

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 20, 2009

Advice Letters 3950/3950-A

Ronald van der Leeden, Director
Rates, Revenues and Tariffs
8330 Century Park Court CP32C
San Diego, CA 92123-1548

Subject: February 2009 Standby Procurement Charges

Dear Mr. van der Leeden:

Advice Letters 3950 and 3950-A are effective April 13, 2009.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



March 24, 2009

CCSE ADVICE LETTER 5-A / PG&E ADVICE LETTER 3406-E-A / SCE ADVICE LETTER 2311-E-A / SOCALGAS ADVICE LETTER 3950-A

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplemental Filing for Proposed Amendments to the Self-Generation Incentive Program Handbook to Revise Program to Allow Advanced Energy Storage Systems Coupled With Eligible Self Generation Technologies to Receive Incentives and to Incorporate the Revised Program Modification Request Process

The California Center for Sustainable Energy (CCSE), on behalf of the Self-Generation Incentive Program (SGIP) Program Administrators (PAs), hereby submits this supplemental advice filing with additional proposed amendments to the SGIP Handbook to revise the program by allowing advanced energy storage (AES) systems, coupled with eligible self generation technologies, to receive incentives. The SGIP PAs are comprised of CCSE, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE) and Southern California Gas Company (SoCalGas).

PURPOSE

The purpose of this supplemental advice letter is to include in the SGIP Handbook the requirement that an AES system be able “to handle hundreds of partial discharge cycles each day” to be eligible for the program.

BACKGROUND

The California Public Utilities Commission (Commission) issued Decision (D.) 08-11-044 on November 21, 2008, ordering that AES systems coupled with eligible self generation technologies and meeting the technical and operational criteria established in D.08-11-044 receive incentives under the program.¹ The decision subsequently directed the SGIP PAs to file jointly, within sixty (60) days, an advice letter implementing the revisions to the SGIP in accordance with the requirements of the D.08-11-044 and Appendix A of that decision. CCSE, on behalf of the SGIP PAs, filed CCSE Advice Letter 5 / PG&E Advice Letter 3406-E / SCE Advice Letter 2311-E / SoCalGas Advice Letter 3950 on January 20, 2009, in accordance with D.08-11-044 and Appendix A of that decision.

On February 9, 2009, Utility Savings & Refund, LLC (Utility Savings), protested the advice letter, recommending that the technical parameters for AES systems be more

¹ D.08-11-044, *mimeo*, p.19 (Ordering Paragraph 1).

completely defined. Specifically, Utility Savings requested that the ability of the AES system “to handle hundreds of partial discharge cycles each day”² be mentioned in the technical and operational criteria for receipt of incentives by AES systems proposed to be included in the SGIP Handbook.

On February 18, 2009, CCSE, on behalf of the SGIP PAs, replied to the protest by Utility Savings, stating their willingness to include in the SGIP Handbook the requirement that an AES system be able “to handle hundreds of partial discharge cycles each day” to be eligible for the program. On March 4, Utility Savings withdrew its protest with the understanding that the SGIP PAs would issue a supplemental advice letter with a revised SGIP Handbook including the aforementioned requirement. CCSE hereby submits this supplemental advice letter on behalf of the SGIP PAs.

SUPPLEMENTAL PROPOSED AMENDMENTS TO THE SGIP HANDBOOK

Included as an attachment to this supplemental advice filing is a revised version of the draft 2009 SGIP Handbook with proposed revisions in redline format (Attachment A) that show changes from the 2008 Handbook. The SGIP PAs manage the SGIP Handbook, and changes are normally made to the Handbook by obtaining the agreement of the SGIP Working Group. This supplemental advice letter is in response to D.08-11-044 and is not meant to set a precedent that future SGIP Handbook changes will be submitted for approval via the advice letter process.

Attachment A includes all revisions in anticipation of the release of the updated SGIP Handbook for 2009, including the revisions proposed in the original advice filing, this supplemental advice filing, as well as revisions unrelated to these advice filings. The proposed revisions are summarized below:

Supplement: Further revise the SGIP Handbook to allow for AES systems coupled with eligible self generation technologies and meeting the technical and operational criteria established in D.08-11-044 to receive incentives under the program.

Reason: In D.08-11-044, the Commission ordered that AES systems coupled with one of the eligible self generation technologies, presently wind or fuel cell technology, and meeting the technical and operational criteria established in the decision shall receive a \$2/watt incentive. The SGIP Handbook shall be revised to include the eligibility of AES systems for SGIP incentives and the necessary technical and operational criteria for receipt of incentives by AES systems, including the requirement that an AES system be able “to handle hundreds of partial discharge cycles each day”.

Affected Sections:

Section 1.2	Program Background
Section 2.5	Generator System Equipment Eligibility, Table 2-1
Section 2.5.1.1	Load Following Requirement for Advanced Energy Storage
Section 2.5.2.1	Mandatory Hybrid Systems
Section 2.5.4	Rating Criteria for System Output
Section 2.5.5	Minimum Size
Section 2.5.6.3	System Sizing for Advanced Energy Storage Projects
Section 2.5.7	Not Eligible under the SGIP

² D.08-11-044, *mimeo.*, p. 12.

Section 2.5.11.1	Wind Turbine, Fuel Cell & Advanced Energy Storage System Warranty Requirements
Section 3.0	Incentives
Section 3.1	Incentive Levels, Table 3-1
Section 3.3.2	Incentive for Systems with Output Capacity above 1 MW
Section 4.3.2	Required Attachments
Section 6.0	Definitions and Glossary

Revisions Unrelated to this Supplemental Advice Filing indicated in Attachment A:

Section 1.2	Program Background, Paragraph 9
Section 1.3	Program Modification
Section 3	Incentives, Annual Program Budgets
Section 3.5	Incentives for Technologies from a California Supplier
Section 6	Definitions and Glossary, "California Supplier"

PROTESTS

CCSE, on behalf of the SGIP PAs, respectfully requests a shortened protest period. Anyone wishing to protest this supplemental advice letter may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than April 3, 2009, which is 10 days after the filing of this supplemental advice letter. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, CA 94102
Facsimile: (415) 703-2200
E-mail: jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies should also be mailed to the attention of Julie A. Fitch, Director, Energy Division, Room 4004, at the address shown above.

The protest should also be sent via U.S. mail (and by facsimile and electronically, if possible) to CCSE at the address shown below on the same date it is mailed or delivered to the Commission:

Andrew McAllister
Director of Programs
California Center for Sustainable Energy
8690 Balboa Avenue, Suite 100
San Diego, California 92123
Facsimile: (858) 244-1178
E-mail: andrew.mcallister@energycenter.org

There are no restrictions as to who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

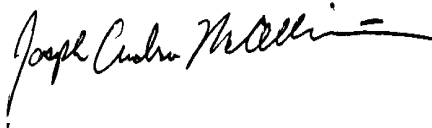
March 24, 2009

EFFECTIVE DATE

CCSE requests that this supplemental advice letter become effective on April 13, 2009, which is 20 calendar days after the date of filing.

NOTICE

CCSE is providing a copy of this supplemental advice letter to service list R.08-03-008.



Andrew McAllister
Director of Programs
California Center for Sustainable Energy

Attachments: Attachment A – SGIP Handbook Revisions (Redline Version)

cc: Service List R.08-03-008