviceTariffManager@sce.com

Tara S. Kaushik
Managing Director, Regulatory Relations
c/o Karyn Gansecki
Southern California Edison Company
E-mail: Karyn.Gansecki@sce.com

For SoCalGas:
Gary Lenart
Regulatory Tariff Manager
E-mail: GLenart@socalgas.com
E-mail: Tariffs@socalgas.com

Any person (including individuals, groups, or organizations) may protest or respond to an AL (General Order (GO) 96-B, Section 7.4). The protest shall contain the following information: specification of the AL protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) E-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (GO 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 2 AL become effective on September 15, 2022, which is 30 days from the date of this submittal.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for R.20-05-012. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: http://www.pge.com/tariffs/.

/S/
Sidney Bob Dietz II
Director, Regulatory Relations

Attachments:

Appendix A – Revised Post Installation Inspection Sampling Protocol

cc: Service List R.20-05-012

California Public Utilities Commission

ADVICE LETTER SUMMARY

ENERGY UTILITY

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

Company name/CPUC Utility No.: Pacific Gas and Electric Company (U 39 M)

Utility type:
☑ ELC ☑ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Stuart Rubio
Phone #: (415) 973-4587
E-mail: PGETariffs@pge.com
E-mail Disposition Notice to: SHR8@pge.com

EXPLANATION OF UTILITY TYPE
ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4644-G/6680-E

Tier Designation: 2

Subject of AL: Pacific Gas and Electric Company, Center for Sustainable Energy, Southern California Edison Company, and Southern California Gas Company's Proposed Modifications to Inspections Protocol Procedures in the Self-Generation Incentive Program

Keywords (choose from CPUC listing): Compliance, Self Generation.

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution E-4717

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:
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: 9/15/22

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: N/A

Service affected and changes proposed[1]: N/A

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

[1]Discuss in AL if more space is needed.

Clear Form

Protests and correspondence regarding this AL are to be sent via email and are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidney Bob Dietz II, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

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

Clear Form

Appendix A

Revised Post Installation Inspection Sampling Protocol

Post Installation Inspection Sampling Protocol

Inspections make certain that SGIP systems are designed and installed in a manner that complies with the program and confirms customer safety. The following sampling protocol documents the inspection process for developers with multiple SGIP reservations. This protocol may be implemented at the discretion of each ProgramAdministrator. Program Administrators reserve the right to inspect any and all projects requesting an incentive.

1. **Inspections could be subject to a failure as defined below:**
    a. When the equipment is operating normally but another requirement of the inspection process is not satisfied, a failure may be issued at the Program Administrator's discretion. Certain failures may not require re-inspection and may be satisfied via submission of revised documentation. Failures that would typically NOT require re-inspection include but are not limited to:
        i. The equipment installed does not match the equipment identified on the reservation documentation;
        ii. Sufficient discharge data is not submitted prior to the inspection;
        iii. The customer failed to implement the required energy efficiency measures, if applicable; or
        iv. The utility meter inspected onsite does not match the meter ID on the proof of utility.

    b. When the project does not satisfy program rules and a re-inspection is required, a failure may be issued at the Program Administrator's discretion. Failures that would typically require re-inspection include but are not limited to:
        i. The inspector is unable to access the equipment or conduct the inspection through no fault of their own;
        ii. The equipment is not operating properly; or
        iii. The equipment or technology that is installed does not match the equipment or the technology identified in the Incentive Claim Form documentation.

2. **Inspection sampling will be managed per Program Administrator territory, will apply to each developer, and will be separate for residential and non-residential projects. The following methodology may be applied:**
    a. The first two ~~three~~ projects ~~using the same model~~ for each developer in both the residential and non-residential customer category will be physically inspected.
    b. Once two ~~three~~ inspections from a single developer have been successfully completed with no failures, one in five projects may be randomly selected by the Program Administrator for an on-site inspection.

c. At the relevant Program Administrator's discretion, one in fifteen ~~ten~~ projects may be randomly selected for inspection after six total successful on-site inspections. Virtual inspections may be conducted for residential projects while in the one in fifteen ~~ten~~ random selection phase. For more details on virtual inspections, please refer to the Energy Storage Inspection Protocol.

d. New equipment models[1] introduced by a developer during the inspection sampling cycle will be inspected for at least one ~~three~~ project ~~applications~~. If the inspection~~s~~ is ~~are~~ successful, the cycle will resume from the existing sampling rate in 2(b) above.

e. A rolling inspection failure rate of ≥5% of projects with the same model (as defined in 1(a) above) may result in a reset of the inspection sampling. Any failed inspections resulting in a need to physically re-inspect the project (as defined in 1(b) above) will automatically result in a reset of the inspection sampling (i.e. start back at "2(b)" above).

[1] For energy storage projects, "equipment model" refers to the SGIP-incentivized battery pack, inverter, or other ancillary equipment that affects total system output and operation and is identified in the application documentation. The sampling cycle is not affected by variations in the make/model of any onsite solar photovoltaic modules paired with the SGIP-incentivized system.

PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blaising Smith Wynne, P.C.
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency Financing

California Alternative Energy and Advanced Transportation Financing Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

East Bay Community Energy Ellison Schneider & Harris LLP
Engineers and Scientists of California

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
ICF
International Power Technology

Intertie

Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
Yep Energy