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

Southern California Gas Company
GAS (Corp ID 904)
Status of Advice Letter 6252G
As of February 20, 2024

Subject: Modification to the Self-Generation Incentive Program (SGIP) Post-Installation Inspection Sampling Protocol for Energy Storage Projects

Division Assigned: Energy

Date Filed: 01-25-2024

Date to Calendar: 02-09-2024

Authorizing Documents: D1606055

Disposition:	**Accepted**
Effective Date:	**02-09-2024**

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

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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
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Subject of Filing
Date Filed
Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
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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

Joseph Mock
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
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January 25, 2024

Advice No. 6252-G
(Southern California Gas Company - U 904 G)

Advice 4860-G/7153-E
(Pacific Gas and Electric Company - U 39 M)

Advice 5202-E
(Southern California Edison Company - U 338 E)

Advice 148-E
(Center for Sustainable Energy®)

Public Utilities Commission of the State of California

Subject: Modification to the Self-Generation Incentive Program (SGIP) Post-Installation Inspection Sampling Protocol for Energy Storage Projects

Purpose

Southern California Gas Company (SoCalGas), on behalf of itself, Pacific Gas & Electric, Southern California Edison Company, and Center for Sustainable Energy[1] (jointly the SGIP Program Administrators or PAs), hereby submits this Tier 2 Advice Letter (AL) for approval by the California Public Utilities Commission (Commission or CPUC) to update the SGIP Post-Installation Inspection Sampling Protocol (Sampling Protocol) regarding energy storage projects that use identical equipment for participating in SGIP per Decision (D.)16-06-055, Ordering Paragraph (OP) 8.

Background

Since the inception of SGIP, field inspections have been required for PAs to verify all installed systems are operational, interconnected, and conform to program requirements. This program requirement included energy storage projects when they became an eligible technology to participate in SGIP in 2011.[2] In 2016, following a PA-led workshop per D.16-06-055, a new energy storage inspection sampling protocol was implemented to address the

[1] Center for Sustainable Energy® (CSE) administers SGIP on behalf of San Diego Gas & Electric (SDG&E) in SDG&E service territory.
[2] D.11-09-015 at 19.

increasing number of SGIP applications.[3] Since then, the PAs have modified the energy storage inspection sampling protocol to streamline further or improve the inspection process (i.e., the addition of virtual inspections[4] and reduction of the sampling rate[5]). These streamlining efforts have reduced administrative costs and costs to developers participating in the program.

More recently, on November 3, 2023, Tesla Inc. (Tesla) submitted to the SGIP Working Group (WG) a Program Modification Request (PMR) contemplating the treatment of highly configurable systems (like Tesla's Megapack systems) within the framework of the Sampling Protocol. The term *"highly configurable systems"* refers to energy storage systems with identical equipment (battery packs, inverters, etc.) but are assembled with varying quantities, affecting the system's total output. The PMR focused on the definition of *"equipment model"* in the Sampling Protocol and its impact on the field inspection sampling rate for developers deploying these highly configurable systems. Tesla presented their PMR to the SGIP WG on November 8, 2023.

On November 29, 2023, the WG unanimously supported Tesla's PMR, and the PAs established their intention to submit an AL (pursuant the direction provided in D.16-06-055, OP 8) to modify the definition of "*equipment model*" in the Sampling Protocol. Furthermore, in anticipation of this forthcoming AL, the PAs previewed the proposed modification to the Sampling Protocol at the SGIP 4th Quarter Workshop held on December 15, 2023 (see Attachment B). The PAs received a positive response from all stakeholders who participated in that discussion.

Discussion

The Sampling Protocol provides a systematic approach to the inspection sampling process for developers with multiple SGIP reservations. The current inspection sampling process allows for the following:

a. The first two projects for each developer in both the residential and non-residential customer category are physically inspected.
b. After two successful on-site inspections, one in five projects may be randomly selected for an on-site inspection.
c. Following six total successful on-site inspections, one in fifteen projects may be selected for inspection, including virtual inspections for residential projects.

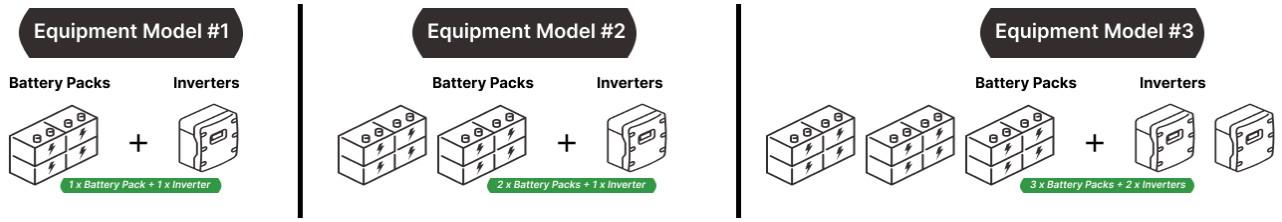
However,

d. When a developer introduces a new equipment during the inspection sampling cycle, it will be inspected for at least one application. If the inspection is successful, the cycle may then resume from the existing sampling rate in (b) above.

[3] D.16-06-055, OP 7.
[4] SCE AL 3966-E, et al., submitted on March 11, 2019.
[5] PG&E AL 4644-G/6680-E, et al., submitted on August 16, 2022.

The Sampling Protocol defines new equipment as an "*equipment model,*" which is described as "the SGIP-incentivized battery pack, inverter, or other ancillary equipment that affects total system output and operation and is identified in the application documentation."[6] This definition, while seemingly straightforward, overlooks the fact that highly configurable systems have identical battery packs and inverters that vary only in quantity of that equipment being paired at the project site. However, because these configurations do affect the system output and operation (by increasing the system's capacity), each conceivable permutation of these systems are currently categorized as a distinct "*equipment model"* due to the limitations of the existing definition. For example, currently, identical battery packs and inverters from the same manufacturer paired in the following manners would be considered three distinct *"equipment models"* (as shown in Example A below):

Example A:[7]



With the current inspection sampling protocol, each equipment model is considered its own unique model, and each configuration is required to be inspected and undergo its own inspection sampling cycle as outlined above.

Consequently, highly configurable systems like the Tesla Megapack systems (which have up to 147 unique configurations), Sungrow PowerTitan series (with up to 164 unique configurations), or Socomec HES L series (with up to 32 unique configurations) are required to have every single configuration initially inspected prior to each configuration beginning its own separate inspection sampling cycle.[8] As one example, in its PMR, Tesla states that considering 43 commercial projects, across program territories, 24 would be considered to have unique "*equipment model"* configurations, requiring 100% of those 24 projects to be subject to a field inspection despite using identical equipment. As a result, developers installing these highly configurable systems may be subject to a higher field inspection rate and may not be reaping the benefits of the approved inspection sampling protocol as originally envisioned by the PAs.

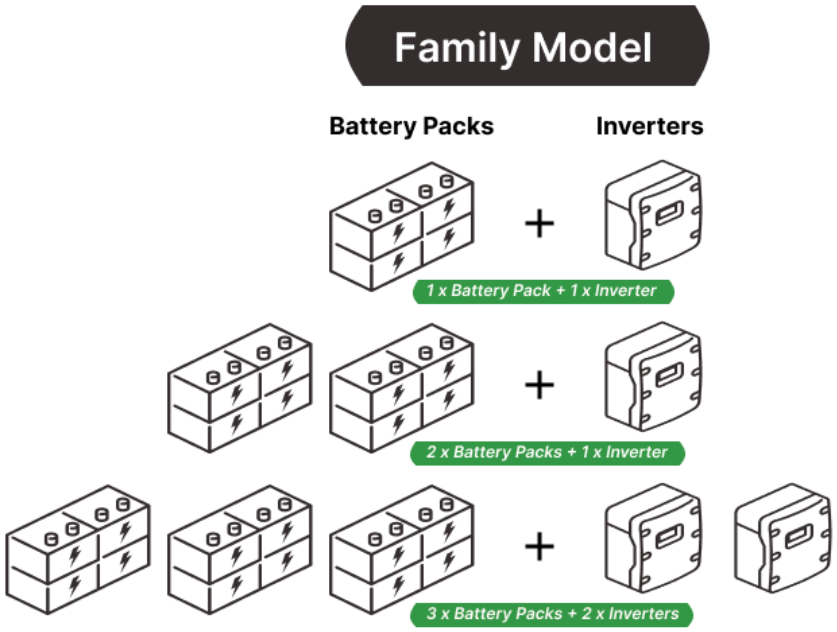
Revising the Definition of "Equipment Model" in the SGIP Post-Installation Inspection Sampling Protocol Would Streamline the Inspection Process

To address these challenges faced by developers deploying highly configurable systems, the PAs propose to revise the definition of "equipment model" within the Sampling Protocol such

[6] Post-Installation Inspection Sampling Protocol at Footnote 1.
[7] SGIP 4th Quarter Workshop Presentation, Slide 32, available at selfgenca.com under "Forms and Documents."
[8] These energy storage systems are shown on the SGIP Public Equipment List.

that highly configurable systems that have identical equipment (e.g., battery packs, inverters) can be grouped into "*family models*." This proposal maintains the same inspection sampling protocol for "*family models"* as is applied to other non-configurable system "*equipment models*." Using Example A above, the following Example B presents how this proposal would be applied today to the three "equipment models" using the same *"family model"* for highly configurable systems.

Example B:[9]



This is feasible because these three configurations have identical battery packs and inverters, which have all been inspected when they were first introduced into the program. With this proposal, inspection sampling would be applied to the *"family model"* rather than each unique equipment configuration, resulting in the reduction of an unnecessarily high on-site inspection rate of these configurable systems. This proposed modification would reduce the 147 unique Megapack configurations to six unique *"family models"* and have similar impacts for other manufacturers with these types of highly configurable systems. The proposed modifications would also reduce the expected sampling rate from Tesla's example of 43 commercial projects from 24 project inspections to 11 project inspections.

The PAs find this modification would be beneficial to SGIP participants and would only require revising the definition of *"equipment model"* within the existing Sampling Protocol. Understanding that these "family models" contain no new equipment, rather only different

[9] SGIP 4th Quarter Workshop Presentation, Slide 34, available at selfgenca.com under "Forms and Documents."

configurations of equipment that has already been inspected, reducing the sampling rate for highly configurable systems would:

- Reduce program administration costs,
- Reduce onsite-related costs for Project Developers and other SGIP participants, and
- Expedite Incentive Claim approvals and incentive payments.

Moreover, since 2011 when energy storage was included in the program as an eligible technology, the PAs have become increasingly familiar with the expected installation and operation of these SGIP systems, and industry has become increasingly familiar with the expectations of the on-site inspection process through experience, SGIP Handbook updates, and other program documents.[10] These universal lessons learned provide further confidence in the proposed changes to the sampling protocol, without compromising program safeguards. Therefore, the PAs, propose to revise the Sampling Protocol via submission of this AL pursuant to D.16-06-055, OP 8.

Proposed Modification to the SGIP Post-Installation Inspection Sampling Protocol

The requested modification to the Sampling Protocol does not require any revision to the SGIP Handbook. Rather the request modification would be reflected in the standalone document "Post Installation Inspection Sampling Protocol" in Footnote 1 (posted on selfgenca.com) where a developer introduces new equipment they have not installed before (redlines also provided in Attachment A), as follows:

> [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. Highly configurable systems that have identical equipment (battery packs, inverters, etc.) with varying quantities are grouped into a "family model"; the same sampling cycle will be applied based on the system's family model rather than each distinct model configuration. The sampling cycle is not affected by variations in the make/model of any onsite solar photovoltaic modules paired with the SGIP-incentivized system.

[10] SGIP Handbook and Energy Storage Field Inspection Protocol Document, available at selfgenca.com under "Forms and Documents."

Protest

Anyone may protest this Advice Letter 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 proposed modifications were discussed amongst stakeholders participating in the SGIP 4th Quarter Workshop. Request for a swift implementation is reasonable and should be considered because this modification would help reduce inequities, costs, and application processing delays for developers making use of highly configurable systems as well as the costs associated with general program administration. Therefore, the PAs request a shortened protest period. The protest must be submitted electronically and must be received within ten (10) days after the date of this Advice Letter, which is February 4, 2024. Protests should be submitted to the attention of the Energy Division Tariff Unit at:

E-mail: EDTariffUnit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this Advice Letter should also be sent electronically to the attention of:

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

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

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

and

Attn: Adam Smith
Director, State Regulatory Relations
Southern California Edison Company
c/o Karyn Gansecki
E-mail: Karyn.Gansecki@sce.com

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

Effective Date

This submittal is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B and OP 8 of D.16-06-055. Therefore, to help expedite implementation, PAs respectfully request that this submittal be approved by the Commission at the earliest opportunity.

Notice

A copy of this Advice Letter is being sent to SoCalGas's 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 service list should be directed via e-mail to Tariffs@socalgas.com or call 213-244-2424. 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.

/s/ Joseph Mock
Joseph Mock
Director – Regulatory Affairs

Attachments
Post-Installation Inspection Sampling Protocol – Attachment A
Published SGIP 4th Quarter Workshop Presentation (Slides No. 32 and 34) – Attachment B

California Public Utilities Commission

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[1]:

Pending advice letters that revise the same tariff sheets:

[1]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	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:

ATTACHMENT A

Advice No. 6252-G, et al.

SGIP Post-Installation Inspection Sampling Protocol

Post Installation Inspection Sampling Protocol

Inspections ensure that SGIP systems are designed and installed in a manner that complies with the program and ensures 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 Program Administrator. 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
        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
        iii. The equipment or technology that is installed does not match the equipment or the technology identified in the ICF 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 projects for each developer in both the residential and non-residential customer category will be physically inspected.
    b. Once two 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 Program Administrator's discretion, one in fifteen 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 random selection phase. For more details on virtual inspections, please refer to the Energy Storage Inspection Protocol.

d. When a developer introduces equipment[1] they have not installed before during the inspection sampling cycle, it will be inspected for at least one application. If the inspection is 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 developer (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. Highly configurable systems that have identical equipment (battery packs, inverters, etc.) with varying quantities are grouped into a "family model"; the same sampling cycle will be applied except sampling will be based on the system's family model rather than each distinct model configuration. The sampling cycle is not affected by variations in the make/model of any onsite solar photovoltaic modules paired with the SGIP-incentivized system.

ATTACHMENT B

Advice No. 6252-G, et al.

Self-Generation Incentive Program
WorkshopSlides 32 and 34

Inspection Sampling Protocol: "Equipment Model" Definition

SELF-GENERATION INCENTIVE PROGRAM

Equipment Model #1

Battery Packs + Inverters

1 x Battery Pack + 1 x Inverter

Equipment Model #2

Battery Packs + Inverters

2 x Battery Packs + 1 x Inverter

Equipment Model #3

Battery Packs + Inverters

3 x Battery Packs + 2 x Inverters

Inspection Sampling:

- **Current:**
  - Based on each equipment model.

Inspecting Sampling Cycle:

1. After **2** successful on-site inspections:
   a. **1 in 5 projects** are inspected.
2. After **6** total successful on-site inspections:
   a. **1 in 15 projects** are inspected.

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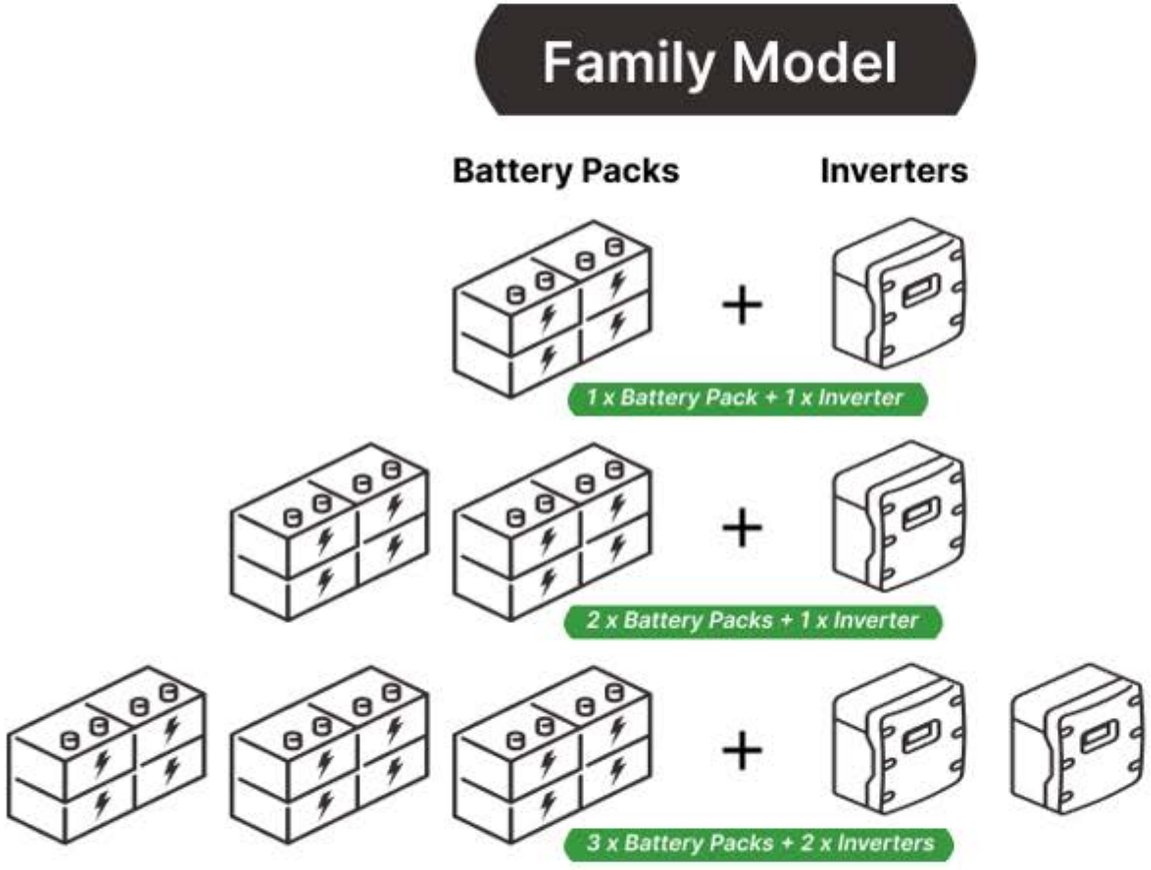
Inspection Sampling Protocol: "Equipment Model" Definition

SELF-GENERATION INCENTIVE PROGRAM



Inspection Sampling:

- **Current:**
  - Based on each unique configuration.
- **Proposal:**
  - Based on the system's "Family Model".

Note: PAs will still be verifying the system's unique model in the application documentation.

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