

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

Order Instituting Rulemaking Regarding Policies,
Procedures and Rules for the California Solar
Initiative, the Self-Generation Incentive Program And
Other Distributed Generation Issues.

Rulemaking 12-11-005
(Filed November 8, 2012)

**REPLY COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON ASSIGNED COMMISSIONER'S RULING ON THE IMPLEMENTATION
OF PUBLIC UTILITIES CODE SECTION 378.6 OF SENATE BILL 861
TO EXTEND THE SELF-GENERATION PROGRAM**

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October 20, 2014

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The California Energy Storage Alliance (“CESA”)¹ hereby submits these reply comments on the *Assigned Commissioner’s Ruling on the Implementation of Public Utilities Code Section 378.6 of Senate Bill 861 to Extend the Self-Generation Incentive Program*, issued September 23, 2014 (“ACR”).

¹ The California Energy Storage Alliance consists of 1 Energy Systems Inc., AES Energy Storage, Alton Energy, American Vanadium, Aquion Energy, ARES North America, Beacon Power, LLC, Bosch Energy Storage Solutions Company LLC, Bright Energy Storage Technologies, Brookfield, CALMAC, Chargepoint, Clean Energy Systems, Coda Energy, Consolidated Edison Development, Inc., Cumulus Energy Storage, Customized Energy Solutions, Demand Energy, DN Tanks, Duke Energy, Eagle Crest Energy Company, EaglePicher Technologies, LLC, East Penn Manufacturing Company, Ecoult, EDF Renewable Energy, Enersys, EnerVault Corporation, EV Grid, FAFCO Thermal Storage Systems, FIAMM Energy Storage Solutions, Flextronics, Foresight Renewable Solutions, GE Energy Storage, Green Charge Networks, Greensmith Energy, Gridscape Solutions, Gridtential Energy, Inc., Halotechnics, Hitachi Chemical Co., Hydrogenics, Ice Energy, Imergy Power Systems, ImMODO Energy Services Corporation, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Invenergy LLC, K&L Gates, KYOCERA Solar, Inc., LG Chem, LightSail Energy, LS Power Development, LLC, Mitsubishi International Corporation, NEC Energy Solutions, Inc., NextEra Energy Resources, NRG Solar LLC, OCI, OutBack Power Technologies, Panasonic, Parker Hannifin Corporation, PDE Total Energy Solutions, Powertree Services Inc., Primus Power Corporation, Recurrent Energy, Renewable Energy Systems Americas Inc., Rosendin Electric, S&C Electric Company, Saft America Inc., Samsung, SEEO, Sharp Electronics Corporation, Energy Systems and Services Group, SolarCity, Sony Corporation of America, Sovereign Energy Storage LLC, STEM, Stoel Rives, SunEdison, SunPower, TAS Energy, Tri-Technic, Trimark Associates, Inc., UniEnergy Technologies, LLC, and Wellhead Electric. The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. <http://storagealliance.org>.

I. INTRODUCTION.

CESA agrees with all of the parties that that filed comments supporting full funding of the Self Generation Incentive Program (“SGIP”) and the Commission’s determination to approve, and direct the utilities proceed with, the full \$83 million in annual collections through 2019, as authorized in SB 861. Full collections to support authorized funding will encourage the further deployment of enabling technologies such as distributed advanced energy storage. The Commission should therefore disregard Opening Comments filed by the Office of Ratepayer Advocates (“ORA”) and Southern California Edison Company (“SCE”) that advocate for suspension of SGIP revenue collection for one or more years. CESA also disagrees in principal with PG&E’s the suggestion in its Opening Comments that special rules must be developed before any Thermal Energy Storage Systems (“TES”) can receive SGIP incentives.

II. THE COMMISSION SHOULD DISREGARD ANY SUGGESTED SUSPENSION OF REVENUE COLLECTION FOR THE SELF-GENERATION INCENTIVE PROGRAM.

ORA advocate for temporarily suspending revenue collection in 2015 and 2016 for the SGIP due to the program’s asserted total current positive balance of \$198 million.² The SGIP had a carryover surplus of \$345 million during 2009-2010. Since then, the surplus has decreased to \$198 million, meaning the SGIP Program Administrators (“PAs”) have allocated approximately \$147 million more than the program has been authorized to collect.³ The relatively high number of applications and reservations highlights the Programs’ popularity; however, the low level of actual payouts is very troubling.

² See, *The Office of Ratepayer Advocates’ Comments In Response to Assigned Commissioner’s Ruling on the Implementation of Public Utilities Code Section 379.6 of Senate Bill 861 to Extend the Self-Generation Incentive Program*, filed October 15, 2014.

³ <https://energycenter.org/programs/self-generation-incentive-program>.

SCE requests permission to suspend revenue collection for 2015 because it has an asserted positive balance in its account alone of \$191 million.⁴ According to SCE's SGIP web site, SCE's current balance is \$100 million.⁵ Given the apparent ambiguity in statistical reporting, the Commission should accept the unanimous recommendations of CESA and all parties other than ORA and SCE by approving the full funding authorized by SB 861. It does not make sense to suspend revenue collection before current program delays are addressed and all applications are processed in an orderly manner. Authorizing but suspending revenue collection at this time would simply add greater market confusion in program administration, which is precisely what the SGIP cannot afford.⁶

III. SGIP ELIGIBILITY RULES FOR THERMAL ENERGY STORAGE SYSTEMS

In its Opening Comments, Pacific Gas and Electric Company states that the PAs are “currently developing rules to include thermal energy storage (TES) in SGIP so such projects may receive incentives.”⁷ CESA notes for the record that D.14-08-029 called for no such rules and TES is eligible as of the effective date of the Commission's decision, August 14, 2014.⁸ CESA completely disagrees in principal with the unsupported notion that additional “rules” are necessary in order for TES projects to receive SGIP funding.

⁴ See, *Comments of Southern California Edison on Implementation of Public Utilities Code Section 379.6 of Senate Bill 861 to Extend the Self-Generation Incentive Program*, filed October 15, 2014.

⁵ <https://www.sce.com/wps/portal/home/business/generating-your-own-power/incentive-program>.

⁶ The “Market Transformation Study” commissioned by the PAs for completion by January 2015, cited at pp. 415 of the ACR, should go a long way in bringing the needed clarity that would surely be welcomed by all stakeholders.

⁷ *Pacific Gas and Electric Company's Opening Comments on the Assigned Commissioner's Ruling on the Implementation of Public Utilities Code Section 379.6 of SB 861 to Extend the Self-Generation Incentive Program*, filed October 15, 2014, p. 2.

⁸ D.14-08-029, Ordering Paragraph Number 1: “The Petition for Modification of Decision 12-04-045 by the California Energy Storage Alliance is approved insofar as Small Thermal Energy Storage Systems should be deemed as an emerging technology on an interim basis until the Commission develops a record on and approves specific criteria for emerging technologies.” (p. 10).

IV. CONCLUSION.

CESA thanks the Commission for the opportunity to submit these reply comments on the ACR.

Respectfully submitted,



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