



# Self-Generation Incentive Program Update

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# Self-Generation Incentive Program Update



- **Current Program Overview**
- **Program Reports**
- **Program Modification Guidelines (PMG)**
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- **Available Documents**





# Overview

- **Self-Generation Incentive Program (SGIP)**
  - SGIP is a statewide program, initiated by Assembly Bill 970. Provides incentive funding for various distributed generation technologies,
  - SGIP is a four year program (2001 - 2004),
    - Last day applications can be received is 12/31/2004,
  - Incentives reserved up to 12 months,
  - Reservations granted first come, first served basis,





# Overview

- Generation Technologies include:
  - Level 1:
    - Photovoltaic (solar power)
    - Wind turbines
    - Fuel Cells on renewable fuel
  - Level 2:
    - Fuel Cells on non-renewable fuel
  - Level 3R and 3N:
    - Micro-turbines
    - Small Turbines
    - I C engine generators





# Overview

- Four Program Administrators:
  - SoCalGas
  - Southern California Edison (SCE)
  - Pacific Gas & Electric (PG&E)
  - San Diego Regional Energy Office (SDREO)
- No Double-Dipping:
  - Single projects are not allowed to receive incentives from more than one source: SCE, SoCalGas, PG&E, SDREO or CEC.
- Measurement & Evaluation Requirements





# Who is Eligible?

- Customers of California Investor Owned Utilities (IOUs):
  - SoCalGas,
  - SCE,
  - PG&E,
  - SDG&E
- Energy Service Companies (ESCO's), with clients which are customers of the above utilities,
- Customers served by both a Municipal Owned Utility (MOU) and Investor Owned Utility (IOU):
  - LADWP & SoCalGas
  - Anaheim and SoCalGas
  - SMUD & PG&E





# Incentives

- Incentives are based on technology level:
  - Level 1, Level 2, Level 3R, Level 3N
  - Levels defined on following pages
  - Each Level has its own funding rate
- Incentives are based on the lower of:
  - \$/kw basis, or
  - % of Eligible Project Costs
- Eligible Project Costs are defined in SGI P Handbook





# Incentives – Level 1

Level	Incentive offered (\$/kW)	Max % of project cost	Min size	Max size <sup>1</sup>	Eligible Technologies
1	\$4,500	50%	30 kW	1.5 MW	<ul style="list-style-type: none"> <li>• Photovoltaic</li> <li>• Fuel cells on renewable fuel <sup>2</sup></li> <li>• Wind turbines</li> </ul>

1. Incentives are only provided for the initial 1 MW of generation capacity.
2. Up to 25% of fuel may be Non-Renewable (fossil fuel). Data measured, collected & reported to CPUC every 6 months.





# Incentives – Level 2

Level	Incentive offered (\$/kW)	Max % of project cost	Min size	Max size <sup>1</sup>	Eligible Technologies
2 <sup>3,4</sup>	\$2,500	40%	NA	1.5 MW	• Fuel cells on natural gas

- 1. Incentives are only provided for the initial 1 MW of generation capacity.
- 2. NA
- 3. These technologies must install waste heat recovery.
- 4. These technologies must meet a set of reliability criteria requirements.





# Incentives – Level 3

Level	Incentive offered (\$/kW)	Max % of project cost	Min size	Max size <sup>1</sup>	Eligible Technologies
3R <sup>2,3</sup>	\$1,500	40%	NA	1.5 MW	<ul style="list-style-type: none"> <li>Micro-turbines, Small gas turbines and Internal combustion engines operating on Renewable fuel.</li> </ul>
3N <sup>4</sup>	\$1,000	30%	NA	1.5 MW	<ul style="list-style-type: none"> <li>Micro-turbines, Small gas turbines and Internal combustion engines operating on Non-Renewable fuel.</li> </ul>

1. Incentives are only provided for the initial 1 MW of generation capacity.
2. Up to 25% of fuel may be Non-Renewable (fossil fuel). Data measured, collected & reported to CPUC every 6 months.
3. Exempt from meeting waste heat recovery and reliability criteria.
4. Must meet waste heat recovery and reliability criteria.





# Incentives

*(SGIP + Muni Funding)*

- Assumptions:

- Level-1,
- 50 kW
- PV System
- Est. Elig. Proj. Cost - \$400,000
- Muni funding - \$150,000

- Incentive by kW:

$$\begin{aligned} &= (\$4,500/\text{kW}) \times 50\text{kW} \\ &= \mathbf{\$225,000} \end{aligned}$$

- Incentive by Proj. Cost:

• Elig. Cost	\$400,000
• <u>Other</u>	<u>- \$150,000</u>
• Balance	\$250,000
• <u>Incentive</u>	<u>x 50%</u>
• SGIP	<b>\$125,000</b>

- Lower incentive paid:

**\$100,000**





# Program Reports

- Process Evaluation - April 2003
  - <http://www.cpuc.ca.gov/static/industry/electric/distributed+generation/index.htm>
- Impacts Evaluation - April 2003
  - <http://www.cpuc.ca.gov/static/industry/electric/distributed+generation/index.htm>
- Administrator Comparative Assessment - September 2003
  - <http://www.cpuc.ca.gov/static/industry/electric/distributed+generation/index.htm>



# Statewide Annual Project Budgets *(excluding Admin. and M&E)*



Program Administrator	<b>Dollars (\$M) per Year</b>			
	Total	Level 1	Level 2	Level 3
PG&E	\$48.0	\$16.0	\$16.0	\$16.0
SCE	\$26.0	\$8.7	\$8.7	\$8.7
SDREO	\$12.4	\$4.1	\$4.1	\$4.1
SoCalGas	\$13.6	\$4.5	\$4.5	\$4.5
<b>Total</b>	<b>\$100.0</b>	<b>\$33.3</b>	<b>\$33.3</b>	<b>\$33.3</b>



# Funds Currently Available (Statewide)



		<b>Millions \$</b>			
<b>Program Administrator</b>	<b>As of Date</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
PG&E	11/6/03	\$19.7	\$2.7	\$5.5	\$11.5
SCE	11/1/03	\$30.9	\$14.0	\$3.1	\$13.8
SDREO	11/1/03	\$19.8	\$0.3	\$12.0	\$7.5
SoCalGas	11/6/03	\$0.5	\$0.3	\$0.0	\$0.2
<b>Total</b>		<b>\$70.9</b>	<b>\$17.3</b>	<b>\$20.6</b>	<b>\$33.0</b>



# Funds Currently Available (SoCalGas)



	<b>Total (\$M)</b>	<b>Level 1</b> <i>PV &amp; Wind</i>	<b>Level 2</b> <i>Fuel Cells</i>	<b>Level 3</b> <i>Engines / Turbines</i>
<b>Project Budget *</b>	<b>\$48.1</b>	<b>\$21.5</b>	<b>\$2.5</b>	<b>\$24.1</b>
- Projects Paid	\$8.6	\$4.3	\$0.0	\$4.2
- Pending Payment	\$7.6	\$4.6	\$0.0	\$3.0
- Reserved	\$31.5	\$12.2	\$2.5	\$16.8
<b>= Funds Uncommitted</b>	<b>\$0.4</b>	<b>\$0.3</b>	<b>\$0.0</b>	<b>\$0.2</b>
- Applications Pending	\$10.2	\$7.4	\$0.0	\$2.8
<b>= Funds (Over Requested) / Available</b>	<b>(\$9.8)</b>	<b>(\$7.2)</b>	<b>\$0.0</b>	<b>(\$2.6)</b>
MW	\$59.0	\$10.5	\$1.0	\$47.5

*\* Budget includes all of PY '01, '02, '03. It also include PY '04 for Level 3 only. Program has been approved for four program years.*



# Program Modification Guidelines (PMG)



- Establishes a process by which Applicants can propose:
  - New technologies
  - Program rule modifications
- Traditional petitions submitted to CPUC are driven by:
  - Petitioners
  - Individual parties who elect to respond
- Intended to provide a fuller perspective of the proposed changes.



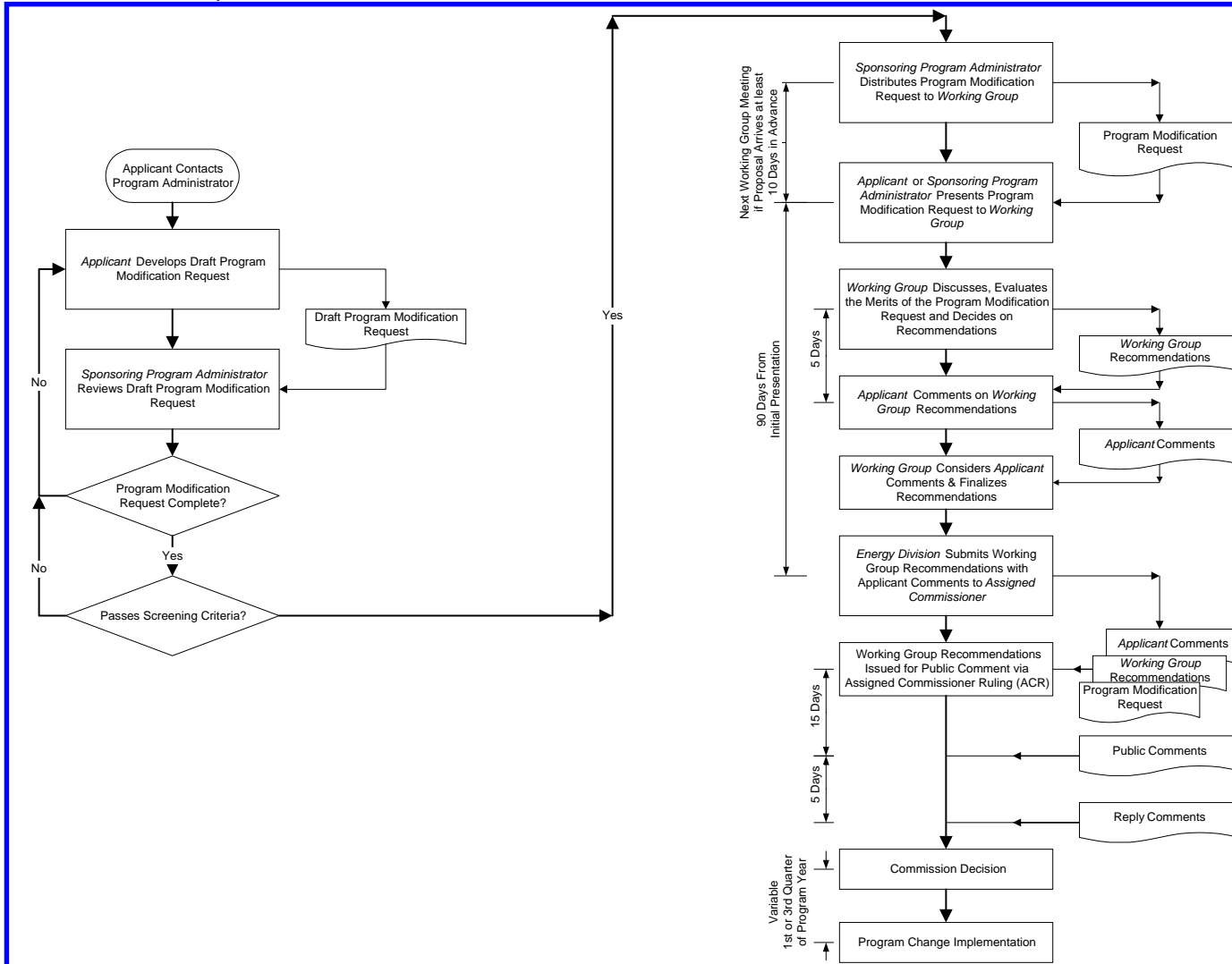
# Program Modification Guidelines (PMG)



- Establishes:
  - Requirements,
  - Evaluation process
  - Schedule.
  - Sets the protocol for applicant to submit and advocate their proposal before the Working Group and the Commission
- Provides the applicant several opportunities to state case
  - Application
  - Presentation
  - Comment on Working Group's recommendation
  - Comment directly to CPUC



# Program Modification Guidelines (Flowchart)





# AB 1685

- Three more years:
  - Jan. 2005 through Dec. 2007
- SGI P Program Administrators awaiting CPUC decision:
  - Funding amounts
  - Potential program changes
- Potentially \$875M added to customer rates
  - \$500M    AB 970
  - \$375M    AB 1685
  - **\$875M    Total**





# Available Documents

- Go to: [www.socalgas.com/business/selfgen/](http://www.socalgas.com/business/selfgen/)
- Program Handbook
- Forms
  - Reservation Request
  - Claim Form
- Instructions
- Spreadsheets
  - Project Cost Breakdown
  - Waste heat analysis
- Program Modification Guidelines
- E-mail: [selfgeneration@socalgas.com](mailto:selfgeneration@socalgas.com)





# Other Program Administrators

- PG&E  
<http://www.pge.com/selfgen/>
  
- SCE  
<http://www.scespc.com/sgip.nsf>
  
- SDREO  
<http://www.sdenergy.org/selfgen/>



Thank You



Cogen  
1495  
kW



Thank you



PV  
100  
kW





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