

Self-Generation Incentive Program (SGIP) Update August, 2020

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Together, Building
a Better California



SGIP Program Brief History

- Statewide CPUC program; PG&E, SCE, SoCalGas, CSE for SDG&E. Initiated in 2001.
- SGIP was the first home of PV incentives until CSI in 2006. Great History!
- AB1637 approved doubling SGIPs funding through 2019
- D.17-04-017 adopted the maximum collections of \$166M per year statewide.
- D.16-06-055 (06/2016) significantly modified program rules and structure re. energy storage
- D.17-10-004 created the Equity Budget for low income/DAC customers
- D.19-08-001 established GHG eligibility rules; GHG signal developed
- D.20-01-021 adopts revisions pursuant to SB700: budgets, resiliency, other program changes

SGIP is currently focused primarily on serving vulnerable customers (MBL, LI/DAC etc.) in “Resiliency Zones”, i.e. High Fire Threat Districts and areas impacted by Public Safety Power Shutoff (PSPS) events.

However, there is still a LOT of funding available for Non-Residential (C&I) projects!



SGIP Program Goals

SGIP's 3 Program Goals

1. Grid Support & Peak load reduction. Improve the efficiency and reliability of the Transmission and Distribution system, and lower infrastructure cost.
1. Environmental. Reduce greenhouse gasses (GHGs) and criteria air pollutants. (Third-party evaluator measures annually)
2. Market Transformation. Support technologies that have the potential to thrive in future years without rebates. Incubator concept.



SGIP Before and After Recent Changes

Before (2015-2019)

\$310M of authorized spending for SGIP

> 70% of budget to Non-Res

\$0.50/Wh was largest incentive rate

GHG Reduction was primary focus

After (2020-2024)

\$530M new SGIP budget from unused funds and new collections

51% of budget to vulnerable customers impacted by PSPS

Up to \$1/Wh incentive rate for Equity Resiliency and \$0.85/watt hour for Equity

Resiliency is primary focus



SGIP Program Now – Focus: Resiliency, Storage

- SGIP incentives are available for all Residential and Non-Residential customers.

\$.25/Wh & \$.35/Wh, respectively

- Higher incentives are available for “Equity”-qualifying customers.

\$.85/Wh for Residential

- Even *higher* incentives for Equity customers in HFTDs that have been affected by PSPS. These are *Equity Resiliency Budget* customers.

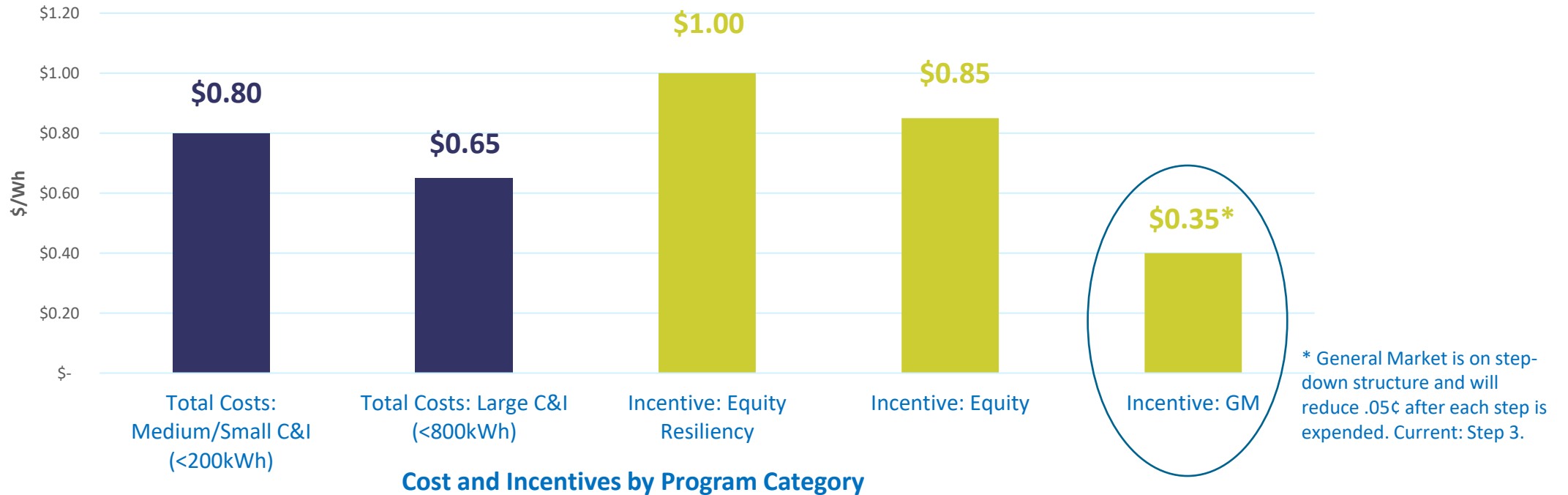
\$1.00/Wh! Can offset 100% of project.



SGIP Storage Costs vs. Incentives

Equity and Equity Resiliency non-res storage incentives will be available starting May 1st.

Commercial: Costs and Incentives per Wh



General Market – **Most** Non-Res Customers

Equity – Mainly Institutional, Some Commercial; DACs or Low Income Census Tracts

Equity Resiliency – Critical Facilities/Infrastructure; DACs or Low Income; HFTD or 2 PSPS

Incentives for Equity and Equity Resiliency are allowed to cover additional costs such as wiring and panel upgrades

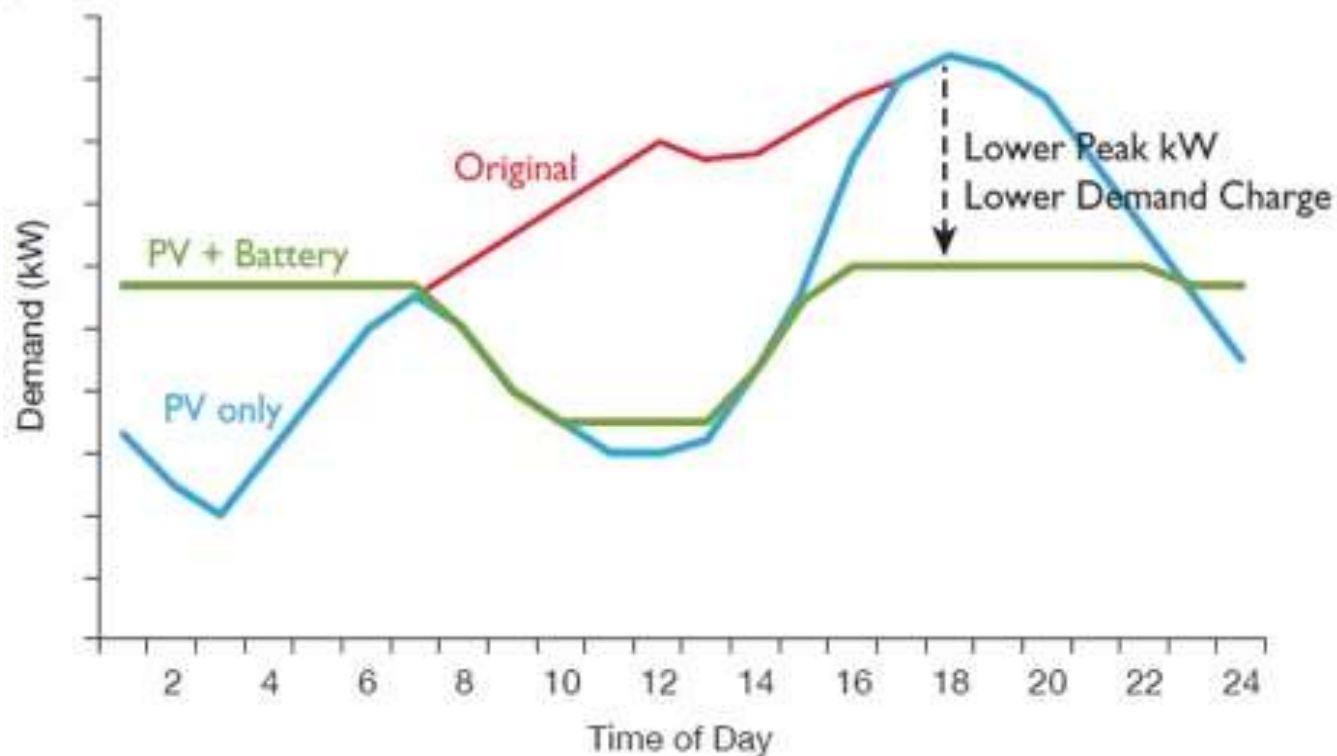
Sources: EPP cost forecast; D-19-09-027; PD December 2019, Table 10, p47)



Energy Storage Makes Electricity Load and Generation Flexible and Dispatchable

- Storage can shift customer energy use and costs to a different time of day, which can result in lower bills as well as relief on the distribution grid.
- Energy storage can charge from the grid or from an on-site generator.
- The intermittency of renewable generation can be a challenge for both customers and utilities. Storage can make that energy **dispatchable**.

Effects of PV + Storage on Customer Load Profile

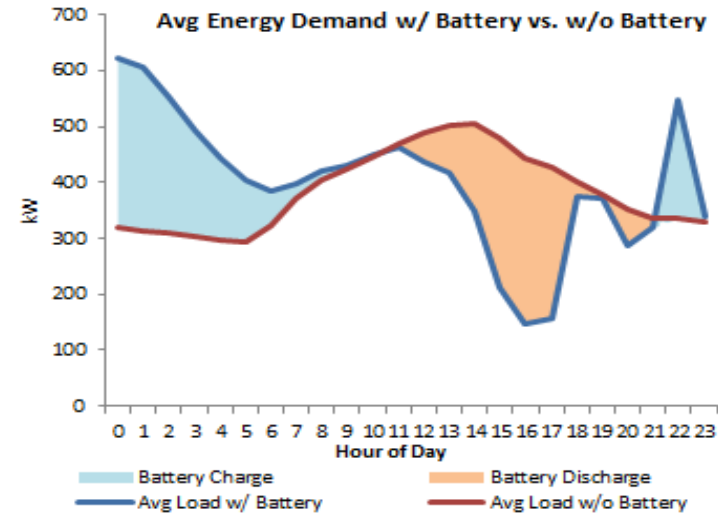
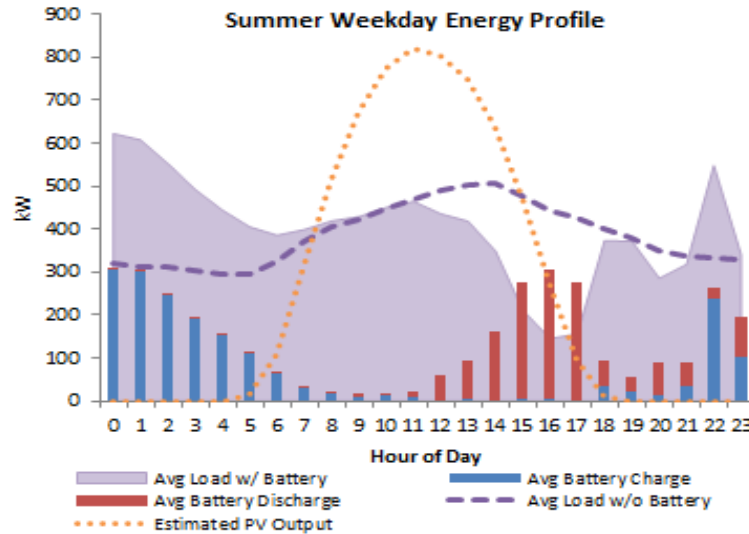




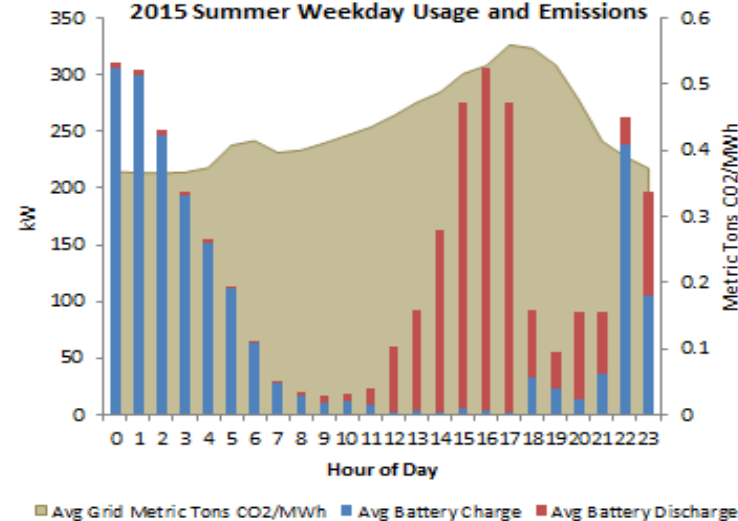
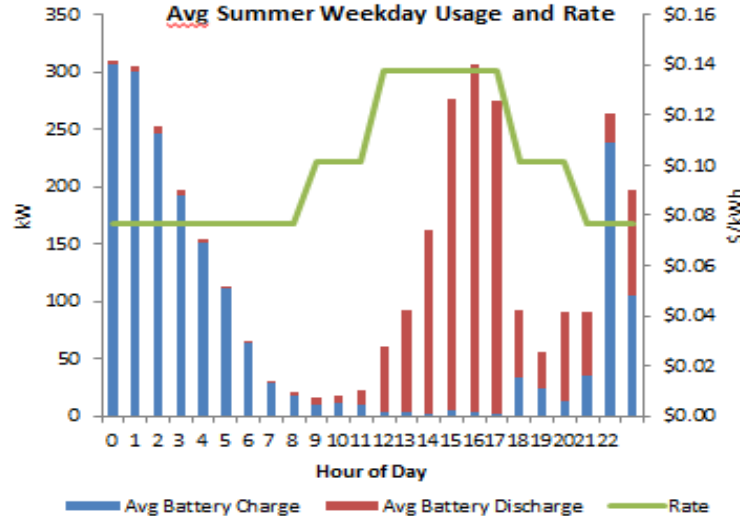
Energy Storage; Case Studies

PG&E analysis of charge & discharge, rates, economic / environmental impacts of residential energy storage projects.

Summer Weekday Battery Usage



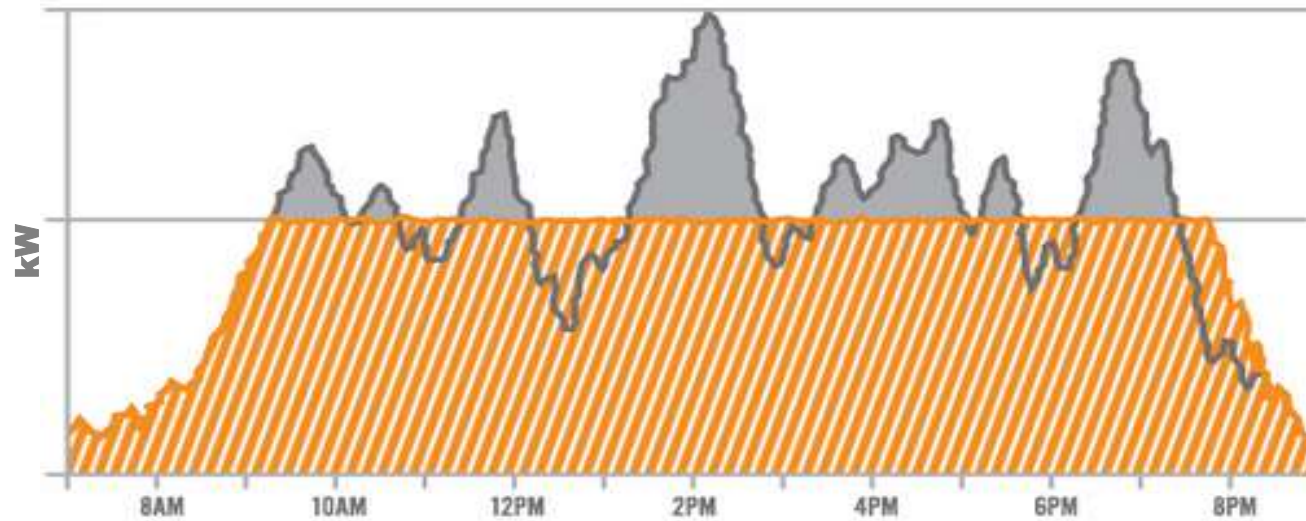
Results of Battery Usage





Storage For C&I Customers

Most C&I Storage is used for Peak Shaving



Whereas most Residential storage is used for backup power and some TOU arbitrage



Considerations and Resources

Generally:

- Loading Order; energy efficiency before solar or energy storage.
- Find a contractor; get several bids from developers familiar with SGIP.
- Projects must reduce GHGs; annual reporting, potential loss of some incentive for poor performance. Important to know program rules.
- Appendix provides information about Equity, Equity Resiliency project incentives.

For Database and Programmatic Information:

- <https://www.selfgenca.com/> (application portal). See Forms & Documents for the Handbook.
- https://www.selfgenca.com/home/program_metrics/. See program step, incentive rate, etc.

For the CPUC SGIP site:

- <https://www.cpuc.ca.gov/sgip/>
 - for Decisions, program updates, etc.
- <https://www.cpuc.ca.gov/General.aspx?id=7890>
 - for Measurement and Evaluation reports



Appendix



Incentive Level & Eligibility

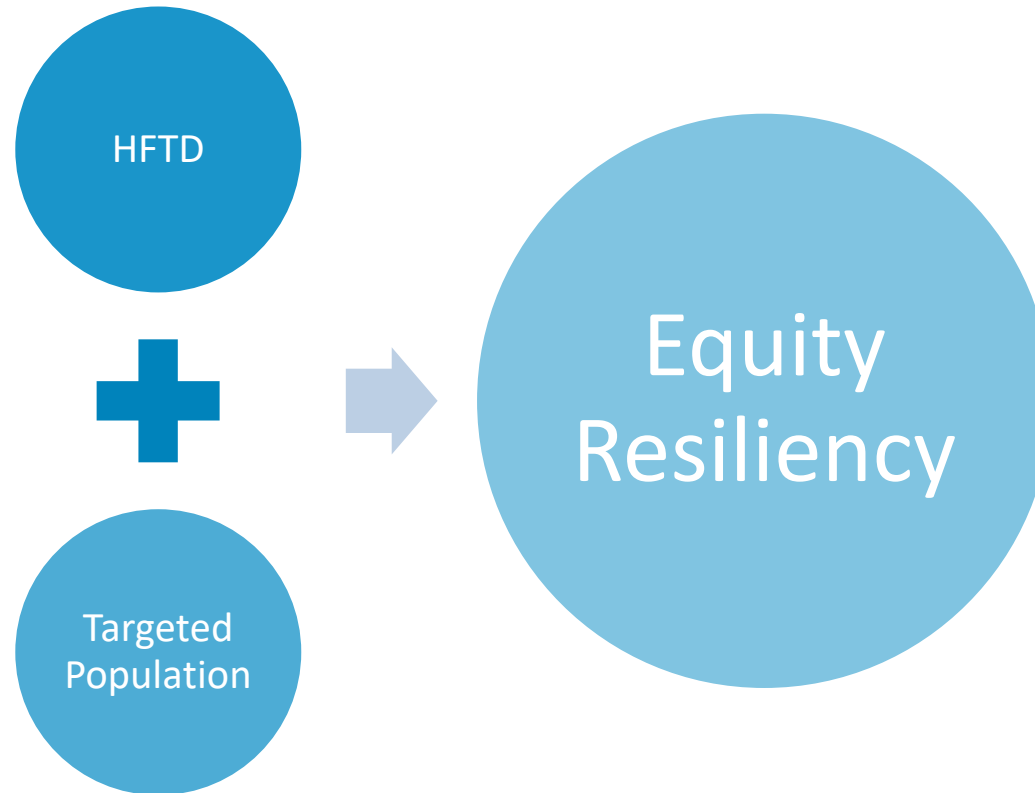
| Residential Equity Resiliency Budget Customer Eligibility | Incentive |
|--|-----------|
| <p>Residential customers with critical resiliency needs – located in a Tier 2 or Tier 3 HFTD <u>OR</u> whose electricity was shut off during two or more discrete PSPS events prior to the date of application for SGIP incentives <u>AND</u> one of the following:</p> <ol style="list-style-type: none">(1) eligible for the equity budget;(2) eligible for the medical baseline program, as defined in D.86087, 80 CPUC 182;(3) a customer that has notified their utility of serious illness or condition that could become life-threatening if electricity is disconnected; or(4) rely on electric pump wells for water supplies. | \$1.00/Wh |

Customers who have incentives reserved in the SOMAH, SASH, or DAC-SASH low-income solar program are also eligible.



Residential Customer Eligibility

Customer must meet both





Incentive Level & Eligibility

| Non-Residential Equity Resiliency Customer Eligibility | Incentive |
|---|-----------|
| <p data-bbox="445 358 1875 629">Non-residential customers that provide critical facilities or critical infrastructure (below) to a community eligible for the equity budget (DAC or low-income) <u>and</u> located in a Tier 3 or Tier 2 HFTD or whose electricity was shut off during two or more discrete PSPS events prior to the date of application for SGIP incentives.</p> <ul data-bbox="445 639 1900 1368" style="list-style-type: none">• Police Stations• Fire Stations• Emergency Response Providers• 911 Call Centers• Hospitals• Skilled Nursing Facilities• Nursing Homes• Blood Banks• Health Care Facilities• Dialysis Centers• Hospice Facilities• Independent living centers• Gas, Electric, & Water Facilities• Wastewater or Flood Control Facilities• Jails and Prisons• IOU assistance centers during PSPS events• Cooling Centers designated by state, local or tribal governments.• Homeless Shelters (Government supported)• Qualifying grocery stores, markets, supermarkets• Food banks | \$1.00/Wh |



Incentive Level & Eligibility

| Equity Budget Customer Eligibility | Incentive |
|--|--|
| <p data-bbox="402 289 1709 379">For the Equity Budget, residential projects are classified as multi-family low-income housing or single-family low-income housing.</p> <ul style="list-style-type: none"><li data-bbox="402 439 1768 782">➤ Eligible multi-family housing:<ul style="list-style-type: none"><li data-bbox="479 494 1768 782">• Multi-family residential building of at least five rental housing units that is operated to provide deed-restricted low-income residential housing, and<ul style="list-style-type: none"><li data-bbox="550 644 1472 682">• is either located in a disadvantaged community, or<li data-bbox="550 696 1768 782">• is a building where at least 80% of the households have incomes at or below 60% of the area median income.<li data-bbox="402 846 1768 1239">➤ Eligible single-family low-income residences sold at an affordable housing cost to a lower income household that is subject to:<ul style="list-style-type: none"><li data-bbox="550 951 996 989">• a resale restriction, or;<li data-bbox="550 1003 1768 1239">• an equity sharing agreement, for which the homeowner does not receive a greater share of equity than described in paragraph (2) of subdivision (c) of Section 65915 of the Government Code, with a public entity or nonprofit housing provider organized under Section 501(c)(3) of the Internal Revenue Code .<li data-bbox="402 1303 1727 1392">➤ Additionally, the Equity Budget is available to residential customers who have participated or who are eligible for the SOMAH, SASH, or DAC-SASH. | <p data-bbox="1895 289 2074 328">\$0.85/Wh</p> |



Incentive Level & Eligibility

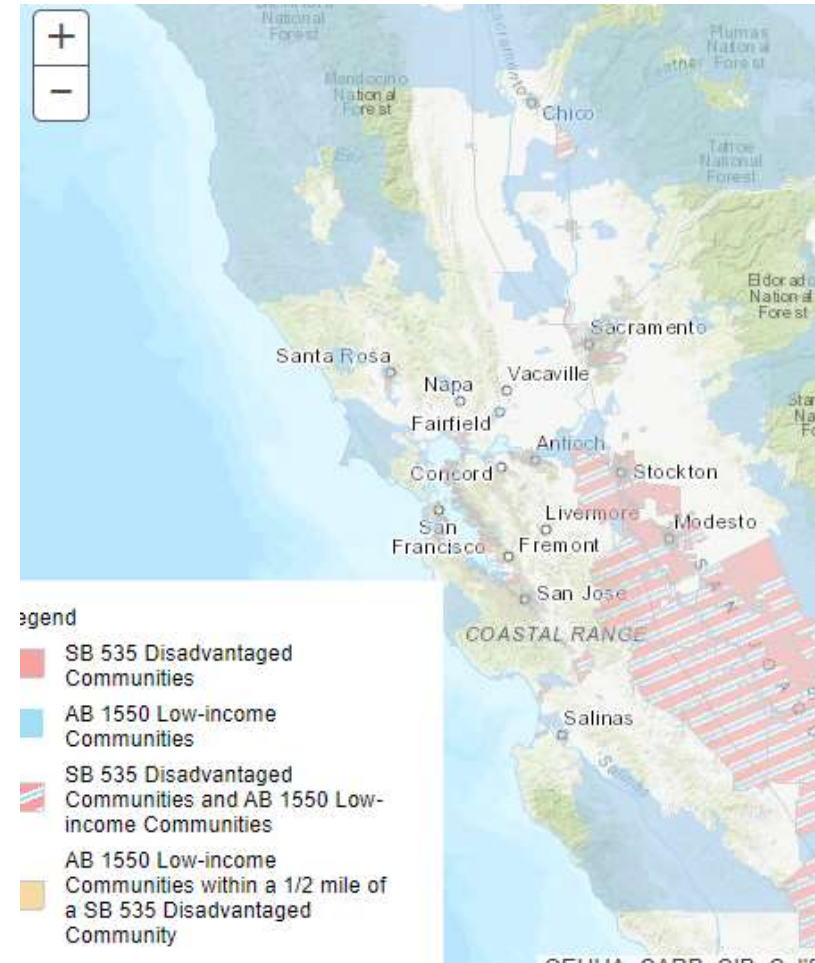
| Customer Eligibility | Incentive |
|---|-----------|
| <p>Non-residential projects: Project site must be located in a DAC or low-income community <u>OR</u> at least 50% of census tracts served by the below customer types are located within a DAC or low-income community.</p> <ul style="list-style-type: none">• Local governmental agency• State governmental agency• Educational institution• Non-profit organization• Small business -- <i>Small business is defined as a business or manufacturer, including affiliates, with an average annual gross receipts of \$15 million or less, over the last three tax years.</i> | \$0.85/Wh |
| <p>Inclusion of Indian Country in California</p> <ul style="list-style-type: none">▪ Indian Country, as defined in 18 USC 1151, is considered a DAC for purposes of the SGIP Equity Budget.▪ Doesn't have to be in DAC or Low-Income on the map, but still must be one of the five categories above▪ However, non-Indian residences or businesses on privately owned fee land in Indian Country are not eligible under this expanded definition.<ul style="list-style-type: none">▪ If the in-holding has multiple owners, at least one owner must be a tribe or tribal member for the project to be eligible. | |



Non-Res Equity Eligibility

- Local governmental agency
- State governmental agency
- Accredited educational institution
- Non-profit organization
- Small business (average annual gross receipts of \$15 million or less, over the last three tax years)

MUST be located in a disadvantaged or low-income community



SB 535 = DACs and AB 1550 = LI Census Tracts
Either qualifies for Equity Budget Incentives



Equity Resiliency – Eligibility

Easily check address for HFTD and DAC/Low Income

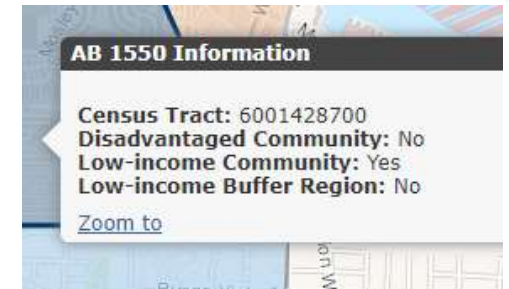
High Fire Threat District can be verified at <https://ia.cpuc.ca.gov/firemap/#>

Qualifying properties must be in Tier 2 – Elevated or Tier 3 – Extreme



DAC and LI Census Tracts can be verified at <https://ww3.arb.ca.gov/cc/capandtrade/auctionproceeds/lowincomemapfull.htm>

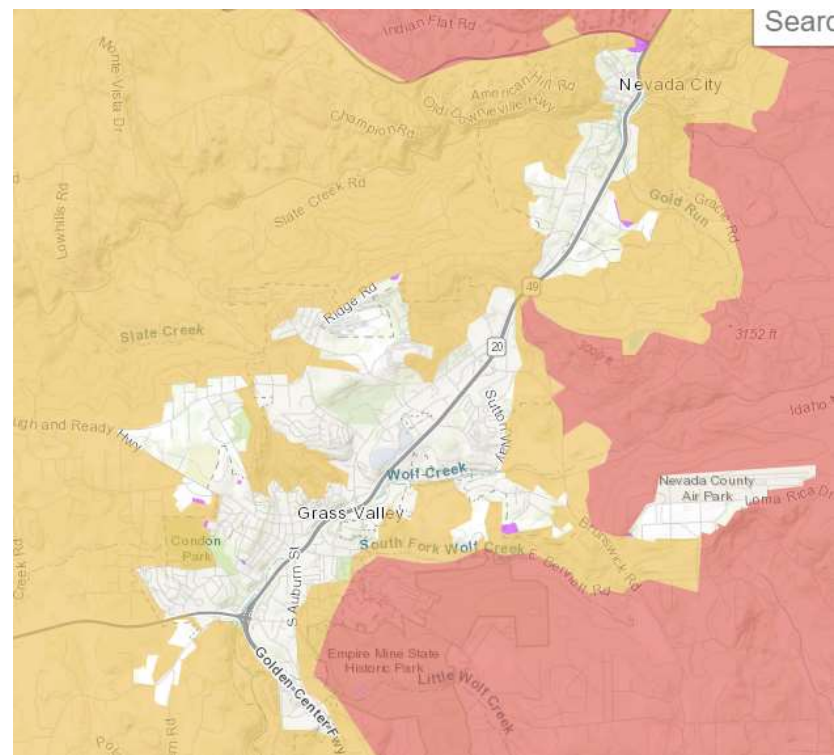
Qualifying properties must be in Disadvantaged Community or Low-Income Community





Equity Resiliency – HFTD

CPUC Fire map <https://ia.cpuc.ca.gov/firemap/#>
Search by address
Customer can indicate 2 PSPS events





Useful Resources

PG&E Website Information:

- **For residential information:** https://www.pge.com/en_US/residential/save-energy-money/savings-solutions-and-rebates/understand-the-solar-process.page
- **For non-residential information:** https://www.pge.com/en_US/small-medium-business/energy-alternatives/private-solar/understand-the-solar-process.page?WT.mc_id=Vanity_sgip

SGIP Database Site, Energy Solutions:

<https://www.selfgenca.com/home/about/>

PG&E's SGIP Team Website: <http://www.pge.com/sgip>

Public Email Address: selfgen@pge.com

Telephone: (877) 743-4112

For internal queries, please feel free to contact the SGIP Overall Program Manager Brian Bishop (btbd@pge.com) or Non-Res Lead, Andrew Ace (andrew.ace@pge.com)