

From: [Redacted]  
Sent: 4/8/2010 5:50:29 PM  
To: 'Schwartz, Andrew' (andrew.schwartz@cpuc.ca.gov)  
Cc: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAc); Rubin, David (/O=PG&E/OU=Corporate/cn=Recipients/cn=DER1)  
Bcc:  
Subject: RE: PG&E SunWheel/VNEM Update

We absolutely agree that we should come up with a solution that is applicable to all MASH participants wanting to use VNEM, and that is our intent. However, we felt that it would be more productive to work with Sunwheel on the basic approach, and then -- assuming that we reach conditional agreement -- broaden the discussion to other vendors.

Regarding Ecoplexus, we had a general conversation with them about a month ago, but at the time they did not address specific projects. On Wednesday, we spoke with Amy Reardon regarding her conversation with John Gorman voicing concerns surrounding the service delivery point for certain projects. We discussed how we can support her by providing information from MASH applications and determined Ecoplexus did not state specific sites for the basis of their concern. It sounds like Amy plans to ask for more specifics in a follow up call with John.

We have also engaged with the Monterey Housing Authority on this issue, and are working with them on next steps for a particular site, where they wish to switch interconnected NEM customers to VNEM customers. It sounds like we are making progress.

We'll advise you regarding our progress next week.

Thanks.

[Redacted]

**From:** Schwartz, Andrew [mailto:andrew.schwartz@cpuc.ca.gov]  
**Sent:** Thursday, April 08, 2010 3:21 PM  
**To:** [Redacted]  
**Cc:** Allen, Meredith; Rubin, David  
**Subject:** RE: PG&E SunWheel/VNEM Update

Have you engaged with Ecoplexus on this or any other entities that are actively pursuing VNM through the MASH program in PG&E's service territory? I've also received very similar calls from John Gorman (Ecoplexus) on basically the same issue. It would be good to develop a broad solution to this issue as this is a concern for more than just Sunwheel.

Thanks,

Andy

**From:** [Redacted]

**Sent:** Wednesday, April 07, 2010 5:57 PM  
**To:** Schwartz, Andrew  
**Cc:** Allen, Meredith; Rubin, David  
**Subject:** PG&E SunWheel/VNEM Update

Andy:

Since PG&E met with you and Energy Division staff regarding VNEM, David Rubin has had follow-up discussions with Mike Steinbaum at Sunwheel regarding those elements of his letter to you dated February 15, which had to do with: 1) how to address systems that are not, or would not, be directly connected to a service delivery point under VNEM, or to a specific account under NEM.metering; 2) a proposal by which separate solar systems could be connected by the owner through their own facilities, and use only a single GNOM, and 3) metering costs and requirements under VNEM.

The last item is being addressed through AL 3638-E, filed with the Commission on March 24, 2010. Regarding the second item, we communicated to Mike that the proposal is acceptable under current tariffs (w/o a change).

Regarding the first item, the approach that we have discussed -- loosely labeled QVNEM ("quasi-VNEM") -- would provide the system owner with a cash payment for the power on a cents/kwh basis, where this payment could then be allocated to the landlord and tenants according to some pre-determined allocator. Mike expressed interest in the approach, as his main driver is to figure out a means by which tenants could receive financial benefit from the MASH projects. The issue that we are trying to solve is the basis for the fair compensation. David and his team are planning to talk with SunWheel on Friday to refine alternatives. We hopefully will have something more specific to update you with by early next week.

Thanks,

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Regulatory Relations

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