

Application: 18-02-016

Exhibit: SDGE-

**REBUTTAL TESTIMONY OF  
GEORGE KATSUFRAKIS  
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**



**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**AUGUST 24, 2018**

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**REBUTTAL TESTIMONY OF  
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3 **I. INTRODUCTION**

4 On February 28, 2018, San Diego Gas and Electric Company (“SDG&E”) filed an  
5 Application for its 2018 Energy Storage Procurement and Investment Plan (A.18-02-016) in  
6 compliance with the Commission Decision (“D.”) 17-04-039 (“Decision”), supported by the  
7 service of the prepared direct testimony of several witnesses, including Mayda Bandy’s customer  
8 pilot program testimony. Mayda Bandy’s testimony proposed “a \$2 million, three-year pilot  
9 program designed to provide incentives for the purchase, installation and ongoing maintenance  
10 of up to 2 MW of energy storage for Expanded CARE [California Alternative Rates for Energy]  
11 facilities.”<sup>1</sup>

12 Mayda Bandy is no longer in the role of Residential Customer Programs Manager.  
13 Accordingly, I have adopted Mayda Bandy’s direct testimony as my own and now offer this  
14 rebuttal testimony to respond to the testimony of Sonja Ziaja, Office of Ratepayer Advocates  
15 (“ORA”). I provide my qualifications at the end of this testimony.

16 **II. REBUTTAL TOPICS**

17 My rebuttal testimony addresses the following topics raised by ORA:

- 18 1. ORA’s recommendation that “the Commission dismiss SDG&E’s proposed 2868  
19 customer incentive program, for failure to adequately engage with impacted communities  
20 in accordance with state and Commission guidance.”<sup>2</sup>

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<sup>1</sup> SDG&E (Bandy) MB-1:8-10. Intervenor testimony and SDG&E direct testimony will be cited herein as follows: “[party nickname] [page number(s):line number(s)].”

<sup>2</sup> ORA (Ziaja) 5-12:225-227.

1 2. ORA’s recommendation that “[i]f the Commission decides to accept the applications, the  
2 IOUs must still report to the Disadvantaged Communities Advisory Committee on a  
3 regular basis and that they incorporate guidance from the EO B-30-15 Guidebook—  
4 including use of the Equity Checklist and Community Engagement Best Practices—into  
5 their 2868 storage programs that are in DACs or vulnerable populations.”<sup>3</sup> Specifically  
6 for SDG&E, ORA contends: “if the Commission nonetheless grants the incentive aspects  
7 of SDG&E’s 2868 application, the Commission should require SDG&E to direct the third  
8 party implementer to engage and build collaborative partnerships<sup>4</sup> with the targeted  
9 communities for storage and complete the ‘equity checklist’ found in the B 30 15  
10 Guidebook.”<sup>5</sup>

11 **A. SDG&E adequately engaged with Impacted communities**

12 SDG&E’s proposed Incentive Program for Expanded CARE customers is designed to  
13 provide benefits to low income residential customers. This objective has received support in the  
14 testimony of TURN.<sup>6</sup> SDG&E had access to sufficient information on this subset of customers  
15 to design incentives. Sources that informed the design include: the weekly statewide report data  
16 from the Self Generation Incentive Program (“SGIP”),<sup>7</sup> the “*Closing the California Clean*

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<sup>3</sup> ORA (Ziaja) 5-12:235-239.

<sup>4</sup> Resiliency Guidebook, Community Engagement Best Practices (February 13, 2017), *available at* [http://www.opr.ca.gov/docs/20180312-Community\\_Engagement\\_Best\\_Practices.pdf](http://www.opr.ca.gov/docs/20180312-Community_Engagement_Best_Practices.pdf).

<sup>5</sup> ORA (Ziaja) 5-12:227-231.

<sup>6</sup> TURN (Borden) 8:11-13: “TURN does not address this portion of SDG&E’s proposal, but we support the intent to provide low-income facilities with backup power, if needed and beneficial to these participants.”

<sup>7</sup> Weekly statewide report provides an update on funding status and demographic data for the projects in SGIP. *SGIP Weekly Statewide Report* (as of January 8,, 2018), *available at* [https://www.selfgenca.com/documents/reports/statewide\\_projects](https://www.selfgenca.com/documents/reports/statewide_projects).

1 *Energy Divide*” report by Clean Energy Group, California Housing Partnership, and the Center  
2 for Sustainable Energy,<sup>8</sup> SDG&E’s own customer data, and input from Grid Alternatives.

3 SDG&E has engaged in robust community engagement appropriate to the early stage of  
4 this proceeding, including participating in all three Assembly Bill (“AB”) 2868 workshops,<sup>9</sup> as  
5 well as consulting parties representing impacted communities including: The Low Income  
6 Oversight Board,<sup>10</sup> GRID Alternatives,<sup>11</sup> Everyday Energy, RAHD Group (“Affordable Housing  
7 provider”), and other members of the energy storage industry. To further SDG&E’s engagement  
8 of impacted communities, Mayda Bandy participated in the Energy Storage North America  
9 (“ESNA”) Solar + Storage Summit on the panel, “Business Case and Value Proposition for Low  
10 Income and Multi Family Solar + Storage Applications in California.”<sup>12</sup> The session was  
11 moderated by Seth Mullendore, Vice President of the Clean Energy Group and attended by  
12 energy storage providers and contractors. The audience and the panel discussed matters

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<sup>8</sup> SDG&E (Bandy) MB-7:4-7.

<sup>9</sup> Workshop participants included GRID Alternatives, among others representing various impacted communities. GRID Alternatives is the nation’s largest nonprofit solar installer and a leader in low-income renewable policy and workforce development. The workshop referenced above took place September 14, 2017 as part of Rulemaking (“R.”) 15-03-011. SDG&E consulted Grid Alternatives in devising this pilot’s workforce development plan.

<sup>10</sup> Low Income Oversight Board, as described on their web page, was established “to advise the Commission on low-income electric and gas customer issues and to serve as a liaison for the Commission to low-income ratepayers and representatives.” See *Low Income Oversight Board*, available at [www. LIOB.org](http://www.LIOB.org).

<sup>11</sup> See California Public Utilities Commission, *Implementation of AB 693 - Solar on Multifamily Affordable Housing (“SOMAH”)*, available at <http://www.cpuc.ca.gov/General.aspx?id=6442454736>. Identifies Grid Alternatives as one of five future co- statewide administrators for the SOMAH program. The coalition of non-profits serving as the statewide administrators include: the Center for Sustainable Energy (“CSE”), Grid Alternatives, The Association for Energy Affordability (“AEA”), the California Housing Partnership Corporation (“CHPC”) and Rising Sun. Grid Alternatives and CHPC are parties to this proceeding.

<sup>12</sup> See Solar Power Events, *ESNA Solar + Storage Summit*, March 27, 2018: Panel: Business Case and Value Proposition for Low Income and Multi Family Solar+Storage Applications in California, available at <https://events.solar/expo/esna-solar-storage-summit/>

1 including the adequacy of the incentive and investment tax credit considerations. In general,  
2 SDG&E received positive feedback from the audience regarding the incentive level and structure  
3 of the program. SDG&E will continue engagement and further develop program implementation  
4 details within the Commission-approved program parameters as appropriate during the next  
5 phase of this program in partnership with the selected third party implementer.

6 On April 6, 2018, GRID Alternatives, CHPC and Sunrun, Inc., submitted a response to  
7 SDG&E's application, in which they collectively stated that they hope "the Commission will  
8 approve this Pilot Program, with the modifications included in this Response, and we look  
9 forward to future engagement on this Application."<sup>13</sup> GRID Alternatives and the CHPC work  
10 with and represent the communities this pilot program aims to serve. These key parties did not  
11 request that the program be dismissed and have expressed conceptual support for the program.

12 **B. Recommendations to follow the equity checklist and engage the**  
13 **Disadvantaged Communities ("DAC") Advisory Group should be dismissed**

14 ORA contends that "When targeting vulnerable populations, low-income communities,  
15 and DACs, utilities should use the [Executive Order] EO B-30-15 guidance to protect vulnerable  
16 communities and engage with the Disadvantage Community Advisory Group."<sup>14</sup> ORA states  
17 that:

18 "[T]he IOUs target areas in which residents are classified as 'disadvantaged' by  
19 CalEnviroScreen or were low-income. All three IOUs however fail to follow  
20 through with, or at least approximate, the next two steps listed in the EO B-30-15  
21 Guidance:

- 22 • Engage to build collaborative relationships with targeted communities;
- 23 and

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<sup>13</sup> *Response of GRID Alternatives, The California Housing Partnership Corporation, and Sunrun, Inc. to Application 18-02-016* (April 6, 2018) at 6.

<sup>14</sup> ORA (Ziaja) 5-6:106-108.

- Completing a set of questions designed to help fully consider how to maximize benefits and minimize costs to target communities (*i.e.*, the ‘Equity Checklist’).<sup>15</sup>

ORA’s recommendations are unnecessary and unrelated to AB 2868 or D.17-04-039.

ORA focuses on disadvantaged communities, SB 350, and the Executive Order B-30-15

“Guidebook.”<sup>16</sup> First, the terms “Disadvantaged Community,” “DAC,” and “SB 350”<sup>17</sup> are not mentioned anywhere in AB 2868 or in the D.17-04-039 discussion of AB 2868. This proceeding’s scoping memo makes no mention of SB 350 or Disadvantaged Communities.

Second, the Guidebook ORA references is specifically directed for use by state agencies, and SDG&E is a not a state agency.

Although the “Guidebook” does not apply to SDG&E’s AB 2868 application, SDG&E’s proposed Expanded CARE pilot program does meet several key elements of the Guidebook and its equity checklist<sup>18</sup> listed below:

- SDG&E has identified a vulnerable population based on both characteristics and location and designed this energy storage pilot program to benefit that population specifically.

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<sup>15</sup> *Id.* at 5-6:111-117.

<sup>16</sup> As ORA notes (Ziaja) 5-2:37-44, Executive Order B-30-15 “directs state agencies to ‘take climate change into account in their planning and investment decisions’ and in doing so be guided by the principle that ‘[a]ctions should protect the state’s most vulnerable populations.’” Pursuant to the order, the Governor’s office convened an advisory group that published guidance entitled *Planning and Investment for a Resilient California: A Guidebook for State Agencies*. *Id.* at 5-2:39-44.

<sup>17</sup> Senate Bill 350, Stats 2015, Chapter 547, aims at increasing California's renewable electricity procurement goal from 33 percent by 2020 to 50 percent by 2030. It also authorizes utilities to undertake transportation electrification activities. It directs assessment of barriers for low-income customers to access low-emission transportation and for the adoption of solar photovoltaic options, including those in DACs. This statute is aimed at subject matter – procurement and electric transportation – very different from AB 2868’s very specific focus on a certain kind of distributed storage investments and programs.

<sup>18</sup> The equity checklist is found at Guidebook, Appendix C, p. 51. *See* ORA (Ziaja) 5-1:19-20 and n. 3. *See also* *Planning and Investing for a Resilient California, A Guidebook for State Agencies* at 51, Appendix C, *available at* [http://opr.ca.gov/docs/20180313-Building\\_a\\_Resilient\\_CA.pdf](http://opr.ca.gov/docs/20180313-Building_a_Resilient_CA.pdf).

- 1 • SDG&E has engaged with community partners to identify and address the needs  
2 of this specific population. The proposed pilot program outlines the role of a  
3 third-party implementer, who will partner with SDG&E and share in the decision  
4 making process through a formal agreement.
  
- 5 • SDG&E’s pilot program is designed to provide an economic benefit to a low-  
6 income population, thus contributing to the decrease of economic inequality.
  
- 7 • To ensure that benefits are realized by the low-income population, which this pilot  
8 program is intended to serve, financial incentives will be distributed to these  
9 customers allowing them access to a product that will further reduce their energy  
10 expenses. SDG&E, along with the third party implementer, will also provide a  
11 higher-level of service to this community, through direct outreach and access to an  
12 incentive that is not available to the wider pool of electric customers.
  
- 13 • SDG&E has included several groups focused on the wellbeing of low-income  
14 Californians during the design phase of this program, including, the Low Income  
15 Oversight Board, & Grid Alternatives.
  
- 16 • This program is only available to Expanded CARE customers, and therefore the  
17 entire implementation budget is set aside to benefit vulnerable communities.
  
- 18 • In addition to providing direct benefits to its low-income participants, SDG&E’s  
19 pilot program will also contribute to greater consumer familiarity with energy  
20 storage technology, the economic and GHG benefits that can be achieved through  
21 its use, as well as informing future energy storage programs offered to a wider  
22 audience.

23 Given that the Expanded CARE program will support the pertinent objectives of the  
24 referenced Executive Order as described above, ORA’s recommendations to follow guidelines  
25 intended for state agencies and to consult with and report to the Disadvantaged Advisory Group,  
26 will accomplish nothing useful for the targeted communities. Not only are these  
27 recommendations unrelated to the scope of the current application, the layering of superfluous  
28 consultation would work against the goal of “accelerating” widespread deployment of distributed  
29 energy storage systems. Further, the project would be a stepchild to the statutory mission of the  
30 Disadvantaged Advisory Group, and would suffer in priority in terms of allocation of time,  
31 attention, and other resources of the group. Because SDG&E’s proposal is tailored to energy



1 storage, adopts much of ORA's recommended guidance, and can be implemented quickly ORA's  
2 recommended community engagement process should be disregarded.

3 **III. CONCLUSION**

4 SDG&E consulted with impacted parties and communities during the development of this  
5 pilot as noted in this rebuttal testimony. Although SDG&E's application and supporting  
6 testimony did not specifically reference the Guidebook that was intended for other purposes,  
7 SDG&E did incorporate the Guidebook's pertinent elements. SDG&E stands behind its program  
8 proposal and the benefits it will provide to our Expanded CARE population.

9 This concludes my rebuttal testimony.

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1 **IV. STATEMENT OF QUALIFICATIONS**

2 My name is George Katsufakis. My business address is 8335 Century Park Court, San  
3 Diego, California, 92123. I am employed by San Diego Gas & Electric Company as the  
4 Manager of Operations for Customer Programs. My responsibilities include design and  
5 implementation of energy efficiency, demand response, and customer assistance programs for  
6 the Sempra Energy Utilities. I have been employed by Sempra Energy Utilities since 1996.

7 I graduated from University of California, Berkeley with a Bachelor of Science degree in  
8 Mechanical Engineering and I am a registered professional engineer in California (License #  
9 M31842).

10 I have testified before the Commission in A.11-03-002.