

## PUBLIC UTILITIES COMMISSION

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September 14, 2023

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**Subject: Staff Disposition of Center for Sustainable Energy's (CSE) Advice Letters (AL) 142-E-A, Southern California Edison Company's (SCE) AL 5009-E-A, Southern California Gas Company's (SCG) AL 6130-A, Pacific Gas and Electric Company's (PG&E) AL 4741-G-A/6915-E-A for Proposed Revisions to Streamline the Self-Generation Incentive Program Handbook**

Dear Ms. Ninow, Mr. Flanigan, Mr. Lenart, Ms. Kaushik, and Mr. Dietz:

The California Public Utilities Commission's (CPUC) Energy Division (ED) approves CSE AL 142-E-A, SCE AL 5009-E-A, SCG AL 6130-A, PG&E AL 4741-G-A/6915-E-A with an effective date of August 1, 2023.

Summary

This Supplemental AL replaces the original Joint PA AL 142-E, et al. in its entirety and seeks approval of proposed revisions to the SGIP Handbook (Handbook) to improve navigability, increase accessibility of weblinks, and provide additional context and clarification of existing program rules. ED Staff finds that the Supplemental AL should be approved, after considering the protest and reply from all parties. ED

staff finds the Supplemental AL provided adequate detail on the proposed revisions. Therefore, the Supplemental AL is approved.

Attachment 1 contains a discussion of the comments, replies to the comments, and ED staff's determination for approval of the Supplemental AL.

Please direct any questions regarding ED's findings in this disposition to Fang Yu, Hu ([FangYu.Hu@cpuc.ca.gov](mailto:FangYu.Hu@cpuc.ca.gov)).

Sincerely,

 FOR

Leuwam Tesfai  
Deputy Executive Director for Energy and Climate Policy/  
Director, Energy Division  
California Public Utilities Commission

Cc: Service List R.20-05-012  
Free Energy Savings Company LLC, d/b/a Quality Conservation Services  
Public Advocates Office at the California Public Utilities Commission  
Simon Baker, Energy Division  
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## **Attachment 1**

### **Review and Analysis**

On April 21, 2023, the Joint SGIP Program Administrators (PAs) – Center for Sustainable Energy (CSE), Southern California Edison (SCE) Company, Southern California Gas (SCG) Company, and Pacific Gas and Electric (PG&E) Company – jointly submitted Advice Letter 142-E, et al., proposing revisions to the Handbook to improve navigability, increase accessibility of weblinks, and provide additional context and clarification of existing program rules.

On May 11, 2023, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) protested the original AL 142-E, et al. Their protest objected to the proposed language of the PAs that would allow the PAs to make revisions to the SGIP Handbook without requiring the submission of an advice letter when the PAs deem the changes to be “not altering programmatic rules.” On May 18, 2023, the PA’s provided a Reply to Protest.

On July 18, 2023, the PAs submitted Supplemental CSE AL 142-E-A, SCE AL 5009-E-A, SCG AL 6130-A, PG&E AL 4741-G-A/6915-E-A which removed the language that Cal Advocates objected to in their Protest and otherwise was unchanged. The supplemental AL reopened the protest period for 10 days and requested that protest be limited to only the changes made via the supplemental which was only the withdrawal of language protested by Cal Advocates. Subsequently, on July 19, 2023, Cal Advocates withdrew its protest of CSE AL 142-E.

On July 28, 2023, a protest to the Supplemental AL was filed by the Free Energy Savings Company LLC, d/b/a Quality Conservation Services (Free Energy/QCS). On August 4, 2023, the Joint SGIP Program Administrators (PAs) filed a reply to the protest.

### **Background**

Established in 2001 by the California Public Utilities Commission (Commission) in Decision (D.)01-03-0732, the SGIP has undergone numerous changes primarily established in subsequent Commission Decisions. With each programmatic change, the existing SGIP Handbook has been modified via Tier 2 AL and updated to reflect new Commission direction and California State Legislative requirements.

In support of the R.20-05-012 Proceeding, the SGIP PAs submitted CSE AL-E, et al. and its supplemental CSE AL-E-A, et al., which aims to propose revisions and reorganization of the existing Handbook. This AL proposes enhancements to the Handbook's accessibility, removal of redundant and outdated content, and clarification of rules.

### **Protest**

The protest issues of Free Energy/QCS to CSE AL 142-E-A, Joint PA reply, and Energy Division discussion are summarized and presented below. Cal Advocates protest to the original CSE AL 142-E was withdrawn and is not discussed here and they did not protest the supplemental AL.

## **Issue 1: Inappropriate Restrictions on AL Protest Procedures.**

Free Energy/QCS expressed its opposition to the restriction of protest topics and to the shortened protest period. The Supplemental AL noted that there were no protests to the original AL and requested that all protests to the Supplemental be strictly limited to the narrow changes made by the Supplemental. This would prevent protests for most of the Handbook changes detailed in the AL that the PAs have chosen to include and are now seeking approval for. The Supplemental also limited the protest period to ten calendar days.

### Joint PAs Reply

The Joint PAs replied to the protest noting that protests submitted regarding Supplemental AL 142-E-A, et al., should only address the additional information provided in the supplement, not the unchanged content which was submitted under Joint PA AL 142-E, et al, with its own protest period.

They contend that the Free Energy/QCS protest opposed several proposed changes to the SGIP Handbook, but that these suggested alterations are related solely to the initial content of Joint PA AL 142-E, et al., and not to the sole modification proposed in Supplemental AL 142-E-A, et al.

### Discussion

Pursuant to California Public Utilities Commission General Order 96-B, General Rule 7.4.2, “A protest may not rely on policy objections to an advice letter where the relief requested in the advice letter follows rules or directions established by statute or Commission order applicable to the utility.”<sup>1</sup> Energy Division believes that the protest from Free Energy/QCS does not conform to the grounds for protests. The protest is attempting to relitigate a prior order of the Decisions set forth by the Commission, which is not particularly related to the relief requested in the AL.

Although we understand Free Energy/QCS’s concerns that the protest period is relatively short and limited in scope, the original AL provided a standard 20-day Protest period and was the appropriate forum for a protest to the full contents of the AL.

## **Issue 2: Incomplete Removal of Outdated and Redundant Sections**

Free Energy/QCS protested the continued use of the Covid Pandemic extensions for certain SGIP applications and the continued exclusion of solar projects as eligible in the Renewable Generation portfolio.

### Joint PAs Reply

The Joint PAs did not reply on this topic.

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<sup>1</sup> GENERAL ORDER 96-B, p.13 7.4.2 Grounds for Protest

## Discussion

Energy Division notes that the Covid extensions are allowable under the current framework in Decision 21-03-009, which allowed projects that require additional time beyond the third 6-month extension granted to complete the installation and have been unable to do so due to issues related to the COVID-19 pandemic to be granted a stay on the cancellation of a project not to exceed one (1) year from the project's third Reservation Expiration Date.

This Decision has not been amended since then, and furthermore it cannot be changed via Advice Letter, per GO 96-B, General Rule 5.1 'Matters Appropriate to Advice Letters.'<sup>2</sup> The appropriate venue for proposing a change to this Decision would be through the formal SGIP Proceeding. Similarly, while Free Energy/QCS is correct that AB 209 directed the CPUC to provide incentives for solar PV paired with energy storage, the Commission has yet to issue a Decision on incorporating this technology into the program. An Advice Letter is not the appropriate forum for making this change and the ongoing R.20-05-012 Proceeding is currently considering how to implement AB 209.

### **Issue 3: Poor Representation on the SGIP Working Group and Not Fulfilling Open Meeting Guidelines**

Free Energy/QCS stated that the SGIP Working Group suffers from a lack of transparency and little information available to the public on its operation. They contend that 88 percent of the SGIP working group consists of utility employees or utility consultants. Free Energy/QCS believes that this absence of external input or diverse perspectives hinders the SGIP program's ability to better serve low-income, CBOs, Tribal and other communities.

## Joint PAs Reply

The Joint PAs did not reply on this topic.

## Discussion

Energy Division staff appreciate the concern expressed regarding the SGIP working group. However, there is no requirement in any SGIP Decision that mandates the working group be conducted via open meeting procedures. The initial Decision 01-03-073<sup>3</sup> solely established the working group as a coordinating body for the program administrators and Energy Division. Furthermore, there are numerous entities, working groups, and meetings charged with improving Commission programs that do not fall under the category of public meetings, and this occurrence is not uncommon. Additionally, SGIP does host publicly noticed quarterly workshops, which are open to all interested parties to provide feedback on the program. Energy Division again determines that the appropriate forum for addressing these comments related to the SGIP working group is within the SGIP proceeding, rather than in an AL.

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<sup>2</sup> [GENERAL ORDER 96-B, p8 5.1 Matters Appropriate to Advice Letters](#)

<sup>3</sup> [Decision 01-03-073](#), p.55 OP 16

#### **Issue 4: Stronger Oversight Procedures for SGIP Extension Authority**

Free Energy/QCS raised concerns about the AL's failure to establish a reasonable standard for granting extensions and its failure to uphold the current Handbook mandates regarding the release of unused funds to prospective participants.

#### **Joint PAs Reply**

The Joint PAs did not reply on this topic.

#### **Discussion**

Energy Division again determines that the appropriate forum for addressing these comments related to establishing rules regarding waitlist extensions, procedural enhancements, project prevention or expiring funds, is within the SGIP proceeding, rather than in an AL.

#### **Disposition**

After considering the protest and reply from all parties, the Energy Division concludes that Free Energy/QCS's protest is rejected and the Joint PA AL 142-E-A, et al. is approved with an effective date of August 1, 2023.