

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 13, 2017

To: Center for Sustainable Energy  
Pacific Gas and Electric Company  
Southern California Edison Company  
Southern California Gas Company

Re: Self-Generation Incentive Program Measurement and Evaluation Plan

**Delivered via email**

Dear Self-Generation Incentive Program Administrators:

I am writing to apprise you of a new Self-Generation Incentive Program (SGIP) Measurement and Evaluation (M&E) Plan (see attachment A). The update should go into effect immediately.

As you know, SGIP began in 2001, and the CPUC previously directed the Program Administrators (PAs) to complete a number of measurement and evaluation (M&E) plans through 2015.<sup>1</sup>

In October of 2009, the Legislature passed Senate Bill (SB) 412 (Kehoe, 2009).<sup>2</sup> Energy Division then developed a Staff Proposal with recommendations on how to modify SGIP to comply with SB 412. In D.11-09-015, the CPUC modified SGIP to conform to SB 412 and accepted a Staff Proposal recommendation that the CPUC provide clear guidance for future SGIP M&E work after the implementation of those program changes.<sup>3</sup>

However, D.11-09-015 did not establish a schedule or other details regarding the M&E component of the program. For this reason, Energy Division requested that the PAs develop an M&E proposal, and present it to the CPUC via motion as had been done in the past.<sup>4</sup> The PAs duly filed a motion seeking CPUC approval of the SGIP M&E plan for PY 2014-2015. This motion was granted, with modifications, by ALJ ruling on July 23, 2014.

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<sup>1</sup> These include Decision 02-09-051 and an Administrative Law Judge's (ALJ) ruling of April 24, 2002 in Rulemaking 99-10-025 and a May 18, 2006 Administrative Law Judge's ruling approving and M&E plan for 2006 and 2007, issued in Rulemaking 06-03-004. The deadlines in these orders have also been adjusted on several occasions, such as the ALJ Rulings of February 27, 2007, and June 24, 2008. In a February 3, 2009 ruling in Rulemaking 08-03-008, the assigned ALJ approved an M&E plan for SGIP for 2009 through 2011. In a July 23, 2014 ruling in Rulemaking 12-11-005, the assigned ALJ approved an SGIP M&E plan for 2014-2015.

<sup>2</sup> Senate Bill (SB) 412 (Stats. 2009, ch. 182) authorized the CPUC to determine eligible SGIP technologies based on greenhouse gas (GHG) emissions reductions. SB 412 also extended the SGIP sunset date from January 1, 2012 to January 1, 2016.

<sup>3</sup> Staff Proposal, Part I, Section 4.5.1 states: "Since its inception, SGIP has undertaken an extensive measurement and evaluation (M&E) process. A full list of SGIP M&E reports can be accessed from the CPUC's website. These reports, which include annual Impacts Evaluations, Process Evaluations, Market Characterization Reports, Renewable Fuel Use Reports, and Cost-Effectiveness Evaluations, have all contributed to staff's analysis and recommendations in this proposal. Following the implementation of program changes pursuant to SB 412, staff recommends that the Commission provide clear guidance for future SGIP M&E work..."

<sup>4</sup> The Motion to approve the SGIP M&E Plan for Program Years 2009 – 2011 was filed in R. 08-03-008 by PG&E on December 4, 2008 and approved by the assigned ALJ on February 3, 2009.

Center for Sustainable Energy  
Pacific Gas and Electric Company  
Southern California Edison Company  
Southern California Gas Company  
January 13, 2017  
Page 2

The latest revisions to SGIP arise from D.16-06-055 (the Decision). Conclusion of Law #46 mandated that within six months of the Decision's effective date of June 23, 2016, an SGIP M&E plan should be developed by Energy Division staff in consultation with the PAs. By tasking Energy Division with this responsibility the Decision aimed to simplify and streamline the process for managing the M&E plan approval.<sup>5</sup>

Energy Division is now exercising its authority and fulfilling its obligation to develop the SGIP M&E Plan. Energy Division, having consulted with the Program Administrators and external stakeholders regarding this M&E Plan, is providing you with the updated SGIP M&E Plan.

Thank you for cooperation in implementing this updated SGIP M&E Plan expeditiously.

Sincerely yours,



Edward Randolph  
Director, Energy Division

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<sup>5</sup> D.16-06-055 at 47-48 (“In order to streamline and simplify the [SGIP M&E plan] requirements, the Staff Proposal recommends [that]...[w]ithin six months, an SGIP M&E Plan should be developed by Energy Division staff in consultation with program administrators; this mimics the [California Solar Initiative] program where M&E was directed by Energy Division, not Administrative Law Judge (ALJ) ruling.... We adopt the Staff Proposal’s recommendations”).