

**GUIDANCE DOCUMENT FOR THE DISADVANTAGED COMMUNITIES GREEN
TARIFF (DAC-GT) AND COMMUNITY SOLAR GREEN TARIFF (CSGT)
PROGRAM 2022 APPLICATIONS FOR REVIEW**

Introduction

This document serves as suggested guidance for Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) in preparation for the first Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) Applications for Review, due for submission on January 1, 2022.¹ To encourage consistency and efficiency, the Investor Owned Utilities (IOUs) are also encouraged to address Green Tariff Shared Renewables (GTSR) program issues in these applications. The Commission based portions of DAC-GT and CSGT program design on the two GTSR programs, Green Tariff and Enhanced Community Renewables, respectively. There are sufficient similarities to warrant evaluating the seminal² and targeted³ Green Access Programs (GAPs) options together in the Applications.⁴ The table below illustrates a further comparison between the programs:

	Green Tariff	Enhanced Community Renewables	Disadvantaged Communities – Green Tariff	Community Solar Green Tariff (CSGT)
Concept	100% renewables w/o: contract, commitment, roof	Multiple subscribers share the output of a single project	Similar to Green Tariff but at a 20% discounted rate	Local community solar at a 20% discounted rate
Energy Source	Pool of renewables projects	A designated local project	Pool of renewables projects	A designated local project
Customer Purchase	50%-100% of customer’s historical monthly usage	kWh production of customer’s subscribed portion of project	100% of customer’s historical monthly energy usage	kWh production of customer’s subscribed portion of the project
Transaction	IOU bills customer	Agreement between developer and customer; IOU bills customer	IOU bills customer	Agreement between IOU and developer; IOU bills customer
Enabling Legislation	Senate Bill (SB) 43		Assembly Bill (AB) 327 (Perea, 2013); Includes DAC-SASH	
Expiration	When 600 MW capacity procured and enrolled: participants can remain 20+ years		When 199 MW capacity procured and enrolled; DAC-GT is 20 years, CSGT is term of project	

D.18-06-027, issued June 21, 2018, directed each IOU to file an application for review of the DAC-GT and CSGT (“DAC Programs”) and determined that the proceedings initiated by these

¹ In December 2020 the CPUC granted a 1-year extension to the IOUs. The Applications for Review are now due on January 1, 2022.

² SB 43 requires that GTSR program costs may not be shifted to non-participating customers. In effect, customers that sign up for a GTSR tariff or project often pay a premium over their otherwise applicable rate.

³ The DAC-GT program is only available to residential DAC customers who are eligible for either the California Alternate Rates for Energy (CARE) program or the Family Electric Rate Assistance (FERA) program. Fifty percent of a CSGT project’s output must be subscribed by CARE- or FERA-eligible residential DAC or San Joaquin Valley pilot community customers before other non-income qualified customers become eligible.

⁴ D.18-06-027 at 51 states “This program will be in addition to, rather than part of, the existing Green Tariff program, and will be available only to low-income residential customers in DACs, defined as those meeting the qualifications for CARE or FERA.”

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applications would include a review of both programs' costs and benefits, and may result in revisions to the tariffs, if appropriate.⁵ D.18-06-027 also established that community choice aggregators (CCAs) may develop and implement their own DAC Program tariffs consistent with the requirements of the decision.⁶

Resolution E-4999, issued May 30, 2019, detailed additional requirements for the IOUs' applications for review. Resolution E-4999 reserved capacity to 14 existing CCAs in PG&E's and SCE's service territories by decreasing each IOU's program capacity caps.⁷ In order to claim this reserved capacity, each of the 14 CCAs were required to submit a Tier 3 advice letter (AL) requesting to implement either of the programs by January 1, 2021.

Resolution E-4999 identified several items the Commission may review as part of each IOU's application for review of their DAC-GT and CSGT programs:

- To address whether and how to allocate any unused capacity to IOUs or participating CCAs, if reserved CCA capacity remains unutilized after January 1, 2021 (now January 1, 2022).⁷
- To address any situation(s) in which a CCA expands, or a new CCA launches, in an area where a CSGT project exists or is in development.⁸
- To review the DAC Program cost containment thresholds based on relevant cost data which should be available for initial DAC-GT and CSGT project bids.⁹

The guidelines outlined below allow the IOUs to present an assessment of the program performance in the targeted market sector and then propose goals, budgets, design, and delivery such that the programs align delivery of services with the anticipated remaining opportunity. The IOUs should also consider incorporating any relevant data and draft findings of the DAC Program 2021 Independent Evaluation into these Applications, as warranted.

The Commission expects the IOUs to procure against their existing capacity allocations and begin enrolling customers as set in D.18-06-027 and subsequent Decisions and Resolutions through 2022. Should the IOUs identify barriers or program limitations, the IOUs should propose alternative program modifications, in compliance with Commission budget requirements⁷ and each IOU should provide the estimated annual overall cost of the DAC Programs based on full customer enrollment through the end of each program.¹¹

Modifications to the Seminal Green GTSR Program

Applications may also address pertinent issues raised in the GTSR Extension filings, Petitions for Modification, and Annual Forums. Including GTSR in these applications provides an opportunity to better align these Green Access Programs (GAPs), allow for coordinated program review and address shared program design challenges. Any potential changes should be consistent with SB 43, or clearly indicate which changes would be necessary.

⁵ D.18-06-027 at 54 and 88.

⁶ D.18-06-027 at 54 and 88.

⁷ *Id* at 46.

⁸ *Id* at 17-18.

⁹ *Id* at 36 and D.18-06-027 at OP 16.

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DAC-GT is modeled after the Green Tariff portion of the Green Tariff/Shared Renewables Programs adopted in D.15-01-051, while the CS-GT program is structured after the Enhanced Community Renewables (ECR) portion of the GTSR program.¹⁰ Though the GTSR program was originally scheduled to sunset on January 1, 2019,¹¹ the Commission ultimately issued Resolution E-5028 on September 30, 2019, which extended the GTSR program indefinitely until the 600 MW cap was reached. That Resolution found that while they had merit, modifications proposed in comments would result in a “different structure or materially different capacity” to the program. Thus, these were found to be beyond the scope of the Advice Letter process and would require a more formal review, as initiated in a Petition for Modification or Application.

Energy Division respectfully requests that the IOUs follow the guidelines as closely as possible to allow for an efficient application review and analysis. Should any proposed changes materially differ from the program design as outlined in D.18-06-027, D.18-10-007, D.20-07-008 and Resolutions E-4999, E-5102, E-5214, and E-5130 or Decisions D.15-01-051, D.16-05-006, D.17-07-007 and Resolutions 4734-E and E-5028, the application should note where these changes occur. The IOUs may note in their applications the sections of guidance not applicable given their proposed program design and structure. The IOUs may also include further information as needed to describe innovative approaches proposed.

Application Outline

1. GAP Program Plans and Budgets (DAC-GT, CSGT, and GTSR)
 - A. Program Context
 - i. History
 - ii. Summary
 - iii. Program Eligibility Guidelines
 - B. Proposal Summary
 - C. Program Goals, Budgets, and Capacity
 - i. Additional Capacity
 - ii. CCA Expansion
 - iii. PCIA
 - iv. Activities and Participation Goals
 - D. Program Design & Implementation
 - i. Branding
 - ii. Access
 - iii. Community Interest
 - iv. GHG Reduction Communications
 - v. Additional Technologies
 - vi. Project Size
 - vii. Legislative Action
 - viii. Enrollment, Recertification, and Outreach
 - ix. Other New and Proposed Strategies
 - E. Program Administration & Oversight
 - i. Reporting and Metrics

¹⁰ D.18-06-027 at 3.

¹ SB 840 repealed Section 2834, removing the GTSR sunset date.

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- ii. New Program Administrators
 - F. Revenue Requirement and Rate Impacts
 - G. Schedule
2. Conclusion

1. GREEN ACCESS PROGRAM PLANS AND BUDGETS

A. PROGRAM CONTEXT

In the Program Context and Summary section of the application:

- i. **History:** Provide a brief history of the DAC-GT/CSGT, and GTSR Programs and how they help low-income and other targeted customers, how it is funded and how the program has changed over the years, including any prior guidance given by the Commission;
- ii. **Summary:** Provide a DAC-GT/CSGT and GTSR program summary, including descriptions of (i) the legal framework of each program, and (ii) eligible population;
- iii. **Program Eligibility Guidelines:** Provide a summary of the program eligibility guidelines, including income, categorical eligibility qualifications, self-certifications, and the enrollment process. Identify any proposed changes from the current framework.

B. PROPOSAL SUMMARY FOR PROGRAM YEARS 2022 AND BEYOND:

- i. Explain plans for future DAC-GT/CSGT and GTSR program budgets.
- ii. Provide an estimate of the number of households or customers projected to be enrolled, along with the overall budget requested to meet this goal for each program year;
- iii. Explain any proposed changes from prior years;
- iv. Based on a review of preliminary 2021 DAC-GT and CSGT Independent Evaluation and GTSR Annual Forums or other filings, which new strategies or best practices are propose retaining or including in this program to increase participation and retain eligible households/customers?

C. PROGRAM GOALS, BUDGET, AND CAPACITY FOR PYs 2022 AND BEYOND

In the Program Goals and Budgets section of the application, please provide a description of the future DAC-GT/CSGT and GTSR program requests, including:

- i. **Additional Capacity:** Address long-term considerations for what happens when the statutory or Commission-adopted MW allocations for each program have been achieved. (600 MW Statewide for GTSR, 200 MW for the DAC Programs).
 - 1. Address alignment issues due to customer-enrollment attrition, or fixed-term obligations such as Title 24 Community Solar Requirements.
 - 2. Long-term, how will the IOUs ensure that there is accurate accounting to ensure the additionality of these 600 MW?
- ii. **CCA Expansion:** For DAC-GT and CSGT, consider whether and how program capacity should be allocated when a participating CCA expands its service area.

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- iii. **PCIA:** Consider whether the cost-effectiveness proxy (currently the Power Charge Indifference Adjustment PCIA) might be updated and present options to do so.
- iv. **Activities and Participation Goals:** Provide proposed program activities and program participation goals for each year. Include the number of eligible customers;
 - 1. Provide actual participant data to date, including participant counts and percentage rates for program enrollment. Also provide estimated participation data for the remainder of each program;
 - 2. Discuss potential reasons for any significant variations in enrollment during the current program cycle.
 - 3. Discuss issues, if any, that present challenges toward reaching and maintaining the capacity allocations established by the Commission;
 - 4. Describe existing program elements and strategies that will continue;
 - 5. Describe new program elements and strategies, if any, including budget estimates for new approaches;
 - 6. Specify the total requested budget of the portfolios for each program year, and for the entire budget cycle; and
 - 7. Estimate the total number of households/customers to be enrolled for each year, and for the entire budget program year cycle.

D. PROGRAM DESIGN AND IMPLEMENTATION

- i. **Branding:** Coalescing program branding may reduce Marketing, Education and Outreach (ME&O) costs and limit customer confusion. Currently, the DAC-GT, CSGT, and GTSR programs are marketed to customers under multiple different names in California and that number could expand. How might the programs' branding or ME&O be coordinated or unified to reduce costs and limit customer confusion?
- ii. **Access:** Enhancing program accessibility in underserved communities
 - 1. How might the GAPs consider increasing access to California Indian Country, other tribal lands or additional areas in service territories where current procurement uptake in underserved communities is low or non-existent?
 - 2. What lessons learned from the DAC Programs could be applied to the GTSR program in order to enhance participation and eligibility for the 100 MW DAC reservation [as discussed in §2833(a)(1)]?
 - 3. How might the 1 MW cap hinder project adoption in Environmental Justice (EJ) communities?
- iii. **Community Interest:** Streamlining or adopting a way of demonstrating community interest and enrolling customers.
- iv. **GHG Reduction Communications:** Consider whether appropriate GHG reduction methodologies or metrics exist to support GHG reduction estimates and communications across programs.
- v. **Additional Technologies:** Consider whether the addition of Storage or other emerging technologies would be feasible.

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- vi. **Project Size:** Are the existing project size limits appropriate
- vii. **Legislative Action:** Are there non-controversial reforms to these programs which are beyond the scope of the Application process?
- viii. **Enrollment, Recertification and Outreach:**
 - 1. Discuss any warranted changes to enrollment, recertification, and/or post-enrollment verification processes.
 - 2. Discuss the current and suggested outreach strategies and methods to improve enrollment and retention. Please include any estimated costs.
 - 3. Discuss how outreach efforts will result in meeting program participation goals including any specific or targeted population sectors or segments.
- ix. **Other New and Proposed Strategies:**
 - 1. Provide a brief description of any new strategies that will be employed, including a description of activities performed by third parties and other stakeholders.

E. PROGRAM ADMINISTRATION AND OVERSIGHT

- i. Describe the administration of the program, and any proposed changes or improvements.
- ii. Changes and improvements should leverage learnings from the preliminary 2021 DAC-GT and CSGT Independent Evaluation findings and GTSR Annual Forums or other filings. Describe how preliminary evaluation results or other findings have influenced this application in response to 1. and 2. below:
 - 1. Describe how the preliminary 2021 DAC-GT and CSGT Independent Evaluation findings influenced this proposal for administration of the program.
 - 2. Describe how GTSR Annual Forums or other filings have influenced this proposal for administration of the program.
- iii. **New Program Administrators:** Consider whether and how new load serving entities (LSEs) could apply to the DAC-GT or CSGT program.
- iv. **Reporting and Metrics:** Propose reporting requirements and Key Performance Indicators (KPIs) or metrics to measure program effectiveness. Suggested KPIs and metrics from the 2021 DAC-GT and CSGT Independent Evaluation should be considered.

F. REVENUE REQUIREMENTS AND RATE IMPACTS

- i. Discuss and estimate the revenue requirements necessary to achieve the program plans and objectives proposed for the remainder of the DAC-GT/CSGT and GTSR programs as well as the projected rate impacts.

2. CONCLUSION

Summarize requests for which you are seeking the Commission's approval as part of the DAC-GT, CSGT and GTSR Program plans and budgets for PYs 2022 and beyond.