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November 12, 2013

**VIA U.S. & ELECTRONIC MAIL ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)) & FACSIMILE ((415-703-2200))**

Tariff Unit  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Subject: San Diego Gas & Electric Company (SDG&E) Advice Letter 2529-E  
Modification of SDG&E's Net Energy Metering Tariffs and Related Forms Pursuant  
to Senate Bill 594 and Resolution E-4610

Dear Energy Division Tariff Unit:

The City of San Diego (the City) hereby submits this protest to SDG&E's Advice Letter 2529-E, which was served on October 21, 2013. Through this Advice Letter, SDG&E seeks to make certain revisions to its Net Energy Metering (NEM) tariff to comply with Commission Resolution E-4610, which orders the Investor-Owned Utilities to comply with Senate Bill 594. Senate Bill 594 authorizes NEM customers with multiple electric accounts to aggregate the load of those meters located on the property where the renewable electrical generator is located.

The City protests certain overly restrictive terms of the proposed NEM tariff revisions and the lack of supporting cost information for billing charges and requests clarifications of specific items. Pursuant to the Commission's General Order 96-B, Rule 7.4.1, protests and responses are due within 20 days of the date of the advice letter filing. Therefore, The City's protest is timely.<sup>1</sup>

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<sup>1</sup> The 20-day protest period concluded on a weekend and the following work day was a holiday. Accordingly, this Protest is timely filed on November 12, 2013.

**1. Existing NEM Customers Electing Aggregation Should Not Be Required to Complete New Interconnection Agreements**

SDG&E does not distinguish between existing NEM customers that want to aggregate meters at a location that (1) has an existing generator providing service to a single meter under an existing NEM tariff and plans to serve multiple meters under the proposed aggregated NEM tariff and (2) a location that currently does not have a generator but plans to install one to serve load at multiple meters under the proposed aggregated NEM tariff. Because SDG&E's Advice Letter does not distinguish between existing and new NEM customers, SDG&E could require customers with existing generators providing service under the existing NEM tariff and under existing Interconnection Agreements to follow the same application process for NEM Aggregation as new customers will.

Such a result is unreasonable since, as part of SDG&E's proposed application process, customers requesting NEM aggregation must obtain a new interconnection agreement.<sup>2</sup> Existing NEM customers already have interconnection agreements in place (pursuant to Special Condition 4 of the NEM Tariff) and should not be required to obtain a new interconnection agreement (or have new interconnection studies completed) when electing NEM Aggregation. This would place unnecessary hurdles to NEM Aggregation in the way of existing NEM customers that want to pursue aggregation. No new interconnection studies should be required where an existing Interconnection Agreement is in place, as there is no justified reason that previous interconnection analysis will not be sufficient to allow aggregation of other meters on that interconnection.

The City recognizes that, as part of the application process, customers must complete the NEM Aggregation form listing the meters and accounts to be aggregated. However, instead of a new Interconnection Agreement, existing customers should simply append the NEM Aggregation form listing the meters and accounts to be aggregated to their existing Interconnection Agreement.

SDG&E's NEM Tariff should be revised to address this lack of distinction between existing and new NEM customers and to clarify that no new interconnection studies are required for NEM Aggregation when an interconnection agreement is already in place.

**2. Restrictions on Multiple Tariff Facilities**

In Advice Letter 2529-E, SDG&E is proposing a blanket prohibition on NEM Aggregation for Multiple Tariff Facilities.<sup>3</sup> SDG&E provides no rationale for such a prohibition. No such prohibition is specified in SB 594.

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<sup>2</sup>AL 2529-E (Revised Cal. P.U.C. Sheet 23798-E, Sheet 7, Special Condition 4; Revised Sheet 23801-E, Special Condition 7; and Original Sheet 23803-E, Special Condition 8.a.2).

<sup>3</sup> Schedule NEM, Special Condition 8 (e) (10).

The City is concerned by this prohibition as the City can envision a number of City-owned properties where multiple generating facilities may be co-located and where aggregation of the load meters and generators will provide significant financial and environmental benefits for the citizens and businesses of the City.

It is important to note that SDG&E's blanket prohibition runs counter to at least one other utility's proposed practices. PG&E recognizes the possibility of multiple tariff facilities participating in NEM aggregation.<sup>4</sup> PG&E notes in its own Advice Letter that current regulatory language is inadequate to deal with the many scenarios for multiple NEM-eligible and non-NEM-eligible generating facilities. PG&E's Advice Letter states, "It is important to note that there are many possible scenarios for combinations of generating facilities behind a single meter not addressed in [its] tariff."<sup>5</sup> In addition, PG&E permits load aggregation for a single load aggregation arrangement and a non-NEM generating facility. Finally, PG&E recognizes that various scenarios of combined generators are possible and left open the option of filing an advice letter in the future to address such scenarios.

The City recommends that the Commission require that SDG&E, at a minimum, should follow PG&E's lead and allow consideration of meter aggregation for generators taking service under multiple tariffs. If the Commission does require SDG&E to allow multiple tariff facilities to participate in NEM Aggregation, then the Commission should ensure that the appropriate amount of renewable energy is allocated to different loads by using the "stacking" method as specified in Special Condition 6 (e) (1) in the Advice Letter.<sup>6</sup>

### **3. Billing Charges for NEM Aggregation**

Senate Bill 594 added Section 2827(h)(4)(H) to the Public Utilities Code. This new section requires an NEM Aggregation customer to pay service charges for the cost of providing billing services to the electric utility that provides the service. SDG&E proposes to charge NEM Aggregation customers an upfront, one-time charge of \$156 per meter (or \$216 per meter if the customer's aggregation arrangement includes multiple renewable generating facilities.)<sup>7</sup>

The City protests the lack of supporting information or other details that justify these charges. The Advice Letter and accompanying tariff sheets provide no information as to how SDG&E arrived at these two figures, and thus whether the charges are truly representative of SDG&E's costs. In addition, the City questions if the incremental costs to SDG&E of setting up an aggregation account with many meters is really so much higher than an aggregation account with only a few meters. For example, under SDG&E's proposed charges, which are per meter charges, an NEM aggregation customer with 10 meters would

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<sup>4</sup> PG&E AL 4305-E at p. 5

<sup>5</sup> Ibid.

<sup>6</sup> CPUC Resolution E-3292 at p. 20, Ordering Paragraph 1.

<sup>7</sup> SDG&E AL 2529-E at p. 3

pay \$1,560 in billing charges while an NEM aggregation customer with 3 meters would pay \$468. According to SDG&E, these charges are “associated with setting up the meter on NEM Aggregation and the monthly billing process.” SDG&E then goes on to explain that it will use an Excel spreadsheet and a manual billing process.

The City notes that all three IOUs chose different approaches to the billing charges and propose very different cost levels for those charges. PG&E proposed a \$4 one-time charge per aggregated account plus a monthly fee of \$15 per aggregated account.<sup>8</sup> SCE proposed a one-time charge of \$25 per account plus a monthly fee of \$20 per account.<sup>9</sup> PG&E appears to plan to charge the \$15 monthly fee for the entirety of the aggregated account while SCE’s proposal is to charge \$15 monthly per meter (“\$20 per month per account in the NEM Aggregation arrangement”).

The City is not convinced that SDG&E’s proposed fees are reasonable. It is unlikely that adding an additional meter to an aggregation account will cost SDG&E the same incremental costs as the first meter. SDG&E should have to justify its proposed charges.

#### **4. Conclusion**

In light of the foregoing, the City of San Diego respectfully requests that the Commission (1) direct SDG&E to revise AL 2529-E to ensure that existing NEM customers who elect NEM Aggregation are not burdened with completing an interconnection study; (2) order SDG&E, at a minimum, to follow PG&E’s lead and examine meter aggregation for generators taking service under multiple tariffs; and (3) direct SDG&E to provide the necessary data to justify its billing charges.

Sincerely,

/s/

Frederick M. Ortlieb  
Deputy City Attorney

cc: Ms. Megan Caulson, SDG&E  
Service Lists R.12-11-005 and R.10-05-004

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<sup>8</sup> PG&E AL 4305-E at p. 5.

<sup>9</sup> SCE AL 2952-E, Original Sheet 53268-E, Special Condition 6.