



SELF-GENERATION
INCENTIVE PROGRAM

SGIP 1st Quarterly Workshop of 2021

Date: February 26th, 2021





Safety

Earthquake

**Drop, Cover
and Hold**

Fire

Nearest Exit Route

Active Shooter

**Get out, Hide Out,
Call Out, and Take
Out**

Introduction



- Program Administrators
 - PG&E:
 - Brian Bishop, Ron Moreno, Jacklin Campos-Perez, James Liu
 - SoCalGas
 - Jason Legner, Adrian Martinez, Marjorie Bracken
 - Southern California Edison
 - Jim Stevenson, Vicky Velazquez
 - Center for Sustainable Energy
 - Andi Woodall



Details & Cadence



- Attendees will be muted
- Use raise hand option if you would like to comment
- Type in chat for any questions, comments
- Ideas and Notes will be tracked during the meeting
- This is the 1st Quarterly Workshop of 2021

Scoping Memo Directive



The CPUC Scoping Memo states:

“.....Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas and Center for Sustainable Energy(or the Program Administrators) shall host quarterly workshops for participants to ask questions regarding an Marketing & Outreach program, discuss proposed changes, and provide feedback, the first to be occur before the opening of the Self-Generation Incentive Program under the rules adopted by today's decision.....” (Commissioners, Florio, Sandoval, Peterman, Randolph, Scoping Memo, pg. 84; Jun. 23 2016)



Agenda



- Regulatory Updates
- Program Metrics
- SCE's Financial Assistance Pilot
- PG&E's Developer Financial Assistance Pilot
- Investment Tax Credit (ITC)
- Equity Resiliency Budget requirements for Well Pump eligibility and income verification Q&A



Regulatory Updates



Residential Project Cost Cap AL

- D.19-09-027 directs PAs to explore feasibility of implementing a price cap on residential storage systems receiving SGIP Equity Budget incentives
- Joint AL due date was extended to **March 17, 2021**

Advice Letter finalizing 2021-2025 SGIP Evaluation Plan

- D.19-09-027 directs PAs to file updated Measurement & Evaluation plan via Tier 2 Advice Letter no later than **March 31, 2021**

COVID Relief Petitions for Modification (2) Proposed Decisions Issued

- R.10-05-004 SGIP PBI calculations pause
- R.12-11-005 Stay of the cancellation past the third three-month extension
- Scheduled for voting in on March 4, 2021 Commission Business Meeting – If approved adoption & Handbook update **March 24, 2021**

SGIP TWG Process Streamlining Subgroup Report

- R.20-05-012 Scoping Memo & Ruling directed the PAs to hold Streamlining Working Group Meetings and to serve a TWG Streamlining Report to the service list in **April 2021**

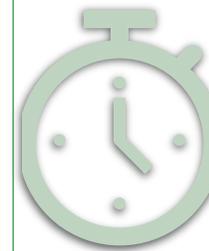


Regulatory Updates (Cont.)



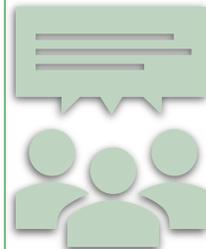
Large Thermal Energy Storage Incentive Calculation Methodology

- L-TES Draft Resolution E-5106 adopts a provisional 30/70 PBI structure (1 year/5 projects) and directed the PAs to resubmit a revised T2 AL proposing a dynamic methodology for Large Thermal Energy Storage incentive calculations
- Joint PA T2 AL filed on January 4, 2021 was suspended and is pending disposition.



California Manufacturer Adder Calculation Methodology

- D.19-02-006 Granted a Joint PA PFM requesting to modify the CA Manufacturer Adder. Subsequent implementation AL filed April 15, 2019 was protested and subsequently suspended and is pending Disposition.



Pending Scoping Memo Items R.20-05-012

- HPWH Requirements – Expected Dec 2020/Jan 2021
✓ Update: Should be released in the coming weeks
- PD on Renewable Generation Technologies and other Questions (b) – (k) - Expected Q1
✓ Update: Likely late Q1 or early Q2.

Program Metrics



Program Metrics

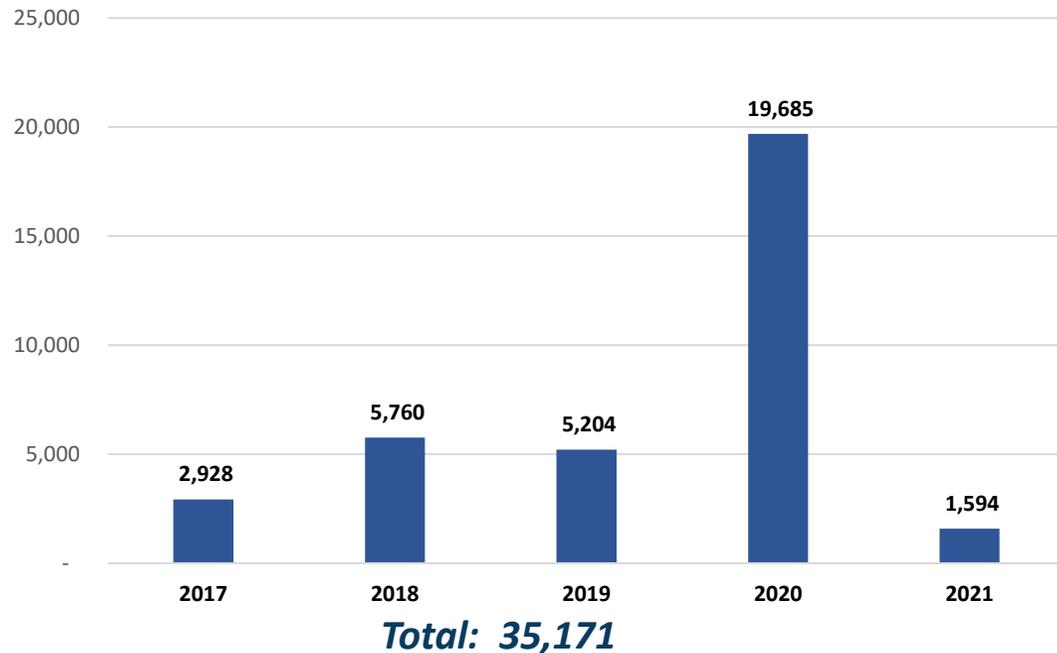


Number of Applications by Program Year

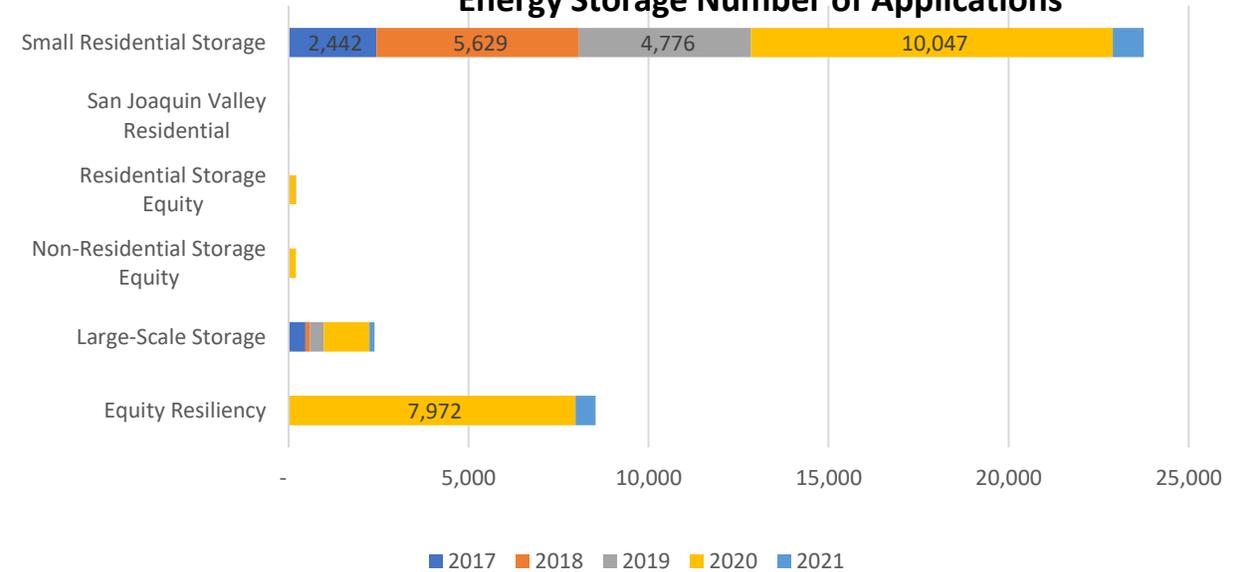
(Data as of 2/24/2021)



Number of Applications
Data as of 2/24/2021



Energy Storage Number of Applications



Does not include cancellations and waitlist projects

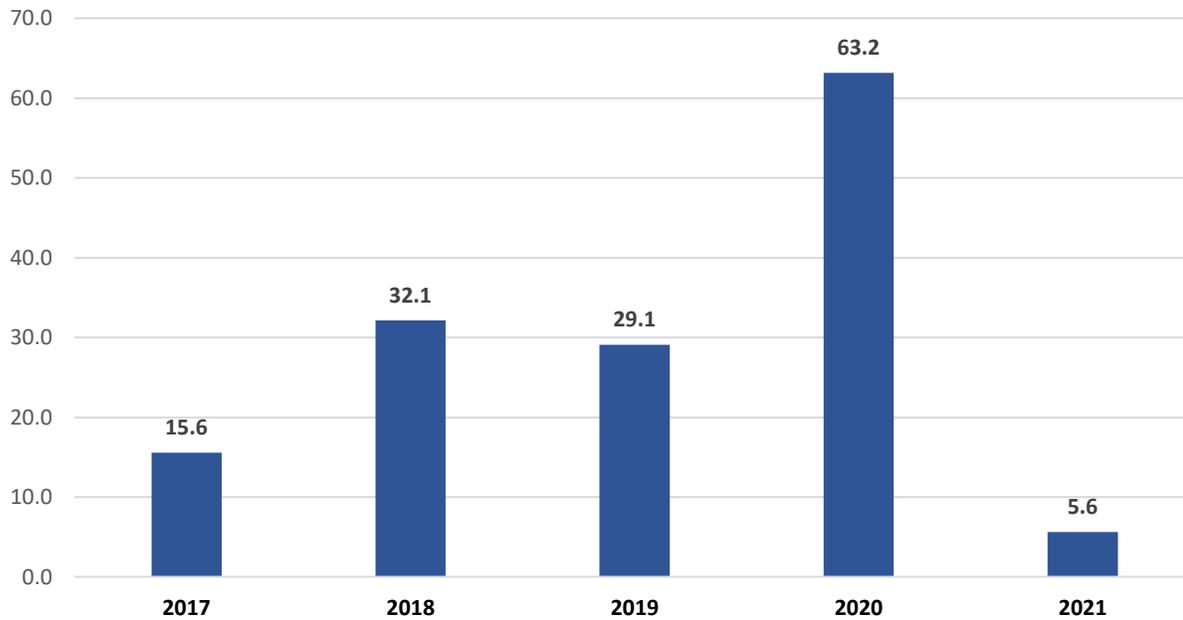


Energy Storage – Capacity and Incentive Dollars by Program Year

(Data as of 2/24/2021)



Small Residential Storage (MW)



Total: 145.6 MW

Small Residential Storage (\$)



Total: \$85,376.118



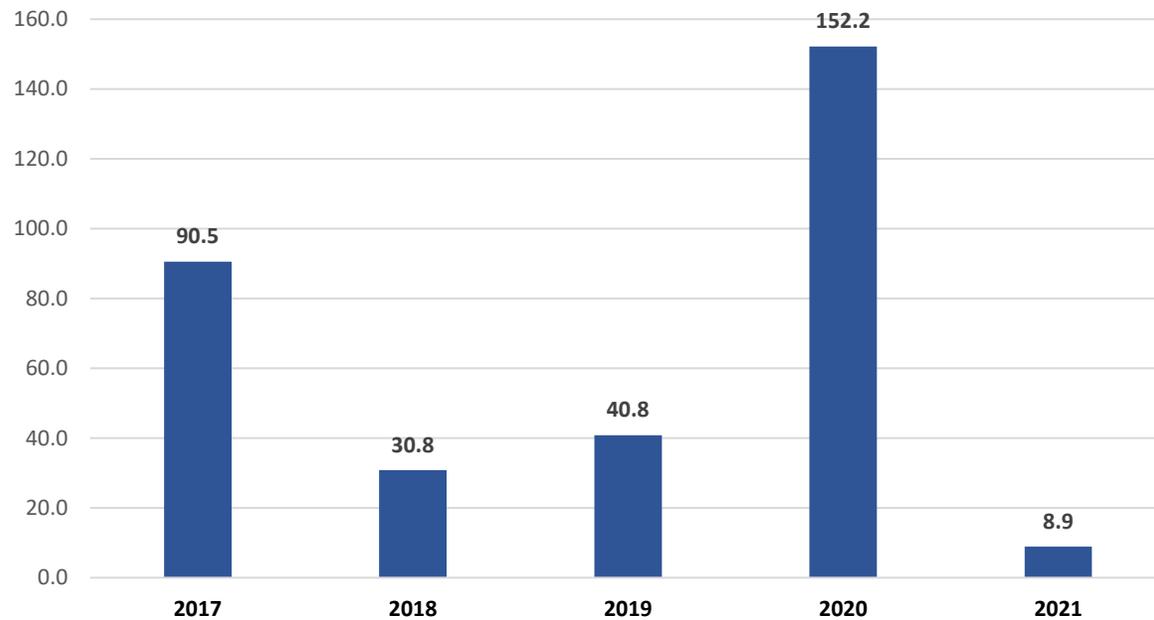
Energy Storage – Capacity and Incentive Dollars by Program Year

(Data as of 2/24/2021)



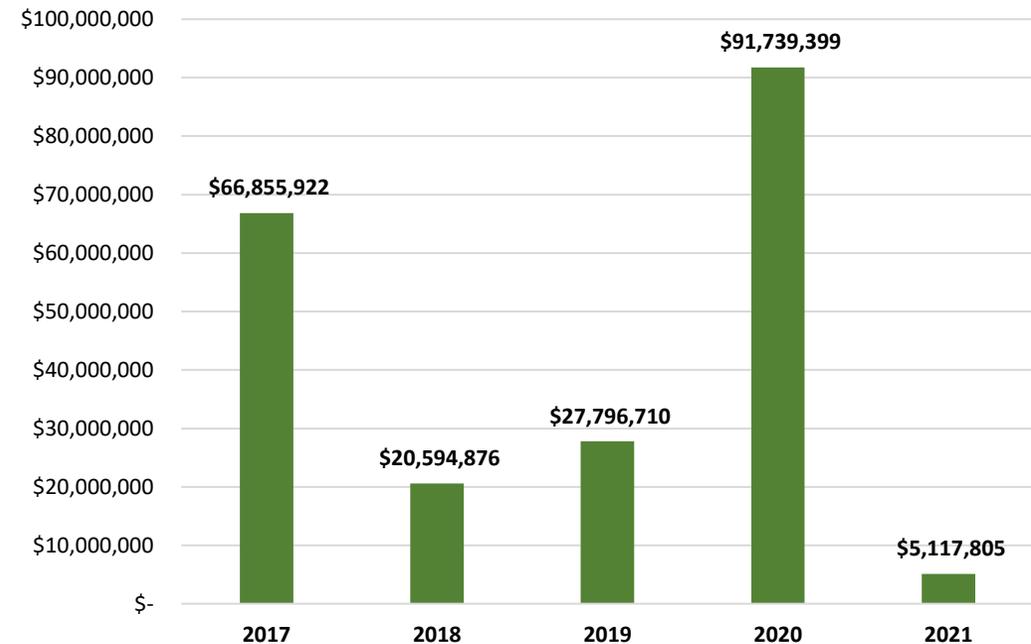
SELF-GENERATION INCENTIVE PROGRAM

Large-Scale Storage (MW)



Total: 323.2 MW

Large-Scale Storage (\$)



Total: \$212,104,713



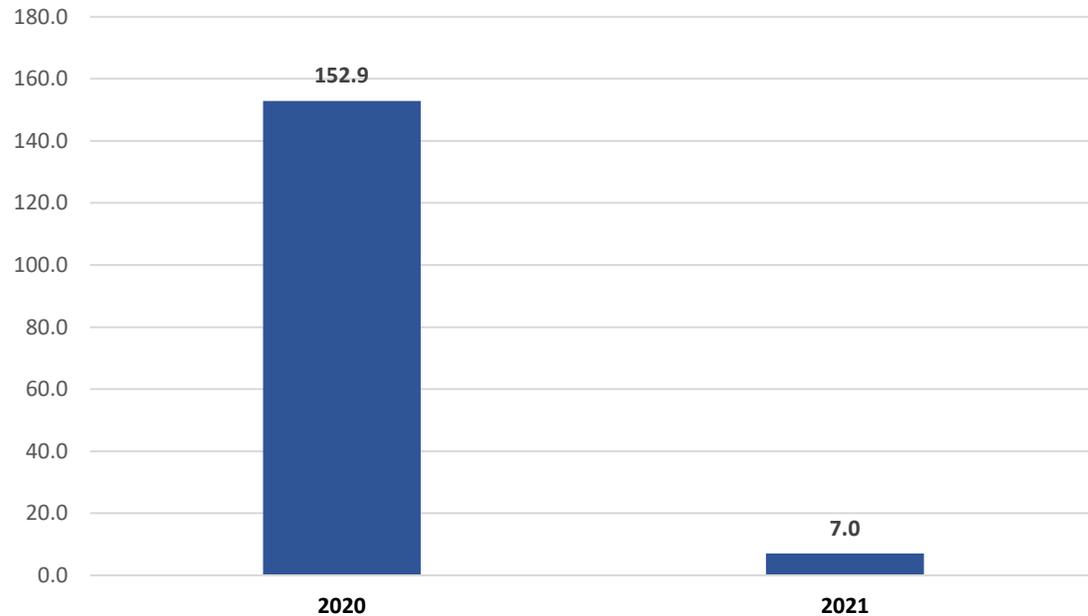
Energy Storage – Capacity and Incentive Dollars by Program Year

(Data as of 2/24/2021)



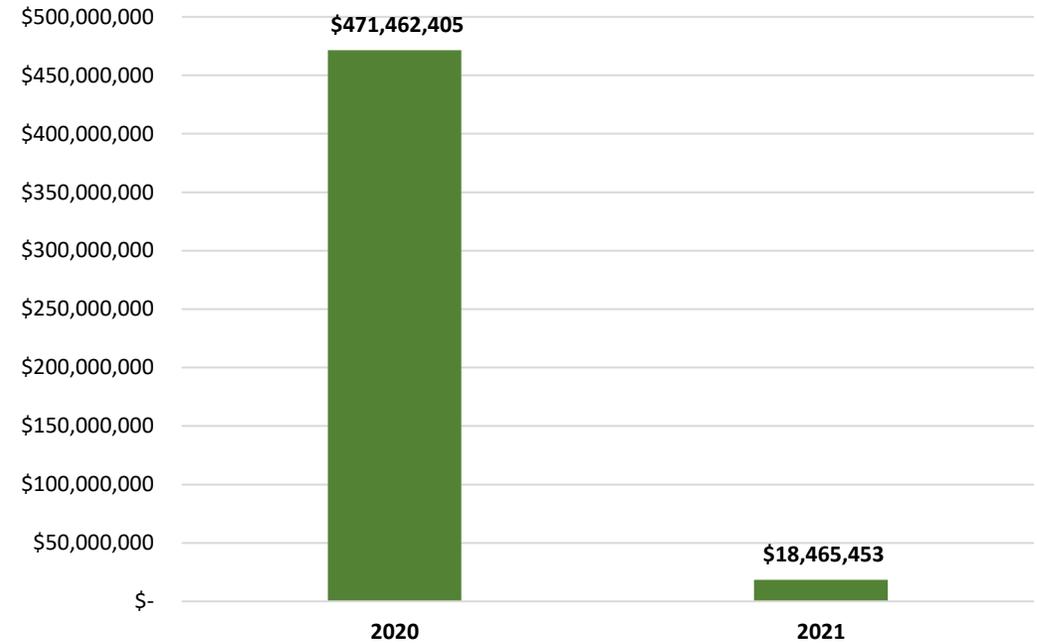
SELF-GENERATION INCENTIVE PROGRAM

Equity Resiliency (MW)



Total: 159.9 MW

Equity Resiliency (\$)



Total: \$489,927,858



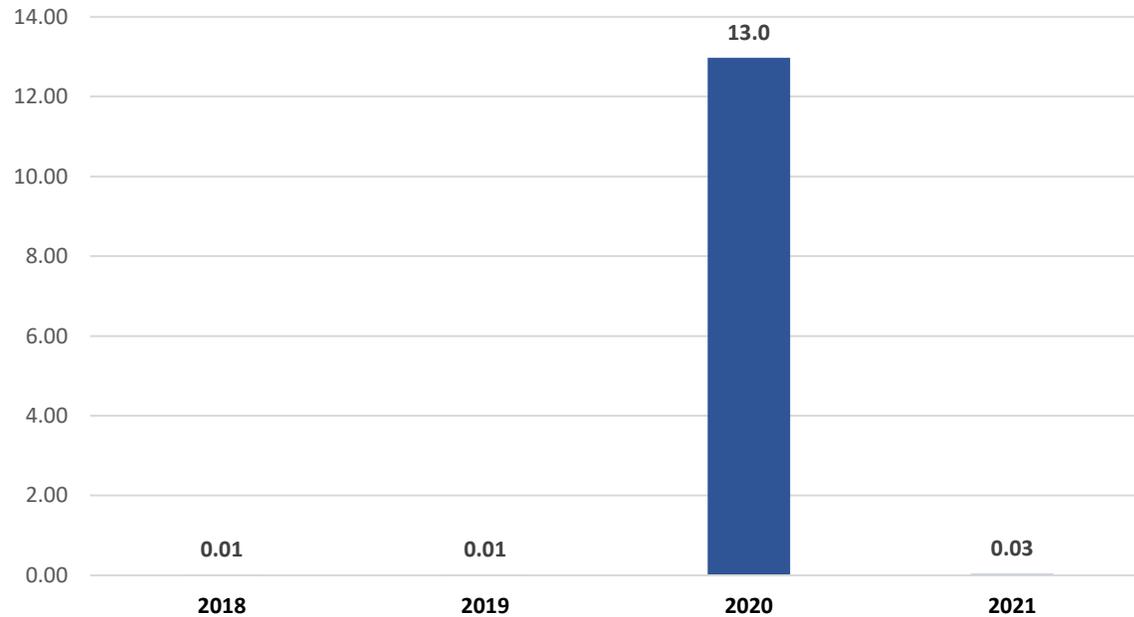
Energy Storage – Capacity and Incentive Dollars by Program Year

(Data as of 2/24/2021)



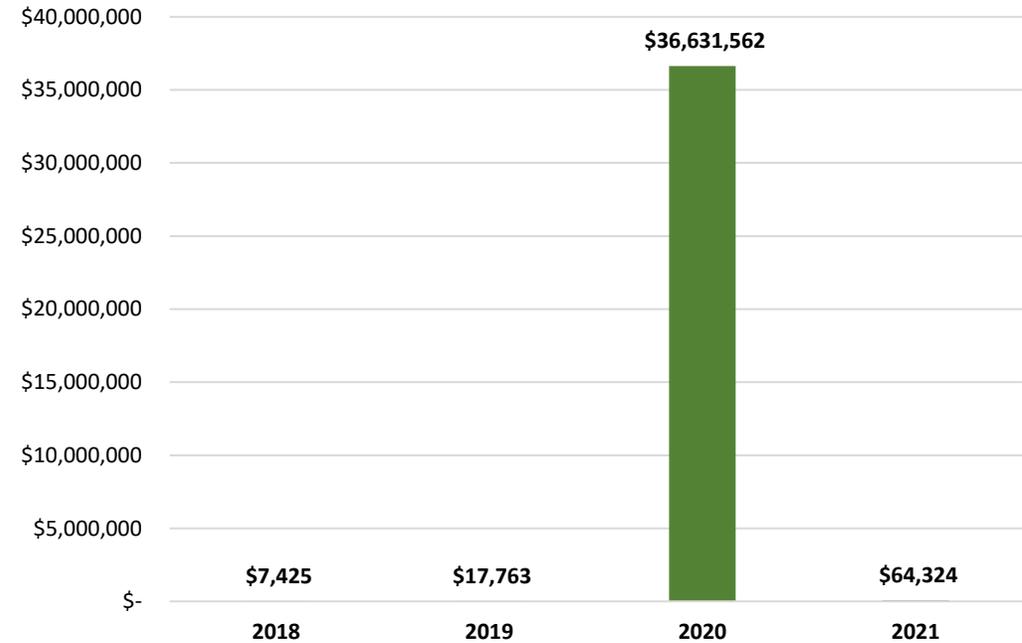
SELF-GENERATION INCENTIVE PROGRAM

Residential Storage Equity (MW)



Total: 13.0 MW

Residential Storage Equity (\$)



Total: \$36,721,074



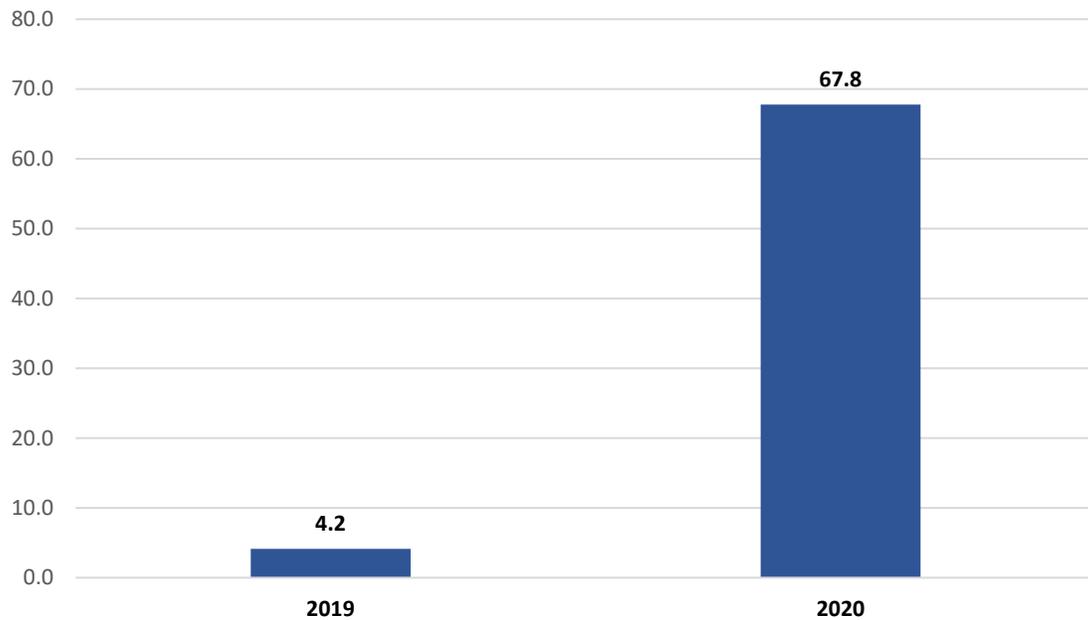
Energy Storage – Capacity and Incentive Dollars by Program Year

(Data as of 2/24/2021)



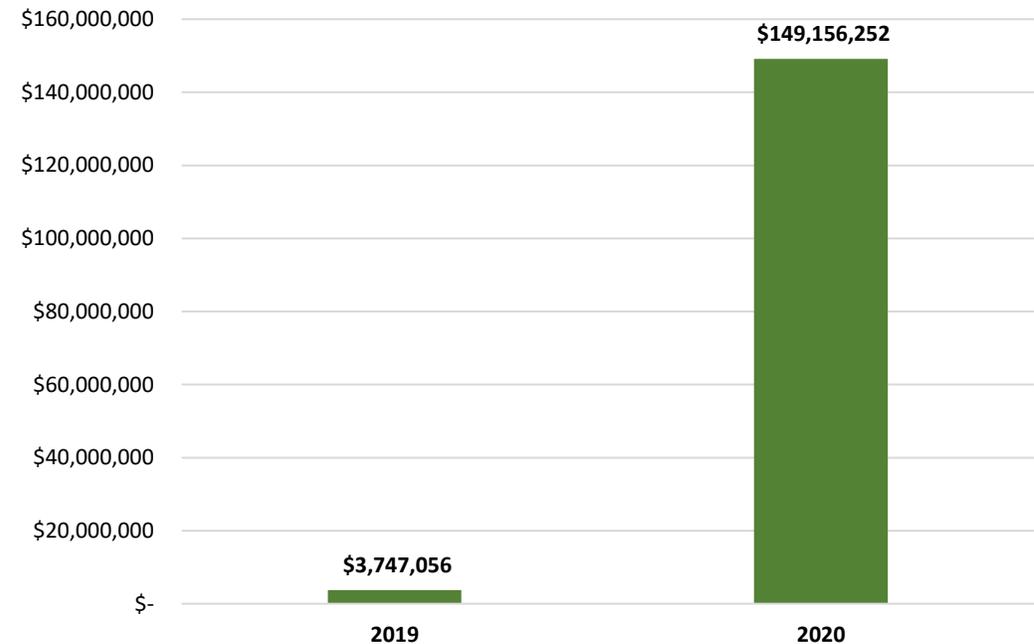
SELF-GENERATION INCENTIVE PROGRAM

Non-Residential Storage Equity (MW)



Total: 71.9 MW

Non-Residential Storage Equity (\$)



Total: \$152,903,308



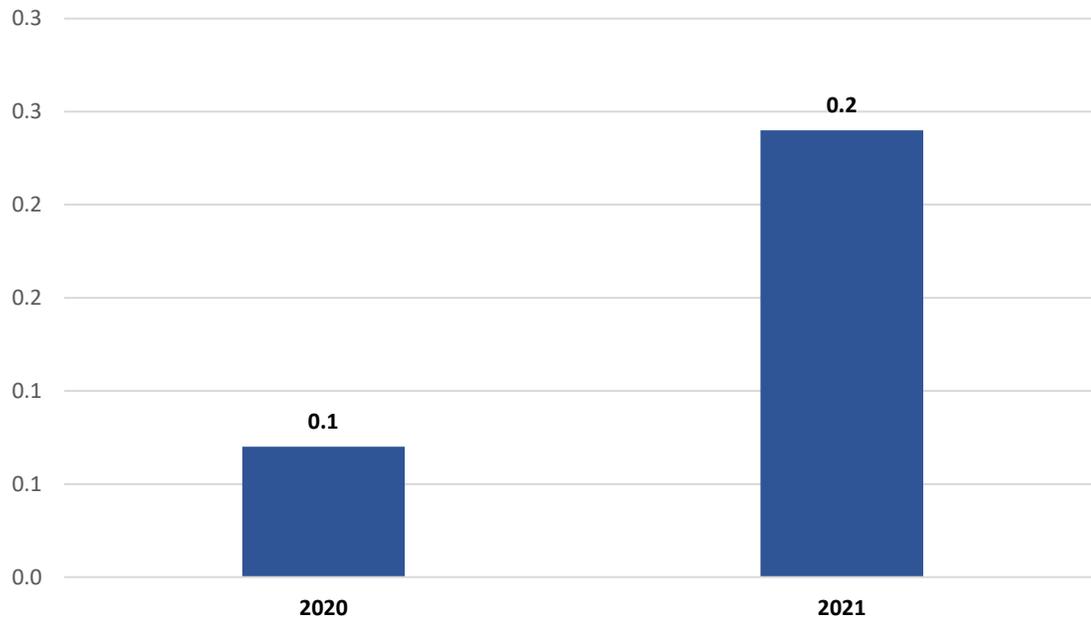
Energy Storage – Capacity and Incentive Dollars by Program Year

(Data as of 2/24/2021)



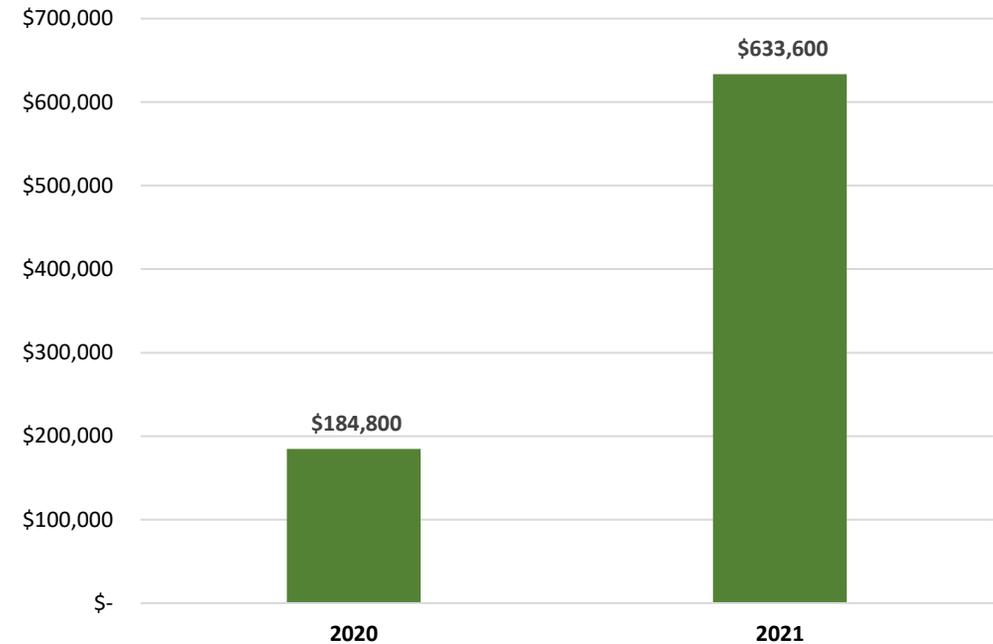
SELF-GENERATION INCENTIVE PROGRAM

San Joaquin Valley Residential (MW)



Total: 0.3 MW

San Joaquin Valley Residential (\$)



Total: \$818,400



SCE's Financial Assistance Pilot



SCE's Financial Assistance Pilot



SCE's Financial Assistance Pilot



Purpose

- The Pilot will provide an advance payment incentive to contractors, which is intended to reduce upfront installation cost barriers for all qualified residential customers who are eligible for the residential SGIP equity budget, or residential equity resiliency customers.
- SCE's Financial Assistance Pilot is proposed to increase low-income customers' access to the Equity and Equity Resiliency Budget by eliminating the financial barrier created by the need for upfront financing.



SCE's Financial Assistance Pilot



Customer Eligibility

Pilot available to all qualified Residential Customers who are eligible for the residential SGIP Equity and Equity Resiliency Budgets



SCE's Financial Assistance Pilot



Vendor Eligibility

All Developers must be on the SGIP Approved Developer List.

To be eligible to participate in the Pilot:

- Active CSLB License
- Adequate Insurance
- Good standing with the BBB



SCE's Financial Assistance Pilot



Payment Process

- The upfront payment of 50 percent of the approved incentive value will be provided to the vendor once the Reservation Request Forms (RRF) have been reviewed and a confirmed incentive reservation has been issued.
- The remaining 50 percent incentive will be paid to the vendor upon completion of the energy storage and once the Incentive Claim Forms (ICF) have been reviewed and approved.



SCE's Financial Assistance Pilot



Safeguards on Project Completion and Fund Recovery

Participation agreement to be signed by contractors to ensure that any advances paid for projects that are ultimately not completed are returned to the program and that projects provided upfront financing are installed within a certain timeframe.

The agreement will require contractors to legally affirm they will not charge a residential SGIP host customer any out-of-pocket costs.

Agreement enables SGIP to recoup funding from developers who receive upfront funding but do not complete an associated project within the permitted timeframe under existing SGIP rules.



SCE's Financial Assistance Pilot



Developers Interested in Participating

- Email expressing interest to SGIPGroup@sce.com
- Developer Enrollment Form and Pilot Agreement.
- Instructions / Online webinar providing participation details.
- Once Developer Enrollment documentation is approved, Developer can begin participating in the Pilot.
- SCE will initiate additional outreach to Customers and Developers for awareness of the Financial Assistance Pilot.



PG&E's Developer Financial Assistant Pilot



SELF-GENERATION
INCENTIVE PROGRAM

PG&E's Developer Financial Assistant Pilot



PG&E's Developer Financial Assistant Pilot



Purpose

- The pilot will support targeted customers during PSPS Events
- Expand access to SGIP Incentives



PG&E's Developer Financial Assistant Pilot



Target Customers

- 17k Customers – income qualified MBL in high-fire threat Tier 2 or 3
- Upfront cost is a significant barrier
- Unfamiliar with SGIP and battery technologies

How to qualify for a home battery

You're a customer on Medical Baseline*

OR

You've notified PG&E of a medical condition that could be life-threatening if power is lost

OR

You're income-qualified**

AND

You live in a high-fire threat Tier 2 or 3 district

OR

You've lost power in a PSPS two or more times



PG&E's Developer Financial Assistant Pilot



Customer Eligibility

Pilot available to all qualified Residential customer projects that either qualify for the Equity Budget or the Equity Resiliency Budget by means of the Medical Baseline enrollment or having notified PG&E of reliance on lifesaving medical equipment.



PG&E's Developer Financial Assistant Pilot



Vendor Eligibility

All Developers must be on the SGIP Approved Developer List.

To be eligible to participate in the Pilot:

- Active CSLB License
- Adequate Insurance
- Good standing with the BBB
- Good standing under SGIP



PG&E's Developer Financial Assistant Pilot



Enrolled SGIP Developer Overview

- SGIP Developer submits info to PG&E to enroll in the pilot and agrees to terms
- CRI entity learns about the PG&E ME&O toolkit and the SGIP program for their Community
- CRI connects with Developers enrolled in the Pilot and identifies Developers that are best for their community
- CRI outreaches to Customers in their community and determines customers most likely to qualify for the Equity Resiliency pilot
- CRI connects likely eligible customers to Developer
- Developer connects with Customers for project and submits Reservation Request Form (RRF) for eligible project along with Pilot Agreement Form – CRI is listed as referral



PG&E's Developer Financial Assistant Pilot



Payment Process

- The upfront payment of 50 percent of the approved incentive value will be provided to the vendor once the Reservation Request Forms (RRF) have been reviewed and a confirmed incentive reservation has been issued.
- The remaining 50 percent incentive will be paid to the vendor upon completion of the energy storage and once the Incentive Claim Forms (ICF) have been reviewed and approved.



Investment Tax Credit (ITC)



Investment Tax Credit (ITC)



Investment Tax Credit (ITC)



Background

The SGIP currently requires that all other incentives and tax credits be disclosed in order to ensure that the sum of the SGIP incentive plus any additional funding does not exceed the total eligible project costs (TEPC) for the SGIP-eligible technology.

SGIP Handbook Section 3.2.6



Investment Tax Credit (ITC)



Current Calculation

- Applicant enters the *percentage* of the SGIP TEPC that are being claimed as the ITC.
- The SGIP database calculates the ITC based on this percentage and the TEPC entered for the SGIP-eligible technology.



Investment Tax Credit (ITC)



Example (Applicant entry in red)

TEPC (\$10,000) x **ITC (26%)** = \$2,600 calculated ITC

TEPC (\$10,000)- ITC (\$2,600) = \$7,400 maximum SGIP incentive

Are you or any affiliated entity taking the Federal Investment Tax Credit (ITC) for this project? *

Yes No

Investment Tax Credit (ITC) as a % of TEPC *

26.00

Investment Tax Credit		\$2,600.00				
Adjusted Equipment Incentive					a+b+c = d)	\$9,600.00
Total Other Incentives	e)	\$2,600.00				
SGIP Incentive Adjustments		Equipment Incentive +	Total Other Incentives <=	Incentive Cap(s)	Incentive Adjustment	
Project Incentive Cap (Equipment)	f)	\$9,600.00		\$5,000,000.00	*g)	0
Eligible Cost Cap (All Incentives)	f+g=h)	\$9,600.00	\$2,600.00	\$10,000.00	**i)	\$2,200.00
Equipment Incentive					***j)	\$7,400.00
Calculated SGIP Incentive						\$7,400.00



Investment Tax Credit (ITC)



Proposed Calculation

- Applicant enters the *dollar amount* the customer is claiming as the ITC for the SGIP-eligible technology.
- The dollar amount is used to determine the maximum SGIP incentive with no calculation.



Investment Tax Credit (ITC)



Example (Applicant entry in red)

TEPC (\$10,000) - **ITC (\$2,600)** = \$7,400 maximum SGIP incentive

Are you or any affiliated entity taking the Federal Investment Tax Credit (ITC) for this project? *

Yes No

Investment Tax Credit (ITC) \$ Amount for SGIP-eligible technology

2600.00

Investment Tax Credit		\$2,600.00				
Adjusted Equipment Incentive					a+b+c = d)	\$9,600.00
Total Other Incentives	e)	\$2,600.00				
SGIP Incentive Adjustments		Equipment Incentive +	Total Other Incentives <=	Incentive Cap(s)	Incentive Adjustment	
Project Incentive Cap (Equipment)	f)	\$9,600.00		\$5,000,000.00	*g)	0
Eligible Cost Cap (All Incentives)	f+g=h)	\$9,600.00	\$2,600.00	\$10,000.00	**i)	\$2,200.00
Equipment Incentive					***j)	\$7,400.00
Calculated SGIP Incentive						\$7,400.00



Well Pump Eligibility & Criteria



SELF-GENERATION
INCENTIVE PROGRAM

Well Pump Eligibility & Criteria



Well Pump Eligibility & Criteria



Per decision D.20-10-025

- Single family household income no greater than 80 percent of area median income or that a multi-family building is either located in a disadvantaged community or demonstrates that at least 80 percent of building households have incomes at or below 60 percent of area median income.
- All equity resiliency budget applications submitted after August 17, 2020 that have not yet been issued a “confirmed incentive reservation” as of the date of Commission adoption of this decision. The decision directs SGIP Program Administrators to allow a 90-day suspension period for projects impacted by the new requirements.

