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January 21, 2014

Edward Randolph, Director
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4004
San Francisco, CA 94102

Re: Southern California Edison Company Advice 2952-E-A: Modifications to SCE's Net Energy Metering Tariffs to Enable Multiple Meter Aggregation Pursuant to Senate Bill 594 (Wolk, 2012) and Resolution E-610; San Diego Gas & Electric Company Advice 2529-E-A: Partial Supplemental Modification of SDG&E's Net Energy Metering Tariffs And Related Forms Pursuant to Senate Bill 594 and Resolution-4610

Dear Mr. Randolph:

By way of this letter, the Solar Energy Industries Association (SEIA)[1] responds to the above referenced advice letter filings of Southern California Edison Company (SCE) and San Diego Gas and Electric Company (SDG&E). As stated in both SCE's and SDG&E's Advice Filings, their purpose is to make changes to certain provisions of Net Energy Metering (NEM) multiple meter aggregation (NEM Aggregation) originally proposed in Advice Filings made on October 21, 2013, and to establish the NEM Aggregation Billing Services Memorandum Accounts. These changes are being made pursuant to direction received from Energy Division staff in an email dated December 16, 2013, which was appended as an attachment to each of the Advice Filings.[2]

SEIA supports the vast majority of the changes made by SCE and SDG&E, which are consistent with the Energy Division's directives. SEIA, however, remains concerned with both SCE's and SDG&E's proposed billing fee structures, as they could create a significant deterrent to NEM aggregation arrangements.

Specifically, contrary to the recommendation of the Energy Division that the IOUs assess a monthly billing fee not to exceed $5 per benefiting account, SCE has proposed a monthly billing fee of $20 per month per account in the NEM Aggregation arrangement. SCE purports that such is necessary in order to comply with PU Code Section 2827(h)(4)(H) which requires

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

2 Advice Filing 2952-A, p. 1; Advice Filing 2529-E-A, pp. 1-2.

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providing billing services to the electric utility that provides service to the meters.[3] This is not the case. As noted by SCE, the Energy Division recommended, and SCE has requested authority to establish, a memorandum account to track billing costs in excess of the current NEM program costs for one year from the effective date of the tariffs, with a subsequent advice filing to propose a final billing service fee structure.[4] Such a construct will provide SCE with sufficient data to establish bill service fees based on actual costs incurred, not projections. This will ensure that NEM Aggregation customers are paying the actual costs of billing services, as the statute requires, but not overpaying to the detriment of the NEM Aggregation program.

Similarly, SEIA notes that SDG&E's proposed one-time service establishment fee of $220 per meter remains well above the Energy Division's request that "one-time set-up fees may be no higher than $25 per benefitting account and shall be capped at $500 per aggregation arrangement." As SEIA argued in its November 12, 2013 Protest, smaller "residential customers could be disproportionately burdened by the imposition of such charges" and thus SEIA requested "that the Commission set such charges at a level that does not unduly impede residential NEM aggregation," Clearly, the high set-up fee proposed by SDG&E would be disproportionately detrimental for NEM aggregation of smaller customers.

Accordingly, SCE and SDG&E should be directed to revise their tariffs, consistent with the Energy Division's recommendation, and impose a onetime service establishment fee of no higher than $25 per meter (capped at $500 per aggregation arrangement), and a monthly billing charge no greater than $5 per account.

Finally, SEIA would note that while it supports the concept of the memorandum account and the reestablishment of service fees based on actual costs, in the event that there is a need to modify billing charges based on approved costs in SCE's and SDG&E's memorandum accounts, those changes (whether increase or decrease) should only be applied to new aggregation arrangements. The ability to modify billing charges for existing customers, even if only on a going forward basis, introduces substantial uncertainty into the decision as to whether to effect a NEM Aggregation arrangement at this time, particularly given that there is no cap on what those fee adjustments might be. This will impact the willingness and ability of customers to pursue these arrangements. Thus, SEIA requests that the Commission, in its authorizing resolution, clarify that any future changes to the billing service fee structures will be applied solely to new NEM aggregation arrangements.[5]

SEIA appreciates the opportunity to provide comments on SCE's and SDG&E's revised advice letters and seeks its expeditious resolution with the changes requested above.

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3 *Id.*, pp. 4-5.

4 *Id.*, p. 4.

5 Such directive should be applicable to not only SCE and SDG&E, but Pacific Gas and Electric Company as well. *See* PG&E Advice 4305-E-A, p. 3 (requesting authority to establish memorandum account to track NEM aggregation billing costs, with the potential to reset billing fees at a future date based on those costs).

Very truly yours,

J. B. Armstrong (WP)

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