



CALIFORNIA FARM BUREAU FEDERATION

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Sent via E-Mail

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November 12, 2013

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

**RE: Protest of California Farm Bureau Federation to Utility Advice Letters
Related to Senate Bill 594 and Resolution E-4610/SDG&E AL 2529-E, SCE
AL 2952-E, and PG&E AL 4305-E**

Dear Energy Division Tariff Unit:

In accordance with the time requirements for the consideration of advice letters pursuant to General Order 96-B¹, the California Farm Bureau Federation ("Farm Bureau")² submits this protest to the following advice letters related to Senate Bill 594 (Wolk, 2012) and Resolution E- 4610:

1. San Diego Gas and Electric Company AL 2529-E, Modification of SDG&E's Net Energy Metering Tariffs and Related Forms Pursuant to Senate Bill 594 and Resolution E-4610.
2. Southern California Edison Company AL 2952-E, Modifications to SCE's Net Energy Metering Tariffs to Enable Multiple Meter Aggregation Pursuant to Senate Bill 594 (Wolk, 2012) and Resolution E-4610.
3. Pacific Gas and Electric Company AL 4305-E, Revise Electric Rate Schedule NEM and Establish a New Electric Sample Form for NEM for Load Aggregation Pursuant to Senate Bill 594 and Resolution E-4610.

¹ The advice letters were filed on October 21. 20 days from the date of filing is November 10, a Sunday. The following Monday is a CPUC holiday, which results in this submission on November 12.

² The California Farm Bureau Federation is California's largest farm organization with more than 74,000 agricultural and associate members in 53 county Farm Bureaus. California farmers and ranchers sell \$24.8 billion in agricultural products annually, accounting for 9 percent of the gross state product, and hundreds of thousands of jobs in California. Farm Bureau's members expect to pay in excess of \$850 million for their electric service.

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Farm Bureau recognizes and appreciates the need for thorough review of affected tariffs, rules, and forms required to implement SB 594 to allow NEM customer-generators to aggregate the electrical load of multiple meters. It is clear all the utilities have carefully considered the myriad changes required in the tariffs and forms to implement the Resolution and legislation. In responding to the advice letters, Farm Bureau's intent is to provide recommendations which provide greater clarity to users of the tariffs, are based on plain meanings and will facilitate implementation without undue delay. The comments and recommendations are presented separately for each utility's advice letter.

A. SDG&E AL 2529-E

1. SDG&E submits changes to tariffs and forms, Schedule NEM- Net Energy Metering, NEM Application and Interconnection Agreement and a new NEM Aggregation Form. Recommended revisions to each are addressed separately.

2. **Memorandum Account** - SDG&E requests authorization for the establishment of a memorandum account (page 2) "to track incremental billing-related costs that are in excess of current NEM program costs." SB 594 provides that customer-generators shall remit service charges for the cost of providing billing services to the electric utility that provides service to the meter. (Public Utilities Code section 2827(h)(4)(H).) Farm Bureau does not object to the establishment of a memorandum account, as any changes in the billing fees authorized pursuant to AL 2529-E would be subjected to review and scrutiny of costs claimed appropriate for inclusion in the account prior to collection from customers of any charges. **Any requested changes to billing fees should also be subjected to review and an opportunity for comment through at a minimum, a Tier 3 Advice Letter filing.**

3. Schedule NEM - Special Condition 8

SDG&E sets out the requirements for NEM Aggregation in Special Condition 8 to their schedule NEM. Farm Bureau recommends consideration of the following: (It was difficult to follow the numbering system utilized for Special Condition 8, therefore references are to the Sheet number and applicable numbers/letters on the sheet.)

a. Sheet 11, subsections 2), 3) and 4) utilize 3 different terms when referring to the land on which meters are located and are thus eligible for aggregation. The terms used are premises, property and parcel. Only the terms property and parcel are used in SB 594 to explain which meters are eligible for aggregation and those are the terms that should be used in the tariff. It is appropriate to allow all meters to be aggregated that are situated on property owned, leased or rented by the customer-generator, even if the property is comprised of several separate parcels of property. A common understanding is important, particularly in rural areas, where property under single management and operated as a single enterprise may be composed of

separately designated parcels. Recolte Energy raised the issue in their protest of AL 4305-E dated October 31, 2013, requesting clarification of the issue by noting that where there are three parcels A, B, and C, and A abuts B, and B abuts C, but A and C are separated by B, then the loads of the meters on all 3 parcels should be eligible. Farm Bureau concurs that such an approach was anticipated in the Bill. Including the following language in the Schedule may forestall later misunderstandings: **For example, if there are three parcels, A, B and C, where A abuts B, B abuts C, but A and C are separated by B, then the loads of all three parcels shall be eligible.**

In subsection 3), the term “property” should be substituted for the term “premises.” At subsection 4), the term “parcel” should be used instead of “premises.” Language should align with the statute as much as possible to prevent any misinterpretations. A similar change needs to be made on Form 142-02769, page 6 at section c.1.

b. Sheet 12, subsection 3) contains overly broad authority for the utility to conduct investigations into compliance with the tariff. The language exceeds what is necessary to assure compliance, as the requirements set out in the schedule and accompanying forms are sufficiently clear. The first sentence raises the potential for ongoing questions by the utility beyond reasonable inquiry. **This subsection should be struck, as specific information beyond what is already required has not been demonstrated.**

c. Sheet 14, Section a) Billing Provisions, includes charges for services. Farm Bureau does not necessarily object to a one-time service fee (subsection 1)), as SB 594 requires aggregation customers be charged for the cost of providing billing services. However, no information has been provided upon which to assess whether the fee is justified for the services or whether additional fees will be requested at a later date of the customers charged the initial fee. Of further concern for customers who pay a large set-up fee is that under subsection 8) SDG&E anticipates upgrading its billing system to automate for the billing process and possibly assessing a fixed monthly charge. As noted earlier SDG&E requests the establishment of a memorandum account to track costs. **If the per meter fee is authorized, no further charges to customers should be allowed without cost justification through at least a TIER 3 Advice Letter process.**

d. Sheet 15, Section a) Billing Process includes the manner for offsetting the usage against generation. SDG&E’s proposed process for implementation of the offset is not clear, however, Farm Bureau supports Recolte Energy’s proposal that current period generation be allocated in proportion to the meters’ current period loads, as required by Public Utilities Code section 2827 (h)(4)(C) on billing allocation, after adjusting for the cumulative allocations that were made in prior billing periods. Recolte attached several charts which effectively illustrate the proposal. Such an approach will be straight forward to administer and reconciles the requirement to adjust for the

proportionate allocation each billing period, while allowing the utility to retain excess kWh only for what is accumulated for the 12 month period or Relevant Period as is defined in the Schedule. The following language should be included at the end of subsection 2) to assure clarity: **Current period generation shall be allocated to each meter's current period loads, after adjusting for cumulative allocations that were made in prior billing periods.**

B. SCE AL 2952-E

1. SCE submitted changes to tariffs and forms, Schedule NEM, existing Forms 14-732 and 14-753 and a new NEM Aggregation Account Aggregation Information Form. Recommended revisions to each are addressed separately.

2. Schedule NEM

SCE sets out the requirements for multiple meter aggregation in a new Special Condition 6.

a. Special Condition 6, first paragraph addresses how to determine the location of accounts eligible for aggregation relative to the property under consideration. The interpretation of the requirements and eligibility should be consistent among the various utilities. As noted for the SDG&E AL on this issue it is important to allow aggregation for all meters that are situated on property owned, leased or rented by the customer-generator, even if the property is comprised of several separate parcels of property. Farm Bureau recommends the same example recommended for inclusion in SDG&E's AL be included here as well: **For example, if there are three parcels, A, B and C, where A abuts B, B abuts C, but A and C are separated by B, then the loads of all three parcels shall be eligible.**

Of further concern is language in the paragraph providing that what is contiguous will be "as determined by SCE". The language suggests that what might be solely owned or contiguous is subject to interpretation by SCE. Since Form 14-397, NEM Aggregation Account Information, requires customers to provide plot plans and other manner of verification of demonstrating eligibility for aggregation, it is **recommended that the language "as determined by SCE" be replaced with "as verified in Form14-937."**

b. Special Condition 6, third paragraph, addresses the billing process for the proportionate allocation computation. Again, **Farm Bureau supports the methodology recommended by Recolte Energy** that current period generation be allocated in proportion to the meters' current period loads, as required by Public Utilities Code Section 2827 (h)(4)(C) on billing allocation, after adjusting for the cumulative allocations that were made in prior billing periods. Such an approach reconciles the requirement to adjust for the proportionate allocation each billing period, while allowing

the utility to retain excess kWh only for what is accumulated for the 12 month period as was noted in the discussion of the SDG&E AL. The following language should be included prior to the second to the last sentence of this paragraph: **Current period generation shall be allocated to each meter's current period loads, after adjusting for cumulative allocations that were made in prior billing periods.**

c. Special Condition 6, fourth paragraph, addresses the billing services charges for aggregation. Fees are established at \$25 per account for setting up the arrangement and \$20.00 per month for ongoing billing charges. Since no data or other information was submitted explaining the charges, it is difficult to assess the appropriateness of the costs. Analogous charges would be those for Virtual Net Metering, wherein the set-up fee is the same as proposed here (\$25 per account). In the case of Virtual Net Metering, there is no ongoing fee for billing charges, but there is a \$7.50 per account change fee. If SCE is using the Virtual Net Metering Schedule as a guide, the fee used for changes there is the more appropriate cost. Costs should be set conservatively, since SCE indicates the potential exists for further changes. **It is recommended that the ongoing billing charge should be no more than the change fee of \$7.50 per month provided for under Virtual Net Metering.**

3. Memorandum Account – At page 5, SCE identifies the potential for a later request to establish a memorandum account to track and recover incremental billing system modification costs. In addition, it identifies possible automation of NEM Aggregation and a resultant need to modify the proposed billing charges. As in the case of SDG&E, **Farm Bureau requests that any resultant changes in fees or charges to customers be subjected to review and scrutiny through at least a Tier 3 Advice Letter filing.**

C. PG&E AL 4305-E

1. PG&E submitted changes to tariffs and forms, including Schedule NEM and provided a new Appendix (Form 79-1153) to be used with existing forms. Recommended revisions to each are addressed separately.

2. Schedule NEM

a. Special Condition 2.d., Billing, For a customer-generator electing Load Aggregation. This section includes the method to be used for offsetting the customer's usage against generation. Again, Farm Bureau supports the methodology recommended by Recolte Energy that current period generation be allocated in proportion to the meters' current period loads, as required Public Utilities Code section 2827 (h)(4)(C) on billing allocation, after adjusting for the cumulative allocations that were made in prior billing periods. Such an approach reconciles the requirement to adjust for the proportionate allocation each billing period, while allowing the utility to retain excess kWh only for what is accumulated for the 12 month period as was noted in

the discussion of the SDG&E AL. **To effectuate the application of the proposed methodology, the language in the first paragraph after the word “load” should be struck and the following language inserted: Current Period generation shall be allocated to each meter’s current period loads, after adjusting for cumulative allocations that were made in prior billing periods.**

b. Special Condition 8, Billing Service Charges proposes customers be assessed a \$4 set-up charge per account and \$15 per month per account on an ongoing basis. As discussed for the other utilities’ filings, it is difficult to assess the appropriateness of the proposed charges. PG&E appears to have established the charges similarly to charges on its NEM V Schedule, which assess fees of \$12 per account as a set-up fee and \$3 per month for a change fee, although in this instance the ongoing fee is much higher.

c. Memorandum Account for Billing Service Charges. At page 7 of the letter, PG&E reserves the right to modify the service charges. As noted above, no cost justification has been or probably can be provided for the costs at this point. As with the other utilities, we would propose that no further charges to customers should be allowed without cost justification through at least a TIER 3 Advice Letter process.

3. Form 70-1153, Customer-Generator Declaration requires representations regarding the continuity of the property. As noted in our earlier discussion of the SDG&E AL, it is important to allow all meters that are situated on property owned, leased or rented by the customer-generator to be eligible for aggregation, even if the property is comprised of several separate parcels of property. A common understanding is important, particularly in rural areas, where property under single management and operated as a single enterprise may be composed of separately designated parcels. Farm Bureau recommends the same example recommended for inclusion in SDG&E’s AL be included here as well: **For example, if there are three parcels, A, B and C, where A abuts B, B abuts C, but A and C are separated by B, then the loads of all three parcels shall be eligible.**

4. Effective Date – PG&E requests that its advice filing not be effective until 120 days after the date of approval – four months. Both SDG&E and SCE request effectiveness 30 days after the filing of their advice letters. The requested 120 days delay is unnecessary, particularly in light of the time that has transpired since SB 594 was enacted. **In keeping with direction in Resolution E-4610 that as a Tier 2 Advice Letter the filing would be effective upon approval, the delay requested should not be approved.**

Farm Bureau appreciates the efforts undertaken to date to finalize the necessary details to move forward expeditiously with this program.

Respectfully submitted,



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