

**SOUTHERN CALIFORNIA GAS COMPANY
REQUESTING REAUTHORIZATION OF THE
CUSTOMER INCENTIVE PROGRAM**

(A.16-12-010)

(DATA REQUEST ORA-08)

Date Requested: August 15, 2017

Date Responded: August 29, 2017

QUESTION 1:

SoCalGas submitted the above subject application on December 21, 2016 pursuant to the Commission or CPUC Ordering Paragraph 6 in Resolution G-3515 dated May 12, 2016.¹ Findings of Facts (FoF) # 13, 14, and 15 of said Resolution G-3515 state: ²

FoF 13. Ten of the 11 Rule 38 projects in 2014 were for cogeneration systems.

FoF 14. There are several other programs that provide incentives for cogeneration systems. All of these programs require that new projects meet the efficiency and carbon emissions standards outlined in the Self Generation Incentive Program (SGIP).

FoF 15. Rule 38 projects are not required to meet SGIP standards.

The above Findings of Facts in the Resolution point to another of the Commission's concerns regarding the Core Pricing Flexibility Program (CPFP) and the Noncore Competitive Load Growth Opportunities Program (NCLGP): "that several other programs may also be subsidizing the same technology." The Resolution further states "In fact, Rule 38 projects could ultimately receive subsidies from three programs simultaneously: Rule 38, SGIP, and the Core Pricing Flexibility Program."

- (a) Please confirm that SoCalGas agrees that the SoCalGas application in A.16-12-010 submitted on December 21, 2016 does not address the above Commission concerns regarding several other programs may be subsidizing the same technology as those under the PFP/NCLGP or that Rule 38 projects are not required to meet SGIP standards. If SoCalGas disagrees and believes its application addressed the concern, then please explain your response fully and provide the basis to support your response, including cite reference to the Application where the above described concern is addressed.
- (b) In Finding of Fact #13 of the Resolution, 10 out of 11 Rule 38 projects in 2014 were for cogeneration. Please provide the total number of Rule 38 projects in each of the years 2015 and 2016, and identify the number of cogeneration projects in each of those years.
- (c) Please provide the verified amount of increased gas consumption and corresponding energy efficiency benefits provided by the cogeneration projects identified in your response to item (b) above for each year 2014, 2015 and 2016.

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- (d) Please identify the number of Rule 38 projects that also applied for SGIP funds in each year 2014, 2015, and 2016.
- (e) Based on your response to item (d) above, please identify the number of Rule 38 projects that are required to meet SGIP standards in each year 2014, 2015, and 2016.
- (f) Please:
1. State whether SoCalGas has verified any instances in the previous years 2014, 2015, and 2016 where Rule 38 projects have received subsidies from at least two other programs;
 2. If the answer to question 1.f.1 is affirmative, please provide a list of those Rule 38 projects.
 3. If no instances were identified in response to question 1.f.2, please fully explain why this is the case.
- (g) In the proposed CIP, please explain whether proposed cogeneration projects for funding under the CIP may also receive subsidies from at least two other programs, whether under SGIP or another program.
- (h) Please describe the proposed SoCalGas verification process that determines whether a proposed project seeking CIP funding is also receiving subsidies from another program, such as SGIP or another program.
- (i) Please state how SoCalGas would address the Commission's concerns regarding several programs subsidizing the same technology.

RESPONSE 1:

- (a) SoCalGas objects to this request on the grounds that it is compound and vague and ambiguous. Subject to its objections, SoCalGas responds as follows: SoCalGas disagrees with the assertion that it did not address the above Commission concerns regarding several other programs may be subsidizing the same technology as those under the Core Pricing Flexibility Program (CPFP) and the Noncore Competitive Load Growth Opportunities Program (NCLGP) or that Rule 38 projects are not required to meet Self-Generation Incentive Program (SGIP) standards. SoCalGas addresses the use of multiple programs in the Prepared Direct Testimony of Rasha Prince, Section, II.C. Many of the programs are sunseting, or are underutilized, and the proposed CIP can serve as a bridge to fill the gap. Further, in the Prepared Direct Testimony of Tuan Nguyen,

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Section II.A.3.ii, SoCalGas requires CHP to meet the FERC efficiency standard of 42.5%, which is also used by the SGIP.

(b) Please see the table below:

Year	Cogeneration Projects	Total Number of Projects
2014	9 ¹	11
2015	6	8
2016	9	12

(c) SoCalGas objects to this request on the grounds that it is vague and ambiguous as to the term “verified.” Subject to its objections, SoCalGas responds as follows: The amount of increased gas consumption associated with the cogeneration projects listed in the response to 1.B above is listed below. By applying the conservative numbers from the Department of Energy (DOE) website.² The estimated energy efficiency benefits for the cogeneration projects would be as follows:

Year	Amount of Increased Gas Consumption <i>In Therms</i>	Energy Efficiency Benefits from Cogeneration Projects <i>In Therms</i>
2014	12,386,687	3,716,006
2015	9,103,354	2,731,006
2016	6,318,552	1,895,565

(d) Please see the table below:

Year	Rule 38 Projects	Applied for SGIP
2014	11	5
2015	8	4
2016	12	7

¹ Page 5 and Findings of Fact 13 in Resolution G-3515 incorrectly identified the number of cogeneration projects stating that 10 out of 11 projects were cogeneration; however, 9 out of 11 projects were for cogeneration. This is also reflected in the response to 1.D below.

² <https://energy.gov/eere/amo/combined-heat-and-power-basics>, Grid efficiency is 40% and CHP is 65%

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- (e) All Rule 38 projects participating in SGIP are required to meet the SGIP standards. SGIP standards have not been an eligibility requirement for Rule 38 projects independently.
- (f) 1. SoCalGas objects to this request on the grounds that it is vague and ambiguous as to the term “verified.” Subject to its objections, SoCalGas responds as follows: SoCalGas takes all funding into consideration but has not historically substantiated if a customer has received subsidies from at least two other programs.
2. N/A
3. Please see the response to 1(f) above. Generally, the maximum Rule 38 incentive is 50% of the project cost. However, when a customer has received other incentives, the cost of the project is reduced to reflect the other incentives.
- (g) SoCalGas objects to this request on the grounds that it is vague and ambiguous and calls for speculation. Subject to its objections, SoCalGas responds as follows: Under the proposed CIP, customers may receive funds from other programs, subject to the other programs requirements and administration.
- (h) Under the proposed CIP, SoCalGas will continue to ask the applicant about other funding, adjust the estimated project cost and calculate the proposed CIP incentive so the total incentives do not go beyond 50% of the project cost. In addition, SoCalGas will collect invoices to verify the actual project costs.
- (i) SoCalGas objects to this question as it calls for speculation. Subject to its objection, SoCalGas responds as follows: Many technologies use multiple sources for funding. For instance, energy storage can receive revenue from other IOU programs such as; demand response, resource adequacy, SGIP, and from other non-IOU programs such as the Investment Tax Credit and Production Tax. SoCalGas’ proposed CIP is shareholder funded, which precludes a double dipping situation where a customer uses two ratepayer funded programs.

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QUESTION 2:

The Scoping Memo in the above subject application notes that no direct safety issues are identified in the application.

- (a) Please confirm that no direct safety issues are identified in the application. But if there are, and SoCalGas had missed the opportunity to identify them in the application, please identify all of them in response to this question.
- (b) Please state whether SoCalGas has identified any indirect safety issues, and if so, please list them and explain them fully.

RESPONSE 2:

- a. SoCalGas objects to this request on the grounds that it is vague and ambiguous as to the phrase "direct safety issues." Subject to its objections, SoCalGas responds as follows: SoCalGas does not identify any safety considerations associated with its requested relief as noted in Footnote 8 on page 6 of the Application.
- b. SoCalGas objects to this request on the grounds that it is vague and ambiguous as to the phrase "indirect safety issues." Subject to its objections, SoCalGas responds as follows: Please see the response to 2(a) above.