

September 5, 2013

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Energy Division
California Public Utilities Commission
Attn: Tariff Unit
505 Van Ness Avenue
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Re: Comments of the Solar Energy Industries Association on Draft Resolution E-4610

Dear Energy Division Tariff Unit:

The Solar Energy Industries Association (SEIA)¹ supports the Draft Resolution's determination that allowing eligible customer-generators to aggregate their load from multiple meters, pursuant to Senate Bill (SB) 594 (Wolk, 2012), will not result in an increase in the expected revenue obligations of customers who are not eligible customer-generators, and, indeed could result in a decrease. This conclusion is appropriately grounded in two key factual elements: (1) SB 594 does not change in any way the statutory cap on net energy metering (which currently is 5% of an electric utility's aggregate customer peak demand); and (2) net energy metering aggregation will primarily be utilized to offset the load of non-residential meters and, thereby, will increase the proportion of larger NEM projects relative to smaller residential projects. Because non-residential customers have lower rates in comparison to residential customers, any potential cost to non-participating ratepayers from non-residential NEM projects is comparatively less per kWh of exported generation than from residential NEM projects.²

With the passage of the Draft Resolution, the Commission will remove the precondition set forth in SB 594 for allowing aggregation of load behind multiple meters to occur. By doing such the Commission will open up the net metering program to new customers who previously have found the program not to be cost effective. As recognized in the Senate Bill Analysis:

¹ The comments contained in this letter represent the position of the Solar Energy Industries Association as an organization, but not necessarily the views of any particular member with respect to any issue.

² Net Energy Metering Cost-Effectiveness Evaluation ("NEM Cost-Effectiveness Evaluation") (March 2010). http://www.cpuc.ca.gov/PUC/energy/DistGen/nem_eval.htm

NEM is an important tool for reaching our renewable energy goals; however, significant obstacles continue to block some customers from efficiently and economically participating in the program. Specifically, customers with multiple meters, for example, farmers with separate meters for each of their irrigation pumps and other functions, are currently required to have separate renewable facilities for each meter to utilize NEM. This is incredibly costly and inefficient.³

The Draft Resolution makes a reasoned determination regarding the cost implications of NEM aggregation on non-participating customers.⁴ The Resolution should be expeditiously approved, allowing agricultural, commercial, industrial, institutional, and government customers who typically have several meters located on one property to cost effectively participate in the NEM program.

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By /s/ Jeanne B. Armstrong
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Counsel for the Solar Energy
Industries Association

cc: President Michael Peevey, CPUC
Commissioner Michel Florio, CPUC
Commissioner Catherine Sandoval, CPUC
Commissioner Mark Ferron, CPUC
Commissioner Carla Peterman, CPUC
Edward Randolph, Director, CPUC Energy Division
Karen Clopton, Chief Administrative Law Judge, CPUC
Regina DeAngelis, Administrative Law Judge, CPUC
Frank Lindh, General Counsel, CPUC
Gabe Petlin, CPUC Energy Division
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³ See http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_0551-0600/sb_594_cfa_20120831_222756_sen_floor.html

⁴ While SEIA agrees with the Energy Division that based on the information provided by the 2010 NEM Cost-Effectiveness Evaluation, allowing meter aggregation pursuant to SB 594 appears likely to reduce potential costs to non-participating customers by increasing the share of non-residential capacity participating under the NEM program, SEIA wishes to be clear that it does not endorse the 2010 study's methodology or results, including those regarding the cost implications for non-participating customers.