**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the Self-Generation Incentive Program and Related Issues	Rulemaking 20-05-012 (Filed May 28, 2020)

COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE ON THE ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), the California Energy Storage Alliance ("CESA") hereby submits these comments on questions (b) through (k) pursuant to the *Assigned Commissioner's Scoping Memo and Ruling* ("Ruling"), issued by Assigned Commissioner Clifford Rechtschaffen on August 17, 2020.

I. INTRODUCTION.

CESA recognizes and appreciates the Commission's responsiveness to modify and evolve the Self-Generation Incentive Program ("SGIP") to address timely and changing needs as well as to make incremental improvements where certain barriers or issues have been identified. SGIP will continue to play an important role in transforming the market for energy storage, providing grid services, and reducing greenhouse gas ("GHG") emissions while supporting equitable access to energy storage technologies for low-income and disadvantaged community ("DAC") customers and offering a near-term resiliency solution in the face of recent wildfires and public safety power shutoff ("PSPS") events. The issuance of Decision ("D.") 19-09-027 and D.20-01-021 is evidence of the Commission's responsiveness of the state's most pressing energy and climate issues and highlights the role of energy storage to flexibly be deployed and operated to mitigate these issues.

In this new proceeding, the Scoping Memo lays out the key refinement areas to improve the program in terms of intended objectives and administrative efficiency as well as to consider pathways for a broader range of technologies to be able to access SGIP funds and deliver on the program's goals and priorities. CESA supports the Commission's lines of inquiries in the Scoping Memo to begin addressing some of these improvement areas. As the Commission and stakeholders embark on addressing these issues, CESA recommends a careful consideration of each of the three program goals (*i.e.*, market transformation, grid services, GHG emissions reductions) and the two priority areas (*i.e.*, resiliency, equity) to ensure that the appropriate balance is struck. In the history of SGIP, CESA has sometimes seen the Commission overemphasize one objective at the detriment of achieving another objective.

In addition, as any reforms are considered, the Commission should balance precision regarding the use of the SGIP funds with administrative efficiency. Often times, these two objectives involve tradeoffs. If the balance is tilted too much in favor of precision, CESA has observed that burdensome requirements or narrow criteria in SGIP can hinder timely deployment of projects and result in poor customer experience and higher administrative overhead. On the other hand, if the balance is tilted too much in favor of efficiency, the intended objectives may not be sufficiently met, especially given the limited amount of SGIP funds available.

This balancing exercise is not easy, and we recognize the challenge that the Commission often faces in managing these tradeoffs in this long-standing program. To date, CESA commends the Commission for generally striking this balance in the face of new and emerging priorities, even as there is always room for improvement. With this context and objectives/priorities in mind, we offer our responses to each of the remaining questions posed in the Scoping Memo. Our responses to the questions can be summarized with the following points and recommendations:

- Schools and critical facilities serving low-income and DAC customers should be added as eligible customers for the Equity Resiliency Budget.

- The Equity Resiliency Budget incentive rate may need to be adjusted down (*e.g.*, $0.90/Wh) to accommodate a greater number of projects while still supporting the financeability of higher-cost resiliency projects.

- The Commission should ensure consistency across all Commission proceedings and accounting/reporting processes on the "discrete PSPS event" definition to minimize customer confusion.

- Various administrative streamlining proposals as well as COVD-related exceptions should be considered in this proceeding and/or in the SGIP Technical Working Group.

- Program Administrators ("PAs") must generally be held accountable and evaluated for customer service/satisfaction and administrative performance and timelines.

- The Commission must make important distinctions on whether the electric vehicle ("EV") batteries and/or electric vehicle supply equipment ("EVSE") qualifies as an energy storage resource, especially if energy storage budget funds are re-allocated or open to these resources.

- Given the limited funding available to existing eligible SGIP technologies, the vast current and future funds available to EV/EVSE systems, and the Commission's current funding priorities, the Commission should only deem the fully incremental or incrementally-funded components of vehicle-to-grid ("V2G") systems for resiliency as eligible for SGIP incentives.

II. RESPONSES TO QUESTIONS.

Question b. **Should the Commission refine guidance regarding prioritization of equity resiliency budget incentive applications, allowable reimbursable costs or cost control guidance beyond that provided in D.19-09-027 and D.20-01-021? If so, what additional guidance should be considered? Please explain.**

Yes, CESA believes that existing guidance may need to be refined, but it is unclear at the moment whether changes to allowable reimbursable costs or cost control guidance

is specifically needed at this time, absent data or evidence suggesting such changes are warranted. To these concerns, D.19-09-027 opted against any cost controls due to the risk of setting incentives too low for the Equity Budget, and D.20-01-021 clarified reimbursable costs to include electrical and critical load panels,[1] but information should be provided regarding any malpractice or excessiveness before considering any changes at this time. Meanwhile, the Commission issued a Proposed Decision ("PD") on September 3, 2020 that reasonably addressed a potential oversight of the eligibility requirements for electric well pump customers in the Equity Resiliency Budget. This represents a reasonable narrowing of the eligibility criteria that provides better assurances that the Equity Resiliency Budget incentives are directed to the most vulnerable customers.

To this end, CESA believes certain modifications to the Equity Resiliency Budget eligibility criteria could be made to support the intent of this budget category and support the broader deployment of storage to provide resiliency for Equity customers. While it may be reasonable to narrow or tighten the criteria in certain cases (such as in the September 3, 2020 PD), there are other opportunities to expand the eligibility criteria to support projects that support the intent of the Equity Resiliency Budget. In first establishing the Equity Resiliency Budget in D.19-09-027, a narrower definition for eligible critical facilities than the one adopted for PSPS notification purposes was adopted for SGIP in order to prioritize the limited funds for those who are least able to fund a storage system.[2] Since then, the eligibility criteria has been modified to ensure that "SGIP incentives will help customers most at risk of having their electricity shut-off during PSPS events" as well as those who

[1] D.19-09-027 at 38-40 and D.20-01-021 at 80.

[2] D.19-09-027 at 25.

are "most likely to be impacted by PSPS events in the future."[3] Eligibility criteria was again modified and refined with D.20-07-015 that would streamline eligibility for customers that inherently serve low-income or DAC populations.[4] The refinements to the eligibility criteria highlight the Commission's discretion and responsiveness to new information to make modifications that support additional customers with critical resiliency needs.

Specifically, CESA recommends the addition of schools serving low-income and DAC customers to be eligible for the Equity Resiliency Budget since they are recognized as a critical facility in D.19-05-042 subject to notification protocols and because they would support working parents, increase student safety, and offer a "gathering center" located in dispersed locations that could be maintained for students and teachers during PSPS events. Such facilities, even if located in Tier 2/3 High-Fire Threat Districts ("HFTDs") and serving eligible Equity customers, are ineligible for the Equity Resiliency Budget and are potentially stranded in the long waitlist of the Equity Budget, even as they seek to provide resiliency for the very type of customers that the Commission is targeting through the Equity Resiliency Budget. Considering this, CESA urges reconsideration of the eligibility of schools that otherwise meet the Equity and locational criteria and resiliency documentation requirements.

In addition, CESA supports a potential modification to the Equity Resiliency Budget eligibility criteria to support critical facilities as defined in D.20-01-021 that predominantly serve low-income and DAC customers in HFTDs but unfortunately are

[3] D.20-01-021 at 41-42.

[4] D.20-07-015 at 47-48.

located outside of qualifying HFTDs. Some of these projects are currently waitlisted in the Equity Budget categories and may be supported by the Commission's tentative proposal to transfer funds, but a broadening of the eligibility criteria in this way could support the very type of projects intended by the Equity Resiliency Budget while more surgically targeting resiliency-focused projects. Since demonstrations are already required for such critical facilities in showing the types of customers it serves, the proposed modification would be merely relaxing the HFTD-related locational requirements. For example, for critical facilities such as hospitals that happen to be mere miles from meeting the HFTD locational criteria, they are ineligible for the Equity Resiliency Budget even though they are located in Equity areas and primarily serve low-income and DAC customers with critical services. If greater assurances and controls are needed to ensure that Equity Resiliency Budget funds are directed to critical facilities that mostly serve low-income and DAC customers, then the Commission may establish locational parameters (*e.g.*, within 5-mile radius of qualifying HFTD) to support such projects.

At the same time, CESA understands that the Equity Resiliency Budget is experiencing significant uptake trends that would raise some concern or caution for the Commission to modify the Equity Resiliency Budget, perhaps inclining the Commission to narrow the criteria as opposed to expanding it, as CESA has recommended above. Based on market uptake trends, certain PAs may have their Equity Resiliency Budget depleted over the 12 months or less. This should not be interpreted as a poor outcome since the resiliency use case of storage within SGIP was untested at the time, and given the urgency of wildfire mitigation solutions, it was more prudent to be more "lenient" with the incentive rate and then to potentially reduce the rate based on market outcomes. With several months

of data, the program has now seen significant uptake in the Equity Resiliency Budget and may need to consider incentive rate reductions to accommodate a greater number of projects while still supporting the financeability of higher-cost resiliency projects that involve additional cost components, such as panel upgrades/rewiring and specialized equipment. Similar to how other budget categories have established a lower incentive rate for energy storage projects claiming the investment tax credit ("ITC"), a lower incentive rate of $0.90/Wh for SGIP-funded storage when paired with solar and claiming the ITC may help the Equity Resiliency Budget funds support a greater number of projects while still making these projects subject to the lower incentive rate to be economic to develop and install.[5] With a lower incentive rate and some limited modifications to expand the Equity Resiliency Budget eligibility criteria, CESA believes that a greater number of projects can be supported to provide resiliency to Equity customers.

Finally, CESA encourages the Commission to consider policies or requirements to promote a better balance and more parity between application processing expectations, regardless of budget category. CESA agrees on the prioritized application processing of Equity Resiliency Budget applications, particularly those from local governments,[6] but such prioritization should not completely stall application processing progress on SGIP applications from other budget categories and/or other customer types. CESA has heard anecdotal evidence from developers that this may be occurring in practice, so this issue may need to be explored. Upon further investigation, the Commission should ensure that

[5] The exact incentive rate may need to be further discussed and reflect how the ITC is scheduled to phase down over the next several years as well.

[6] D.20-01-021 at 56 and 58.

greater staff and resources should still be dedicated to Equity Resiliency Budget applications but that it should not forestall all progress on other application types.

Question c. **In response to the COVID-19 pandemic, investor-owned utilities (IOUs) have suspended requirements for applicants to provide a medical certification to enroll in a medical baseline rate and may not require this from applicants for up to a year. Given this, should the Commission consider adopting additional eligibility or verification requirements for medical baseline customers wishing to access the equity resiliency incentives adopted in D.19-09-027 and D.20-01-021? Please explain.**

CESA has no comment at this time.

Question d. **Should the Commission provide any clarifications to the definition of "discrete Public Safety Power Shutoff (PSPS) event" adopted in D.20-01-021 to address situations where customers experience an electricity outage due to an actual wildfire, are at high risk of a future electricity outage, either from a PSPS event or due to an actual wildfire, and/or are de-energized due to an actual wildfire?**

Yes, there is a need for further clarity of the "PSPS event" and consideration of consistency across definitions not only in SGIP but also in how such events are defined elsewhere, such as for the purposes of reporting in the De-Energization proceeding (R.18-12-005). With the adoption of a single statewide definition for "discrete PSPS event" as outlined in the PAs' supplemental advice letter on June 5, 2020[7] and reflected in the SGIP Handbook,[8] CESA presumed that the definition was relatively clear and straightforward since the consideration of event duration or time in between events would not be a factor. However, in practice, CESA has learned that developers and customers are confused as to how the "discrete PSPS event" definition is interpreted, where customers report multiple

[7] *Supplemental: Proposed Revisions to the Self-Generation Incentive Program Handbook to Further Incorporate Requirements Pursuant to Decision (D.) 20-01-021*, Advice No. 110-E-A, et al. submitted on June 5, 2020 at 4.

[8] SGIP Handbook Version 7 published on July 15, 2020 at 114.

outages, but the PAs clarify that not all of the outages qualify as a PSPS event. As we understand it, the discrepancies in how PSPS events are reported or recorded for SGIP purposes may differ from how it is accounted for other purposes, such as in the post-PSPS event reporting required in R.18-12-005.[9] Such confusion should be avoided and consistent definitions should apply. Furthermore, CESA supports the inclusion of outages not only due to PSPS events but also due to wildfires to be qualifying events for the purposes of the Equity Resiliency Budget. Experiencing wildfires and the resulting outages are the very definition of those who are at risk and most in need of resiliency projects.

Question e. **Should the Commission further refine the multifamily building requirements adopted in D.19-09-027 to facilitate this customer segment's participation in SGIP? If yes, should refinements include extending eligibility for SGIP for multifamily buildings on a Virtual Net Energy Metering (VNEM) tariff to multi-tenant commercial buildings? If so, what refinements should be considered? Please explain.**

CESA has no comment at this time.

Question f. **Should the Commission consider revising any SGIP processes or requirements to streamline incentive application, review, approval and other Program Administrator functions?**

Yes, CESA believes that there are areas where SGIP processes or requirements could be modified to streamline the incentive application process. Specifically, CESA recommends the following improvements be considered by the Commission and/or the SGIP Technical Working Group:

- **Utilize virtual inspections as much as possible:** SGIP inspections are done in-person although there is nothing in the inspection (*i.e.*, safety or technical issues) that requires staff on-site. By conducting hardware verification virtually with photos, developers can save several weeks per project. This

[9] For example, it has been reported to CESA that a customer who experiences two outages but were only notified for one of them would qualify as having one discrete PSPS event.

would extend the practice for residential installations to non-residential installations.

- **Remove requirement for eligible system costs to be included in executed customer contract:** Documentation of system costs in the customer contract is unnecessary and causes delays and friction in the application process. For SGIP purposes, costs are already documented in the Project Costs Affidavit. Commercial customers are not buying hardware, so hardware costs are unnecessary in the contract and in fact can change over the course of the project development.

- **Remove requirement for customer signature on Proof of Project Milestone ("PPM") form:** Customer signature on the PPM form causes unnecessary process delays. It is currently unclear the utility of this requirement.

- **Move contractor fields to the Incentive Claim Form ("ICF"):** The listed contractor often changes during a project. PA requests for contractor information cause needless delays, which does not need to be verified until the ICF stage.

- **Refund application fee upon PA review of executed customer contract:** Currently, the application fee is not returned until after the Incentive Claim Form ("ICF") is approved. An executed customer contract is sufficient proof of project viability. Refunding the fee at this stage provides cash back to the developer as much as one year faster.

Furthermore, due to the COVID-19 pandemic, the Commission should consider temporary exemptions or modifications to support storage deployments in these exceptional times, where the economic crisis has impacted customer enrollments, public-health risks have delayed construction and supply chains, and customer load (particularly for commercial customers) has experienced reductions:

- **Increase factory testing and virtual post-installation inspections, where appropriate:** Factory testing and virtual post-installation inspection will reduce administrative burden as well as reduce risk of COVID exposure for all parties. Both options are currently available at PA discretion. Field testing and live in-person inspections should be reserved for new developers, new technology, and systems of considerable complexity.

- **Reduction or suspension of cycling requirements:** COVID restrictions have reduced customer load at non-residential sites, creating challenges to maintain the cycling requirements for these resources. Reduced customer load means that there is reduced storage discharge to offset the customer load.

- **Extension of performance-based incentive ("PBI") recovery period:** Similarly, reduced customer load reduces the cycling ability of storage resources, limiting the ability for storage projects to recover their full PBI on an annual and five-year basis. The PBI recovery period should thus be extended by one year.

- **Allow system transfers**. The potentially long-lasting effects of COVID restrictions may necessitate the transfer of one SGIP project to another customer site. Such transfers will ensure ratepayers continue to receive the grid benefits of their investment through the continued performance of the asset.

Understandably, each of the above reforms may require further discussion of the implementation details, which should be taken up in this proceeding and/or in the SGIP Technical Working Group.

Question g. **Should the Commission consider the requirements for an IOU or other entity to act as Program Administrator for HPWH incentives? What would preclude an IOU or entity from acting as the Program Administrator? Should any IOU be precluded from acting as Program Administrator for HPWH technologies? If an incumbent IOU is not designated as a Program Administrator, what alternative should be adopted? Please explain.**

CESA does not take a position on this specific issue.

In general, though, CESA believes that PAs must be held accountable and evaluated for customer service/satisfaction and administrative performance and timelines. While CESA generally favors third-party program administration that provides greater assurance of actual or perceived independence, the most recent *SGIP Program Administrator Performance Evaluation* report indicates that the investor-owned utilities ("IOUs") are

capable of adequate program administration, with average to above-average customer satisfaction and performance.[10] Notably, Center for Sustainable Energy ("CSE") rated the highest among the PAs, with Southern California Gas Company ("SoCalGas") ranking second among the PAs. As noted in our response to Question (f), the Commission may be better served by focusing on existing administrative processes and continuing to hold the PAs accountable for performance through these regular evaluations.

Question h. **How can SGIP incentives facilitate use of EV energy storage systems and/or EVSE to reduce peak load on the grid and/or to charge the storage system when excess electricity is available?**

SGIP has been an instrumental program that has transformed and continues to transform the market for stationary energy storage systems. The combination of electric vehicle ("EV") batteries and/or electric vehicle supply equipment ("EVSE"), as a demand response ("DR") or mobile storage resource, has the ability to similarly provide environmental and grid-support benefits as stationary storage resources (*e.g.*, load shifting, resiliency). CESA fully supports EVs and EVSEs to provide vehicle-grid integration ("VGI") services and has advocated to address various barriers to their broader deployment, including to develop an interconnection pathway for V2G systems. While supportive of VGI in general, CESA recommends that the Commission make important distinctions on whether the EV/EVSE qualifies as an energy storage resource, especially if energy storage budget funds are re-allocated or open to these resources.

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[10] *2017 SGIP Program Administrator Performance Evaluation* prepared by Itron on June 1, 2018 at Chapter 1: Executive Summary at 3.
https://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Utilities_and_Industries/Energy/Energy_Programs/Demand_Side_Management/Customer_Gen_and_Storage/SGIP_2017_PA_Performance_Eval.pdf

Specifically, the broad nature of this question in the Scoping Memo raises some concerns for CESA that distinctions between energy storage and EV/EVSE as basic or manageable load must be made. "Energy storage" is defined in §2835 of the Public Utilities Code and affirmed by the Commission in subsequent decisions, where EV/EVSE combinations that are only capable of one-way managed charging would not qualify as energy storage and would be more akin to DR.[11] By contrast, V2G systems with bidirectional charge/discharge capabilities could be determined to be eligible for SGIP funds from the energy storage budgets, which was recently affirmed in establishing comparable Rule 21 interconnection processes for both stationary and mobile energy storage systems.[12] In broadly asking the question on whether SGIP incentives can support EVs and EVSEs, CESA is concerned that this distinction is not being made, where only V2G systems could even be considered for SGIP incentive eligibility.

With this in mind, the Commission should also consider whether SGIP is the most appropriate program to incentivize EV/EVSE resources for operation as energy storage devices. SGIP is intended to fully fund new capital-intensive storage projects, where no other equivalent program exists for customer-sited stationary storage systems. Even with AB 2514 storage mandates setting a "customer domain" target, most of this domain-specific target was met through SGIP deployments, with just around 118 MW of non-SGIP-funded, behind-the-meter ("BTM") storage procured through local capacity

[11] *Decision on Track 2 Energy Storage Issues*, D.17-04-039, issued in R.15-03-011 on April 27, 2017 at 8-9. https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M185/K070/185070054.PDF

[12] *Proposed Decision Adopting Recommendations from Working Groups Two, Three, and Subgroup Recommendations* issued in R.17-07-007 on August 20, 2020 at 112.
https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M345/K380/345380320.PDF

requirement ("LCR") related competitive solicitations.[13] Without SGIP, BTM storage resources would otherwise not have a foundational program needed to support this market segment.

By contrast, the Commission has approved many significant transportation electrification programs and investments, where EV charging infrastructure is supported through make-ready investments and EVSE rebates, and EVs are supported by state-level EV purchase incentives[14] and low-carbon fuel standard ("LCFS") revenues. In light of this, CESA is unclear on what portion of EV/EVSE costs would need to be supported by the current SGIP program to support V2G functionality above and beyond the funding that supports deployment of EV and EVSE funding for drivers' mobility needs and one-way charging (*e.g.*, incremental costs for the inverter or controller). In general, CESA believes it is vital for the Commission to avoid "double funding" resources for their capital and deployment costs if already funded through another sourcing mechanism.[15] If the intent is to have the entire EV, EVSE, and enabling components funded through SGIP, CESA also has concerns that this may be limiting the incentive funds that would be eligible for other SGIP technologies, such as energy storage, controlled smart water heaters, thermal energy

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[13] See total procurement numbers in a recent filing here: http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M330/K052/330052665.PDF

[14] *e.g.*, the Clean Vehicle Rebate Project ("CVRP") for light-duty vehicles, or the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project ("HVIP") for medium- and heavy-duty vehicles.

[15] For this reason, CESA presumes the ineligibility of second-life batteries from SGIP was put into place (SGIP Handbook Section 4.2.4) in order to not putting ratepayer funds into resources or technologies that have already been funded. Similarly, in discussions on heat pump water heaters ("HPWHs"), it will be important to ensure that their funding in SGIP should be premised on how they are operationalized as energy storage and avoid duplicative funding, such as from energy efficiency or automated demand response ("ADR") rebates.

storage, and renewable generation[16] – all of which are already deemed eligible but are still working through various issues and barriers to their participation. State-level EV rebates and related charging infrastructure applications from the IOUs, by contrast, have larger scales and dedicated funding sources.[17]

Given the limited funding available to existing eligible SGIP technologies and the current and future funds available to EV/EVSE systems, CESA recommends that the Commission avoid separate allocations or carve-outs and only deem the fully incremental or incrementally-funded components of V2G systems for resiliency as eligible for SGIP incentives.

Question i. **How can SGIP incentives facilitate use of EV storage systems and/or EVSE to reduce grid GHG emissions?**

CESA strongly believes that EV/EVSE combinations inherently reduce GHG emissions by switching from fossil fuels to electricity for fueling, and that it is not necessary for such systems to receive SGIP incentives to deliver these GHG emission reductions. SGIP is a technology incentive where the GHG signal provides incentives and enforcement frameworks to ensure that incentivized systems commensurately deliver GHG reduction benefits to the electric grid. However, EV/EVSE systems can have their deployment costs partially or entirely funded through state-level EV purchase incentives and IOU infrastructure investment programs. Rather than making SGIP incentives broadly available to EV/EVSE systems, CESA recommends that the Commission consider how WattTime's GHG signal and platform can be integrated into other programs and service

[16] Total SGIP funds available for 2019-2025 amounts to $1.2 billion: http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M327/K726/327726468.PDF

[17] This includes over $900 million in approved transportation electrification investments as of December 2019 (https://www.cpuc.ca.gov/zev/) in addition to another $414 million pursuant to D.20-08-045.

platforms. If certain V2G systems are deemed eligible for SGIP incentives, CESA firmly believes that they can incorporate the GHG signal into their operations to deliver GHG reduction benefits.

<u>Question j</u>. How can SGIP incentives facilitate use of EV storage systems and/or EVSE to provide other benefits of electric vehicle grid integrations (as defined in Section 740.16)?

Pursuant to §740.16 of the Public Utilities Code, EV/EVSE systems have the ability to provide VGI services to support efficient use and potential deferral of the distribution grid, support renewables integration, and provide reliability services, among other things. SGIP incentives can support the delivery of these many benefits given the GHG signal and operational/performance requirements expected of SGIP-funded energy storage systems. However, as noted above, only those qualifying as energy storage systems should be eligible for SGIP incentives if energy storage budget funds are claimed.

Notably, CESA believes an effective consideration of EV/EVSE technology eligibility of SGIP incentives could involve targeting V2G systems that provide resiliency services to eligible customers of the Equity Resiliency Budget. Resiliency service is consistent with the VGI services outlined in the §740.16 of the Public Utilities Code and would align with D.19-09-027, D.20-01-021, and other Commission Decisions and Rulings where the Commission has consistently emphasized its priority on SGIP incentive funds toward resiliency projects serving the most vulnerable customers. To CESA's knowledge, current EV deployment and infrastructure investment programs do not support V2G resources for resiliency applications and represent a use case that could benefit from market transformation. V2G for resiliency is in early policy discussions in R.19-09-009 and R.18-12-006, where SGIP incentives for this unique use case would advance those efforts and support near-term and urgent resiliency needs.

Question j. **How can the Commission ensure that EV storage systems and/or EVSE that receive SGIP incentives are used to provide long-term benefits to ratepayers?**

CESA supports the program's goal to support long-term investments that deliver on ratepayer-funded incentives. As such, modifications to the program would have to be made to address how the current permanent installation requirements can be met from mobile energy storage resources such as V2G systems.[18] Since V2G system are subject to interconnection requirements, this may be one way to demonstrate "permanence" of the project for SGIP purposes.

III. CONCLUSION

CESA appreciates the opportunity to submit these comments to the Scoping Memo and looks forward to working with the Commission and stakeholders in this proceeding.

Respectfully submitted,

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[18] SGIP Handbook Section 4.2.7.