BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard

R.11-05-005 (Filed May 5, 2011)

PACIFIC GAS AND ELECTRIC COMPANY'S (U-39-E) PROPOSED REVISED ELECTRIC SCHEDULE E-REMAT TARIFF FOR THE SECTION 399.20 FEED IN TARIFF PROGRAM

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Dated: January 18, 2013

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In response to the January 7, 2013 *Ruling on Draft Tariffs* ("Ruling"), issued by Administrative Law Judge ("ALJ") DeAngelis in this proceeding, Pacific Gas and Electric Company ("PG&E") respectfully submits its revised proposed tariff, the Electric Renewable Market Adjusting Tariff ("E-ReMAT"), for the Public Utilities Code Section 399.20 ("Section 399.20") Feed-In Tariff ("FIT") Program. The Ruling directed PG&E, Southern California Edison Company ("SCE") and San Diego Gas & Electric Company ("SDG&E") (collectively, "Joint IOUs") to file revised tariffs with provisions that are consistent, to the extent possible, across all three tariffs taking into consideration comments previously filed on draft E-ReMAT Program.

PG&E's E-ReMAT is intended to incorporate the requirements for the FIT Program adopted by the Commission in Decision ("D.") 12-05-035. This cover pleading is intended to explain how the revised E-ReMAT incorporates comments received from parties and provide an overview of the revised E-ReMAT, which incorporates modifications proposed by the Joint IOUs to ensure that E-ReMAT tariffs are harmonized among the IOUs. Attached as Appendix A is the revised E-ReMAT tariff, which provides significantly more detail concerning each of the areas described herein.

I. BACKGROUND

On May 31, 2012, the Commission issued D.12-05-035, which implemented amendments to the Section 399.20 FIT Program. On June 26, 2012, ALJ DeAngelis e-mailed the service list directing the Joint IOUs to file a revised Joint IOU Power Purchase Agreement ("PPA") and file respective tariffs to implement D.12-05-035 and the Section 399.20 Renewable Market Adjusting Tariff FIT Program. The IOUs submitted initial E-ReMAT tariffs on July 18, 2012. ALJ DeAngelis also directed parties to file comments on the Joint IOUs' respective tariffs on August 15, 2012 and file reply comments on August 29, 2012. On August 15, 2012, three parties submitted comments on PG&E's proposed E-ReMAT tariff: the Solar Energy Industries Association ("SEIA"), the Interstate Renewable Energy Council, Inc. ("IREC"), and L. Jan Reid ("Reid").

On August 29, 2012, PG&E replied to the three parties submitting comments on PG&E's proposed E-ReMAT tariff. In the January 7, 2013 Ruling, ALJ DeAngelis emailed the service list directing the Joint IOUs to file revised Section 399.20 tariffs that are consistent, to the extent possible on January 18, 2013. ALJ DeAngelis also directed parties to file comments on the revised tariffs on or before January 25, 2013.

II. THE REVISED E-REMAT

Attached as Appendix A is PG&E's revised E-ReMAT. E-ReMAT is intended to reflect the Commission's direction in D.12-05-035, provide consistent provisions across the Joint IOUs, and incorporate parties' comments to PG&E's proposed E-Re-MAT tariff that was filed on July 18, 2012. The Joint IOUs made significant efforts to harmonize tariffs so the provisions are as consistent as possible among the Joint IOUs. Differences between the IOU's revised tariffs are generally limited to IOU-specific implementation aspects of the Section 399.20 FIT Program.

A. The Tariff Minimizes Duplication between Tariff Terms and the PPA.

The E-ReMAT modifications proposed by Reid indicated that duplication between the terms in E-ReMAT and the PPA should be minimized to avoid confusion, potential

inconsistencies, and possible disputes.^{1/} To facilitate consistency among documents, PG&E revised the tariff to include references in the E-ReMAT tariff to PPA terms, including PPA terms for Commercial Operation Date and Permitted Extension. E-ReMAT further clarifies that capitalized terms in the E-ReMAT tariff have the same meaning as the defined term in the E-ReMAT form PPA, unless the term is otherwise defined in the E-ReMAT Tariff to provide clarity to program participants.

B. Joint IOU E-ReMAT Effective Date and of Program Periods Are Consistent.

SEIA commented that the E-ReMAT effective date and FIT Program start-up period should be clear and expedient, and that all IOUs should apply PG&E's proposed timing.^{2/} Balancing SEIA's comment with ALJ Ruling directing the Joint IOUs to harmonize tariffs, the Joint IOUs agreed upon a uniform schedule applicable to all aspects of the FIT Program, despite having different internal processes and systems. All E-ReMAT tariff timing periods are consistent among the Joint IOU tariffs, including the program Effective Date, Initial Program Participation Request ("PPR") Submission Date, and the beginning of Period 1 of the Initial Program Phase.

PG&E acknowledges that the Effective Date of its revised E-ReMAT Tariff will be determined by the Commission's Decision, but requests that it be no earlier than the date that the Commission's approval of the E-ReMAT tariff is final-and non-appealable (at which time the E-SRG and E-PWF tariffs would be closed). Applicants will be able to submit PPRs for a Project on the first business day of the month that is no earlier than sixty (60) days after the Effective Date of E-ReMAT ("Initial PPR Submission Date"). The first program period (Period 1) will begin on the first business day of the month that is no earlier than sixty (60) days after the Initial PPR Submission Date.

 $[\]underline{1}$ Reid Comments at pp. 8-9.

 $[\]underline{2}$ / SEIA Comments at p. 2-3.

The proposed timing is necessary for PG&E and the Joint IOUs to adequately implement the E-ReMAT program. In addition to any potential filings required to conform the E-ReMAT tariff and PPA to the final Commission Decision, the IOUs will need to configure their processes, systems, and materials to reflect the final Decision.

In addition, given the nature of the program, in which applicants receive a E-ReMAT queue number on a first-come first-serve basis, it is absolutely critical that the Joint IOUs have sufficient time to communicate E-ReMAT program terms and application processes to the potential applicants, including not limited to holding a webinar and making application materials available for review prior to the Initial PPR Submission Date. Finally, because PG&E expects that a large volume of PPRs will be submitted at the beginning of the E-ReMAT program, PG&E requests that the first program period ("Period 1") begin no earlier than sixty (60) days after the Initial PPR Submission Date. It is critical that the Joint IOUs have sufficient time to review and process PPRs between the Initial PPR Submission Date and the beginning of Period 1.

C. Seller Concentration Limit is Based on Sponsor Equity.

In its comments, SEIA^{3/} highlighted the complexity of project financing structures and requested that the Commission provide detailed specifications for the application of the seller concentration limit, assuming the limit remains a FIT program eligibility requirement.^{4/} PG&E recognizes the complexity of project financing structures and proposes that ownership be based on sponsor equity in the project. Calculation of ownership will be made by the tariff Applicant, based on project financing conventions and/or accounting standards. PG&E understands that debt and tax equity that are passive in nature should be excluded from the basis of the ownership calculation for the purposes of the seller concentration requirement. PG&E will rely on the Applicant's attestation, but reserves the right to request supporting documentation for the

 $[\]underline{3}$ / SEIA Comments at 3-4.

On July 31, 2012, SEIA filed a Petition for Modification of Decision ("D.") 12-05-035 ("PFM") in which it requested the removal of the seller concentration limit. PG&E and SCE responded to this petition on August 30, 2012.

attestation being made. PG&E will not have an obligation to advise an Applicant on the percentage ownership that an Applicant has in a Project.

D. 10-Day Cure Period is Proposed for Minor Deficiencies.

SEIA proposed that all IOUs be required to adopt a ten (10) business day period for Applicants to cure a deficiency in a submitted PPR.^{5/} The Revised E-ReMAT tariff proposes such a cure period, however limits the applicable cure period to minor deficiencies in a PPR. This approach is intended to eliminate the risk of Applicant submitting an incomplete Application in order to secure a higher queue position, knowing that the Applicant would have ten business days to complete the PPR later.

E. Interconnection Requirements Reflect the Timing of Commission Rule 21.

SEIA proposed that a project have the option of choosing the interconnection process set forth in the existing Rule 21 or the Federal Energy Regulatory Commission ("FERC") interconnection procedures under the Wholesale Distribution Tariff ("WDT") until the Commission issues its final decision in Rulemaking 11-09-011 on the Revised Rule 21 Tariff. Separately, IREC proposed that a project that had applied for interconnection under the WDT prior to the Commission issuing a final decision on Rule 21 revisions in Rulemaking 11-09-011 should be allowed to continue under that process under the WDT. PG&E updated its E-ReMAT tariff to clarify these points as requested by SEIA and IREC.

F. Definition of Similar Capacity for Purpose of Developer Experience is Clearly Articulated.

Reid suggested that there is little difference in the complexity between a 1 MW project and a 3 MW project for the purpose of the developer experience requirement.^{6/} PG&E updated E-ReMAT to clarify ambiguity concerning developer experience to simplify the review process. The E-ReMAT clarifies that projects below 1 MW will deemed to be of similar capacity to each other and that projects from 1-3 MW will be deemed to be of similar capacity to each other.

^{5/} SEIA Comments at p. 7.

 $[\]underline{6}'$ Reid Comments at pp. 8-9.

G. Overview of Tariff.

Attached as Appendix A is the proposed revised E-ReMAT, which provides significantly more detail concerning each of the areas described in this overview. The Joint IOUs adopted the same section heading conventions and uniform text to the extent possible. The standardized revised E-ReMAT will promote the user-friendliness of the E-ReMAT for market participants and facilitate administrative efficiency.

The first section of E-ReMAT, "Applicability," explains generally that the tariff is intended to implement Section 399.20 and D.12-05-035. The section also clarifies that PG&E's Electric – Small Renewable Generator (E-SRG) and Electric Public Water and Wastewater Facilities (E-PWF) schedules will be closed to new applicants upon the E-ReMAT Effective Date.

The second section, "Effective Date", explains that the Effective Date of E-ReMAT be specified by the Commission in its final decision on the tariff, and no earlier than date the Commission's decision is final and non-appealable.

The third section "Service Territory" explains that the tariff is applicable to PG&E's service territory.

The fourth section, "Eligibility Criteria", includes the various project viability and FIT Program project criteria identified in D.12-05-035. A developer is required to satisfy these criteria in order to participate in the FIT Program. The criteria include project viability and location, contract capacity, the requirement that the project is an Eligible Renewable Energy Resource, prohibitions against daisy chaining and seller concentration, and requirements concerning other incentive programs, such as the California Solar Initiative.

The fifth section, "Program Participation Request", explains the PPR requirements and outlines the steps that a developer is required to fulfill in order to participate in the FIT Program under the E-ReMAT. These requirements include filling out a Program Participation Request, paying the bid fee approved in D.12-05-035, and providing certain supporting documentation.

This section also describes the timing and process that PG&E will use for reviewing submitted PPRs and identifying any deficiencies in a request.

The sixth section, "Dates and Program Periods", explains that Applicants may submit a PPR the first business day of the month that is at least sixty (60) days after the date E-ReMAT becomes effective. The section describes the two E-ReMAT periods – the Initial Program Phase and the Second Program Phase. The Initial Program Phase is a two-year period that is divided into a maximum of twelve bi-monthly Periods. The Second Program Phase is also a two-year period that is divided into a maximum of twelve bi-monthly Periods. E-ReMAT closes to new applicants at the end of the Second Program Phase.

The seventh section, "Capacity Allocation", describes how the total E-ReMAT capacity will initially be determined, and how this capacity will then be allocated among the three product types for each of the twelve Program periods in the Initial Program Phase. This section also describes how unallocated E-ReMAT capacity and capacity associated with terminated E-SRG, E-PWF, and E-ReMAT PPAs during the Initial Program Phase, will be allocated during the Second Program Phase.

The eighth section, "Price", establishes the initial E-ReMAT price for each product type and then provides a detailed explanation of how the initial price will be adjusted for each product type during the Initial and Second Program Phases. This section describes the requirements for price increases or decreases, as approved in D.12-05-035, and explains how PG&E will provide notice of these increases or decreases for each Period. This section also refers to the Payment Allocation Factors included in the E-ReMAT PPA for energy-only and full capacity deliverability projects.

The ninth section, "Subscription", explains the process for an eligible developer in a product type queue to indicate that it is interested or not interested in executing an E-ReMAT PPA at the established price in each Period. This section also explains how PG&E will award the capacity available in a Bi-Monthly Program Period and how a specific period will be

"deemed fully subscribed" if the remaining capacity in that period is less than the capacity requested by the next eligible developer in a product type queue.

The tenth section, "E-ReMAT PPA", describes generally the process for the execution of a PPA, if a developer were awarded an E-ReMAT PPA, and the type of information that will need to be included in the form PPA, which will be completed by PG&E for execution by the Applicant.

The eleventh section, "Metering", clarifies that projects must be electrically independent and separately metered.

The twelfth section, "Special Conditions", provides that the E-ReMAT may be suspended under certain circumstances. This section also explains that PG&E will enforce E-ReMAT PPA provisions concerning extensions.

The thirteenth section, "Denial of E-ReMAT service", addresses the circumstances upon which PG&E may deny a request for service under the tariff.

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Finally, the fourteenth section, "Definitions", defines the Product Types and explains generally that other capitalized terms are either defined in the E-ReMAT tariff or the E-ReMAT PPA.

Respectfully Submitted,

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By: /s/ Maria N. Vanko MARIA N. VANKO

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Dated: January 18, 2013

Appendix A Proposed E-ReMAT



Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. xxxxx-E



Advice Letter No: XXXX-E Decision No. Issued by **Brian K. Cherry** Vice President Regulatory Relations



Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. xxxxx-E



Advice Letter No: XXXX-E Decision No. Issued by **Brian K. Cherry** Vice President Regulatory Relations



Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. xxxxx-E



Issued by **Brian K. Cherry** Vice President Regulatory Relations Effective Resolution No.



Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. xxxxx-E



Issued by **Brian K. Cherry** Vice President Regulatory Relations



Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. xxxxx-E



Advice Letter No: XXXX Decision No. Issued by **Brian K. Cherry** Vice President Regulatory Relations



Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No.



Issued by **Brian K. Cherry** Vice President Regulatory Relations Date Filed Effective Resolution No. xxxxx-E





Advice Letter No: XXXX-E Decision No. Issued by **Brian K. Cherry** Vice President Regulatory Relations



Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. xxxxx-E



Issued by **Brian K. Cherry** Vice President Regulatory Relations



Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. xxxxx-E



Issued by **Brian K. Cherry** Vice President Regulatory Relations



Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. xxxxx-E



Issued by **Brian K. Cherry** Vice President Regulatory Relations



Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. xxxxx-E



Advice Letter No: XXXX-E Decision No. Issued by **Brian K. Cherry** Vice President Regulatory Relations

VERIFICATION

I am an employee of PACIFIC GAS AND ELECTRIC COMPANY, a corporation, and am authorized to make this verification on its behalf. I have read the foregoing *PACIFIC GAS AND ELECTRIC COMPANY'S (U 39-E) PROPOSED REVISED ELECTRIC SCHEDULE E-REMAT TARIFF FOR THE SECTION 399.20 FEED-IN TARIFF PROGRAM.* The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true. I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 18th day of January, 2013 at San Francisco, California.

/s/ Carlos Abreu

CARLOS ABREU Principal, Competitive Solicitations Renewable Energy Department Pacific Gas and Electric Company