

From: Cherry, Brian K  
Sent: 12/5/2012 8:38:09 AM  
To: Zafar, Marzia (marzia.zafar@cpuc.ca.gov) (marzia.zafar@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: FW: small data request

Marzia: FYI Here are responses to your questions. I understand that some of this information has been provided by our team working with SCE and SDG&E to develop a consistent response. Please let me know if you have any additional questions.

1) Is the tax treatment of NEM different then tax treatment for a feed-in tariff? If yes, how is it different?

The Internal Revenue Service has not yet issued guidance on the taxability of energy credits or payments under feed in tariffs, or billing credits or payments under net energy metering tariffs. Therefore, any differences in taxability between the two systems are not readily discernible at this point.

2) Percent of customers who are consistently in Tiers 4 and 5 for usage;

“Tier 4 & 5” includes any customer with at least one month in Tier 5 plus any customer with at least 6 months in Tier 4. We’ve also included similar information for “Tier 3, 4 & 5”, which includes any customer with at least one month in Tier 5 plus any customer with at least one month in Tier 4 plus any customer with at least 6 months in Tier 3.

	<u>Tier 4 &amp; 5</u>	<u>Tier 3, 4 &amp; 5</u>
Non-CARE	20.4%	53.9%
CARE	18.7%	46.7%
<b>Total</b>	<b>20.0%</b>	<b>52.1%</b>

3) Incremental distribution costs that are being incurred due to residential PV development, if any;

Our team has already provided you with the response to a data request from the Energy Division asking for this information to support the current NEM BC analysis being performed by E3. Please let me know if you need more on this.

4) Percentage of residential PV generation that is used on site versus going into the grid.

As estimated by E3 using data from the last NEM BC analysis:

Residential	42%	(108 GWh / 260 GWh)
Non-Res	24%	(89 GWh / 365 GWh)
Total:	32%	(197 GWh / 625 GWh)

Note that most rooftop systems are not metered, and Smartmeters are only now being installed for solar customers. As a result, the percentage of rooftop system output that is consumed on-site versus exported is estimated.