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

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| 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 PROPOSED DECISION REVISING SELF-GENERATION INCENTIVE PROGRAM RENEWABLE GENERATION TECHNOLOGY PROGRAM REQUIREMENTS AND OTHER MATTERS

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May 19, 2021

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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 the *Proposed Decision Revising Self-Generation Incentive Program Renewable Generation Technology Program Requirements and Other Matters* ("PD"), issued by Commissioner Clifford Rechtschaffen on April 29, 2021.

## I. <u>INTRODUCTION</u>.

CESA recognizes and appreciates the Commission's responsiveness to addressing key barriers and issues within the Self-Generation Incentive Program ("SGIP") to better achieve program goals while balancing the priorities of different stakeholders with practical implementation-related considerations. SGIP will continue to play an important role in transforming the market for energy storage and distributed energy resources ("DERs"), providing grid services, and reducing greenhouse gas ("GHG") emissions. At the same time, the program will be pivotal in advancing recent Commission priorities to support equitable access to energy storage technologies for low-income and disadvantaged community ("DAC") customers and offer a near-term resiliency solution in the face of recent wildfires and public safety power shutoff ("PSPS") events.

To this end, CESA believes that the PD continues to advance these key objectives and priorities with refinements and modifications that are generally reasonable and smart. In reviewing the PD, CESA responds with the following key points and recommendations:

- The expanded eligibility for Equity Resiliency Budget ("ERB") funds should be adopted.
- Changes to the eligibility of multi-family properties should be done on a prospective basis.
- The Commission should continue to monitor virtual net energy metering ("VNEM") technologies and systems to allow them to be eligible for the Equity Resiliency Budget should technology and policy allow.
- The eligibility of electric vehicle ("EV") bi-directional charging technologies should be revisited if additional funds are added to the program.

## II. THE EXPANDED ELIGIBILITY FOR EQUITY RESILIENCY BUDGET FUNDS SHOULD BE ADOPTED.

CESA is supportive of expanding ERB eligibility to customers who have experienced one PSPS event and one de-energization due to wildfire. This will help make more customers that have experienced repeat power outages eligible for ERB budgets. CESA also supports considering de-energization criteria at the meter level instead of the customer level since probabilities of future outages are tied to location, not the customer themselves. Expanding customer eligibility to those that have experienced one PSPS event and one outage due to actual wildfire will hopefully reduce customer confusion regarding the distinction between PSPS events and other wildfire related de-energization. However, CESA still believes that there should be clarification to customers surrounding the definition of PSPS events to reduce confusion.

## III. CHANGES TO THE ELIGIBILITY OF MULTI-FAMILY PROPERTIES SHOULD BE DONE ON A PROSPECTIVE BASIS.

While CESA understands the Commission's justification for restricting multi-tenant commercial eligibility for the Equity Budget ("EB") and ERB, we believe that any changes made with regards to customer eligibility should be made on a going forward basis. The PD acknowledges that there have been no previous restrictions on eligibility for multi-tenant commercial benefits.[1] Currently, the data published on www.selfgenca.com does not indicate whether incentive applications to the Equity Budget or ERB are for commercial customers in multi-tenant buildings. Absent this data, CESA is unable to determine whether this change could inadvertently impact projects with active EB or ERB applications. As a principle, CESA recommends that the Commission adopt program changes and modifications on a going-forward basis to avoid retroactive changes that can harm private investment and confidence in California's energy storage market, as participants operated within the rules and requirements at the time.

## IV. THE COMMISSION SHOULD CONTINUE TO MONITOR VIRTUAL NET ENERGY METERING TECHNOLOGIES AND SYSTEMS TO ALLOW THEM TO BE ELIGIBLE FOR THE EQUITY RESILIENCY BUDGET SHOULD TECHNOLOGY AND POLICY ALLOW.

CESA generally agrees with the PD's clarification that non-islandable systems cannot provide resiliency benefits during power outages and should therefore not be eligible for the ERB or Resiliency Adder. As a result, this would preclude VNEM systems from eligibility since they do not serve onsite customer load. While the PD explains that it does not change the SGIP

[1] PD at 77-78.

requirements for buildings on VNEM tariffs,[2] it would categorically exclude VNEM projects from the ERB or the Resiliency Adder by pointing to the limits of the VNEM tariff. Despite current policy limitations and a lack of onsite customer load, future VNEM systems could potentially be operated as islanded microgrids using switching and isolation technologies that can serve VNEM customer accounts consisting of multi-family homes or buildings. Such innovation in both technology and policy should not be precluded. To allow for this, the Commission should instead rely on existing SGIP procedure of technical documentation and attestation requirements for VNEM projects to demonstrate their ability to serve VNEM customer accounts for resiliency purposes, where switching and isolation technologies are used to facilitate these operations.

Expanding SGIP resiliency incentives to multifamily buildings is critical to ensuring that DAC customers have access to resiliency-enabling technology and do not experience disproportionate amounts of power outages and de-energization events. Decision ("D.") 19-09-027 and D.20-01-021 both show the Commission's focus on ensuring that DAC customers receive SGIP benefits and that SGIP incentives are used for customer resiliency during de-energization events caused by California's increasing wildfire threat.

## V. THE ELIGIBILITY OF ELECTRIC VEHICLE BI-DIRECTIONAL CHARGING TECHNOLOGIES SHOULD BE REVISITED IF ADDITIONAL FUNDS ARE ADDED TO THE PROGRAM.

The PD states that it will not be adding incentives for bidirectional EV chargers or vehicle-to-X ("V2X") technologies, stating that giving incentives to EVs "raise issues about compliance with the requirement that equipment is permanently installed at a customer's site."[3] The PD also

[2] PD at 77.

[3] PD at 81.

states that too much time and resources would be needed to establish pilot programs within SGIP.[4] While limited funds may make including V2X technologies in SGIP now impractical due to budget levels, V2X should not be precluded from future SGIP opportunities. While the current SGIP funding through 2025 has been largely reserved, the Legislature has repeatedly replenished funds and extended this program,[5] making the addition of funds *not* a remote possibility. Therefore, at a future time if funds are added, the Commission should more deeply consider whether and how V2X technologies fit in SGIP to be better prepared.

Furthermore, the concerns of funds going towards equipment that may not be permanently installed are addressable. While EVs themselves are mobile, there is still a variety of equipment needed to facilitate bi-directional charging that would be permanently installed at a location and thus meet SGIP requirements. Also, distinctions can be made between V2X systems where bidirectional capabilities are built into the stationary EV charger, such that SGIP incentives could be directed to equipment that is permanently installed. Another example of this equipment is electrical panels. When installing a DER, including solar, energy storage or EVs, some customers will need to upgrade their electric panels. Currently, electric panel upgrade costs are eligible for EB and ERB incentives and are proposed to be eligible for heat pump water heater ("HPWH") incentives.[6] Incentives for this type of permanently installed equipment can help advance the deployment of V2X technology while abiding by SGIP rules.

CESA also maintains that there is a place for V2X technology to receive both pilot funding from other programs and SGIP funding. CESA agrees that SGIP may not be the appropriate place to establish pilot projects but instead is a place to provide incentives for customer adoption of new

[4] PD at 81.
[5] *See* AB 1685 (Leno, 2003), SB 412 (Kehoe, 2009), SB 861 (2014), and SB 700 (Wiener, 2018).
[6] 2021 SGIP Handbook V2 at 29, SGIP HPWH Staff Proposal at 31.

technologies that advance SGIP goals. There is precedent for technologies being eligible for multiple incentive or pilot programs. HPWHs were determined to be eligible for SGIP incentives with a $44.7-million budget with the issuance of D.20-01-021. At the same time, HPWH are also eligible for the Technology and Equipment for Clean Heating ("TECH") and Building Initiative for Low Emissions Development ("BUILD") programs, as well as a variety of other load-serving entity ("LSE") specific pilot and incentive programs.

For these reasons, CESA believes that the Commission should revisit V2X technology eligibility if more funds are added to the SGIP program.

## VI. CONCLUSION.

CESA appreciates the opportunity to these comments on the PD and looks forward to working with the Commission and other stakeholders in this proceeding.

Respectfully submitted,

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Date: May 19, 2021