

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

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

Rulemaking 11-05-005
(Filed May 5, 2011)

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E), SOUTHERN
CALIFORNIA EDISON COMPANY'S (U 338-E) AND SAN DIEGO GAS AND
ELECTRIC COMPANY'S (U 902 E)
JOINT MOTION FOR CLARIFICATION REGARDING
RENEWABLE MARKET ADJUSTING TARIFFS**

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Dated: October 17, 2013

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On June 24, 2013, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas and Electric Company (SDG&E) (collectively, the Joint IOUs) submitted advice letters seeking approval of their Renewable Market Adjusting Tariff (ReMAT) tariffs and power purchase agreements (PPAs) in compliance with California Public Utilities Commission (Commission) Decision (D.) 13-05-034.^{1/} The Joint IOUs’ advice letters were approved on July 23, 2013, and their ReMAT tariffs and PPAs became effective the following day.

The Joint IOUs began accepting program participation requests for the ReMAT program on October 1, 2013, and the first program period will begin November 1, 2013. The Joint IOUs have recently received a number of inquiries regarding the “daisy chaining” eligibility criteria in Section D.8 of their tariffs. The Joint IOUs submit this Motion for Clarification to enable them to modify their tariffs to conform to the intent of the Commission’s decisions establishing the ReMAT program.

^{1/} PG&E Advice Letter 4246-E; SCE Advice Letter 2916-E; SDG&E Advice Letter 2492-E.

The ReMAT program, established pursuant to D.12-05-035, D.13-01-041, and D.13-05-034, enables developers of small renewable facilities to sell their electricity to the investor-owned utilities. The maximum facility size under the program is 3 megawatts (MW), and there is a prohibition against “daisy chaining,” which was intended to prevent developers from breaking up larger projects into smaller pieces to evade the 3 MW size restriction.^{2/} The Commission directed the utilities to include language in their standard form contracts and/or tariffs requiring the seller to attest that the project represents the only project being developed by the seller on any single or contiguous piece of property, and giving the utilities the authority to deny a tariff if the project appears to be part of a larger overall installation by the same company or consortium in the same general location.^{3/}

PG&E’s ReMAT tariff includes the following language regarding daisy chaining in the Eligibility Criteria set forth in Section D:

8. Daisy Chaining: The Applicant must provide to PG&E an attestation that the Project is the only exporting project being developed, owned or controlled by the Applicant on any single or contiguous pieces of property. PG&E may, at its sole discretion, determine that the Applicant does not satisfy this Eligibility Criteria if the Project appears to be part of a larger installation in the same general location that has been or is being developed by the Applicant or the Applicant’s Affiliates.

SCE’s and SDG&E’s ReMAT tariffs include nearly identical language.^{4/}

As currently written, the tariffs require the applicant to attest that the project is the only project being developed by the applicant on any single or contiguous pieces of property, *regardless of the size of the projects*. Thus, if an applicant had two 1 MW projects on a single or

^{2/} D.12-05-035, as modified by D.13-01-041, pp. 68-69.

^{3/} D.12-05-035, as modified by D.13-01-041, p. 69.

^{4/} Section D.8 of SCE and SDG&E’s ReMAT tariffs provide “Daisy Chaining: The Applicant must provide to SCE [SDG&E] an attestation that the Project is the only exporting project being developed or owned or controlled by the Applicant on any single or contiguous pieces of property. SCE [SDG&E] may, at its sole discretion, determine that the Applicant does not satisfy this Eligibility Criteria if the Project appears to be part of a larger installation in the same general location that has been or is being developed by the Applicant or the Applicant’s Affiliates.”

contiguous pieces of property, neither project would be eligible for the ReMAT program, even though the total capacity is less than 3 MW.

The Joint IOUs believe the intent of the Commission's prohibition on daisy chaining was to prevent developers from breaking up larger projects to evade the ReMAT program's capacity restriction, not to prevent smaller projects with a total capacity of 3 MW or less from being eligible for the ReMAT program if they are located on a single or contiguous pieces of property. Accordingly, the Joint IOUs seek clarification from the Commission to enable them to modify the daisy chaining language in Section D.8 of their tariffs as follows:

8. Daisy Chaining: The Applicant must provide to [PG&E or SCE or SDG&E] an attestation that the ~~Project is the only~~ exporting Projects being developed, owned or controlled by the Applicant or the Applicant's affiliates on any single or contiguous pieces of property do not have a combined capacity in excess of 3 MW. [PG&E or SCE or SDG&E] may, at its sole discretion, determine that the Applicant does not satisfy this Eligibility Criteria if the Project appears to be part of a larger installation in the same general location that has been or is being developed by the Applicant or the Applicant's Affiliates that results in a combined capacity in excess of 3 MW.

PG&E has notified program participants that it will, *on a conditional basis*, accept applications for "daisy chained" projects, provided the combined capacity does not exceed 3 MW. SCE and SDG&E plan to take a similar approach. However, such projects will not be eligible to subscribe under the ReMAT program at the applicable contract price or execute a ReMAT PPA unless and until the Commission issues a ruling clarifying that such arrangements are permissible. Nor will such projects count toward the number of eligible projects from different applicants for any product type for the purposes of determining whether the Re-MAT contract price will adjust unless and until the Commission issues a ruling clarifying that such arrangements are permissible. If the Commission determines that these projects are not eligible to participate in the Re-MAT program, the Joint IOUs will reject the projects' program participation requests.

For the reasons stated above, the Joint IOUs request that the Commission clarify that D.12-05-035 and D.13-01-041 allow daisy chained projects to participate in the ReMAT program, provided that their combined capacity does not exceed 3 MW. In particular, the Commission should direct the Joint IOUs to file Tier 1 advice letters making the modifications to Section D.8 of their ReMAT tariffs noted above. The Joint IOUs respectfully request that the Commission expeditiously rule on this Motion for Clarification to provide clarity to applicants and the Joint IOUs regarding the eligibility of these projects for the ReMAT program.

Respectfully submitted on behalf of the Joint IOUs,

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By: /s/ JUDI K. MOSLEY
 JUDI K. MOSLEY

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Dated: October 17, 2013

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), SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) AND SAN DIEGO GAS AND ELECTRIC COMPANY'S (U 902 E) JOINT MOTION FOR CLARIFICATION REGARDING RENEWABLE MARKET ADJUSTING TARIFFS*. 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 17th day of October, 2013 at San Francisco, California.

/s/ CARLOS ABREU

CARLOS ABREU

Competitive Solicitations
Renewable Energy Department
Pacific Gas and Electric Company