Senate Bill 700 (Wiener) Summary

Senate Bill (SB) 700 extends the Self-Generation Incentive Program (SGIP) for up to an additional five years, investing up to $800 million of new incentive funds for behind-the-meter energy storage.

SGIP was initially implemented during the electricity crisis to encourage distributed generation and reduce peak loads. The program has incentivized a variety of technologies since its inception, including solar PV (pre-CSI), combined heat and power, and fuel cells. Since 2009 it has provided funding for energy storage but has only recently become focused on it.

To date, SGIP has paid over $140 million in incentives for 85 MW of installed storage projects. An additional $190 million are reserved for pending projects totaling over 230 MW, and $130 million remain in unreserved funds. By extending SGIP, SB 700 will substantially boost funding for storage and provide market certainty over a seven-year horizon. If the CPUC continues to allocate 80% of the incentive budget to storage, as expected, nearly $620 million will be available for new systems, resulting in a total investment of nearly $1.1 billion for customer-sited energy storage. The program is technology neutral so as to not pick winners and losers, and it is designed to lower over time to help drive down prices to the point where incentives are no longer needed.

The CPUC will need to adjust the program's incentive levels and steps to allocate the newly authorized funds. With conservative assumptions about the average incentive level, SB 700 could add as much as 1,500 to 2,000 MW of behind-the-meter energy storage systems by 2026, totaling an estimated 2,500 MW or more.

Source of Funds	Total SGIP Money Collected*	Available Incentives for Storage**	Storage Capacity
SGIP Spent to Date	$1.47 billion	$140 million	85 MW
SGIP Reserved to Date	$240 million	$190 million	230 MW
SGIP Unreserved to Date	$160 million	$130 million	200 MW
SB 700	$830 million	$620 million	2,000 MW***
Total SGIP w/SB 700	**$2.7 billion**	**$1.1 billion**	**Over 2,500 MW**

* Admin costs plus money available for other technologies, excluding funds transferred to CSI.
** Funds available for incentives, subtracting admin and money for other clean energy technologies.
*** Estimate based on assumed incentive levels and ratios of storage capacity to discharge capacity.

SB 700 will become effective January 1, 2019. The CPUC is expected to implement the extended program, making small but necessary changes to rebate structures and other details, by late next year. Assuming a seamless transition to the renewed program, incentives will continue to be paid out of two different buckets: non-residential and residential, with 25% of each reserved for projects either located in disadvantaged/low-income communities or benefitting low-income households regardless of location. CALSSA is committed to working with our members and our coalition partners in the agricultural, non-profit and low-income/environmental justice sectors to successfully implement SB 700.

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