



Clay Faber - Director
Regulatory Affairs
8330 Century Park Court
San Diego, CA 92123-1548

Tel: 858.654.3563
Fax: 858.654.1788
cfaber@semprautilities.com

January 15, 2014

ADVICE LETTER 2529-E-A
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: PARTIAL SUPPLEMENTAL – MODIFICATION OF SDG&E’s NET ENERGY METERING TARIFFS AND RELATED FORMS PURSUANT TO SENATE BILL 594 AND RESOLUTION E-4610.

San Diego Gas & Electric Company (“SDG&E”) hereby submits to the California Public Utilities Commission (“CPUC” or “Commission”) for approval the following revisions to its electric tariff sheets as shown in enclosed Attachment A.

BACKGROUND

On October 21, 2013, SDG&E submitted Advice Letter (“AL”) 2529-E, revising its Net Energy Metering (“NEM”) tariff to enable NEM Aggregation pursuant to Senate Bill (“SB”) 594 and CPUC Resolution E-4610. On the same date, Southern California Edison Company (“SCE”) and Pacific Gas & Electric Company (“PG&E”) filed similar advice letters, numbered SCE AL 2952-E and PG&E AL 4305-E, respectively.

Several letters of protest were submitted to Energy Division regarding the utility advice letters. On November 8, 2013, Natel Energy submitted its protest to SDG&E’s AL 2529-E. Similarly, on November 12, 2013 the City of San Diego (“the City”), California Farm Bureau Federation (“Farm Bureau”), Interstate Renewable Energy Council (“IREC”), Solar Energy Industries Association (“SEIA”) and SolarCity also submitted protests of AL 2529-E. Pursuant to Rules 7.4.3 and 7.4.4 of the Commission’s General Order (“GO”) 96-B, on November 19, 2013 SDG&E submitted its Response to the protests of Advice Letter 2529-E. SCE and PG&E similarly responded to protests of their respective ALs on the same date.

SDG&E, along with SCE and PG&E, participated in several discussions with the Energy Division in an attempt to resolve the issues raised in the protests. On December 16, 2013, Energy Division sent a letter to the utilities requesting that they make certain specified changes to their respective ALs via supplemental filings. Energy Division’s letter is attached hereto as Attachment B.

PURPOSE

After extensive discussions with the Energy Division, SDG&E is submitting this supplemental advice letter to make certain changes to its original filing. The proposed tariff changes are described below and are attached hereto. As suggested in Energy Division’s December 16 letter, a version of the proposed tariff changes have been reviewed by Energy Division and

hopefully incorporate its recommended revisions to a sufficient degree. SDG&E is agreeing to make these changes and amend its NEM tariff in an effort to implement the NEM Aggregation program in a timely manner, which is in the best interest of its customers. SDG&E believes, however, that its proposed billing fees are more appropriate, accurate and consistent with the legislative intent of SB 594. While SDG&E continues to prefer all its requests as originally presented in AL 2529-E, SDG&E offers these changes to accommodate the protesting parties and Energy Division.

SDG&E has worked in good faith with the Energy Division to implement SB 594 and Resolution E-4610 in accordance with the law and the Commission's established procedures. Nonetheless, SDG&E is concerned that the requested process set forth in Attachment B, however well intended, is inappropriate and potentially unlawful. Although SDG&E has ultimately complied to the best of its ability with portions of Energy Division's request, SDG&E urges the Commission and Energy Division to review the process used regarding this matter to ensure the provisions of GO 96-B are implemented in an appropriate and correct manner.

PROPOSED CHANGES

SDG&E's revisions and additions to this filing are summarized below:

Adjacent and Contiguous

At the direction of Energy Division, SDG&E has agreed to broaden the interpretation of adjacent and contiguous. To be eligible for NEM Aggregation, all meters in the NEM Aggregation arrangement must be located on parcels that are part of an unbroken chain of contiguous parcels that are solely owned, leased or rented by the NEM Aggregation customer.

For the purposes of NEM Aggregation, parcels that are divided by a street, highway, or public thoroughfare are considered contiguous, provided they are within an unbroken chain of otherwise contiguous parcels and under the same ownership. In all instances where a NEM Aggregation customer receives NEM Aggregation service, contiguous properties must be under the same ownership.

For example, if there are three parcels, (A, B and C), all of which are solely owned, leased or rented by the customer, 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 for service under NEM Aggregation. Refer to Diagram 1 (for illustrative purposes only). In addition, if there are five parcels (A, B, C, D and E) that form a cluster of contiguous parcels and D and E are separated from A, B and C by a street, highway, or public thoroughfare, for the purposes of participating in NEM Aggregation, all five parcels are considered contiguous, provided they are otherwise contiguous and under the same ownership. Refer to Diagram 2 (for illustrative purposes only).

DIAGRAM 1

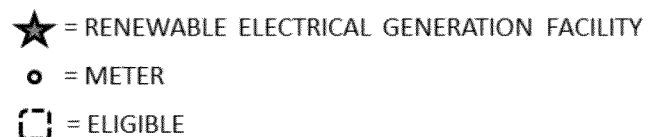
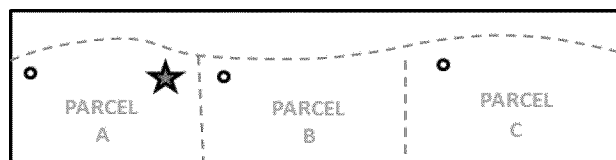
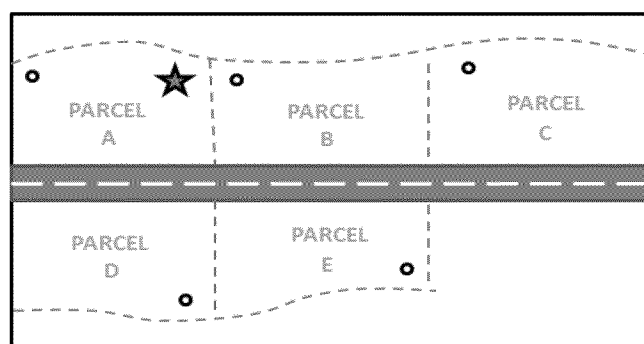


DIAGRAM 2



Bill Credit Methodology

In response to Energy Division's request, SDG&E has agreed that for determining the monthly generation allocation, a cumulative calculation will be applied. This calculation will derive the allocation based upon the cumulative usage of each billing account and the cumulative generation from the generating account from the start of the current Relevant Period. To derive the allocated generation, the cumulative totals will first be derived for the billing accounts and the generation account. Then the cumulative amount of each billing account's usage will be divided by the total usage of all of the billing accounts to determine the cumulative billing account percentage. This percentage is then multiplied by the cumulative generation. The generation that has already been applied in previous months is then subtracted from this value to yield the allocation generation kWh for the month. An example is shown below.

NEM AGGREGATION EXAMPLE (kWh)

	Billing Account 1	Billing Account 2	Generation Account 1	Allocated Generation to Billing Account 1	Allocated Generation to Billing Account 2
January	100	400	400	80	320
February	150	500	500	116	384
March	300	600	800	260	540

In this example, the customer has two billing accounts, one generation account and it is time to determine the allocation for March. To derive the allocated generation for Billing Account #1, first calculate the cumulative usage for the relevant period (550 kWh). Next, divide this by the cumulative usage for all of the Billing Accounts (2,050 kWh), which yields a percentage of 26.8%. This is then multiplied by the cumulative generation (1,700 kWh), yielding 456 kWh. The generation that has already been applied in previous months is then subtracted from this value (196 kWh), yielding 260 kWh of generation. This value is then applied to the account.

Billings Service Fees

Public Utilities Code Section 2827, as amended by SB 594, states "an eligible customer-generator electing to aggregate the electrical load of multiple meters pursuant to this subdivision shall **remit service charges for the cost of providing billing services** to the electric utility

that provides service to the meters.”¹ Additionally, pursuant to SB 594, the NEM Aggregation program “shall not become operative for an electrical corporation unless the commission determines that allowing eligible customer-generators to aggregate their load from multiple meters will not result in an increase in the expected revenue obligations of customers who are not eligible customer-generators.”² Consistent with these directives, cost shifting cannot occur because of the NEM Aggregation program and, therefore, the billing services fees charged to participants should accurately reflect the cost of providing NEM Aggregation service.

In AL 2529-E, SDG&E proposed a one-time service establishment fee for NEM Aggregation customers of \$156 per meter if a customer’s aggregated arrangement had one renewable electric generating facility, or generating account. In the event that a NEM Aggregation customer’s aggregation arrangement included more than one generating account, SDG&E proposed a one-time establishment fee of \$216 per meter in the aggregated arrangement due to the additional billing-related complexity of creating and maintaining the aggregation of the generation credits from multiple generators for the set-up and monthly billing process.

Energy Division’s December 16 letter requested the utilities implement billing service fees consisting of a one-time set-up fee of \$25 per NEM Aggregated Account with a cap of \$500 per aggregated arrangement as well as a \$5 monthly fee per NEM Aggregated Account. Energy Division’s proposed billing fees will not likely reflect the true costs of NEM Aggregation. NEM Aggregation is a unique program with a complex billing methodology (as described above) and should be afforded billing services fees that reflect the actual costs of participation.³

SDG&E’s proposed fees in AL 2529-E were meticulously calculated and derived based on the tasks required to implement all aspects of NEM Aggregation including setup, review, and monthly billing costs. They were also established using SDG&E’s proposed billing credit methodology. The tables below illustrate how SDG&E’s proposed one-time set-up fees were designed. The task costs were calculated by multiplying the estimated time per task by a labor rate.⁴ It is important to note that because SDG&E’s proposed fees are task-based, they are not dependent on the number of participating customers. Accordingly, SDG&E’s fees will not change if more or less than anticipated customer adoption of NEM Aggregation occurs.

¹ Public Utilities Code Section 2827(h)(4)(H), emphasis added.

² Public Utilities Code Section 2827(h)(4)(D).

³ There is no uniform billing fee structure for SDG&E’s NEM-related programs. SDG&E’s existing NEM-related Schedule RES-BCT has a one-time set up fee of \$500 per generating account as well as a \$30 monthly fee, which is significantly different than Energy Division’s proposed NEM Aggregation fees. Another NEM program, Virtual Net Metering or Schedule NEM-V, currently has only a one-time set up fee of \$25 per benefiting account capped at \$500 per arrangement with no monthly fee.

Schedule RES-BCT: http://regarchive.sdge.com/tm2/pdf/ELEC_ELEC-SCHEDS_RES-BCT.pdf;

Schedule NEM-V: http://regarchive.sdge.com/tm2/pdf/ELEC_ELEC-SCHEDS_NEM-V.pdf.

⁴ Since SDG&E’s labor rates are considered confidential, the tables above present aggregated data.

SERVICE ESTABLISHMENT FEES PROPOSED IN AL 2529-E**NEM Aggregation Costs Per Meter
(One Generator)**

Billing Task	Task Cost
Billing Calculation Template Setup	\$187.69
Billing Data Import Upload	\$14.62
Billing System Preparation for Uploading Monthly Generation Allocations	\$29.23
Query Creation and Visual Basic Macro Configuration	\$17.63
Review and Audit	\$7.31
Total	\$156.47

**NEM Aggregation Costs Per Meter
(Multiple Generators)**

Billing Task	Task Cost
Billing Calculation Template Setup	\$116.92
Billing Data Import Upload	\$29.23
Billing System Preparation for Uploading Monthly Generation Allocations	\$43.85
Query Creation and Visual Basic Macro Configuration	\$17.63
Review and Audit	\$8.77
Total	\$216.39

However, as a result of the protesting parties' suggestions and conversations with Energy Division, SDG&E has agreed herein to implement NEM Aggregation using a more complex billing methodology (as described above), which will cause SDG&E to incur increased billing costs. Under the new methodology, SDG&E's billing experts will now require more time and attention to each aggregated account in the NEM Aggregation arrangement. SDG&E's revised one-time set-up fees based on the new, cumulative billing credit methodology Energy Division requests is provided below.

SERVICE ESTABLISHMENT FEES BASED ON NEW BILLING CREDIT METHODOLOGY**NEM Aggregation Costs Per Meter
(One Generator)**

Billing Task	Task Cost
Billing Calculation Template Setup	\$124.96
Billing Data Import Upload	\$20.83
Billing System Preparation for Uploading Monthly Generation Allocations	\$41.65
Query Creation and Visual Basic Macro Configuration	\$25.12
Review and Audit	\$10.41
Total	\$222.97

**NEM Aggregation Costs Per Meter
(Multiple Generators)**

Billing Task	Task Cost
Billing Calculation Template Setup	\$166.62
Billing Data Import Upload	\$41.65
Billing System Preparation for Uploading Monthly Generation Allocations	\$62.48
Query Creation and Visual Basic Macro Configuration	\$25.12
Review and Audit	\$12.50
Total	\$308.36

Thus, based on the new, agreed-upon billing methodology, SDG&E proposes herein a one-time service establishment fee of \$220 per meter regardless of the number of generating accounts in the arrangement. SDG&E believes a \$220 set-up fee is reasonable and reflects an accurate estimate of NEM Aggregation costs.

To capture any differences between SDG&E's proposed \$220 set-up fee and the recorded program costs, SDG&E is seeking to establish a new memorandum account, Net Energy Metering Aggregation Memorandum Account ("NEMAMA"). If the NEMAMA balance after one year of the effective date of this AL results in an overcollection, SDG&E will refund this amount to NEM Aggregation customers. However, if in one year from the effective date of this AL the balance is an undercollection, SDG&E will file a subsequent AL to address the disposition of the NEMAMA and set billing service fees that are in line with actual program costs. The preliminary statement for the NEMAMA is attached hereto.

Effective Date of Advice Letter

This supplemental filing is a Tier 2 AL. In accordance with GO 96-B, a tier 2 AL may be effective 30 days after the date filed. Accordingly, SDG&E requests this AL be approved consistent with GO 96-B and at the discretion of the Commission.

Prohibition on Net Surplus Compensation

Pursuant to Public Utilities Code Section 2827(h)(4)(B), NEM Aggregation customers shall be prohibited from receiving net surplus electricity compensation. However, SDG&E clarifies that if a NEM Aggregated Account is removed from the aggregated arrangement and can otherwise qualify for NEM service on its own, the customer may then be eligible to receive net surplus electricity compensation, provided it meets all other applicable eligibility criteria of SDG&E's Schedule NEM.

Non-NEM Eligible Generator with a NEM Aggregation Arrangement

SDG&E clarifies that NEM Aggregated Accounts are permitted to have non-NEM eligible generating facilities directed interconnected to them.

Use of "Property" and "Parcel"

At the direction of the Energy Division, SDG&E has amended Schedule NEM as well as NEM Aggregation Form 142-02769 regarding use of the terms "property" and "parcel." SDG&E notes, however, that the NEM statute uses the term "premises" in defining NEM eligibility (Section 2827(b)(4)), as well as "property" (Section 2827(h)(4)(A)), and "parcels" (Section 2827(h)(4)(F)). "Premise" is also defined in SDG&E's tariffs (SDG&E Electric Rule 1). SDG&E's suggested revisions here in response to Energy Division's request are in no way intended to alter the meaning of these terms as they are used in the statute or SDG&E's existing tariffs. A revised NEM Aggregation Form 142-02769 is attached hereto.

EFFECTIVE DATE

SDG&E believes this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. This filing is consistent with Resolution E-4610, Energy Division's December 16, 2013 letter, and GO 96-B and therefore

SDG&E respectfully requests that this filing be approved on February 14, 2014, 30 days after the date filed.

PROTEST

This supplemental advice letter addresses the protests to SDG&E's first advice filing submitted on October 21, 2013. Its content also reflects feedback from several discussions with Energy Division staff. At the direction of the Energy Division, SDG&E has reduced the protest period to 5 days, which would require that protests to the advice letter be received by no later than January 21, 2014.

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

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

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. **A copy of the protest should also be sent via both e-mail and facsimile** to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1879
E-mail: MCaulson@semprautilities.com

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list including parties in R.12-11-005, by either providing them a copy electronically or by mailing them a copy hereof properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1879 or by email to SDG&ETariffs@semprautilities.com.

CLAY FABER
Director – Regulatory Affairs

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Christina Sondrini

Phone #: (858) 636-5736

E-mail: csondrini@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2529-E

Subject of AL: Partial Supplemental - Modification of SDG&E's Net Energy Metering Tariffs and Related Forms Pursuant to Senate Bill 594 and Resolution E-4610

Keywords (choose from CPUC listing): Compliance, NEM

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: SB 594 & E-4610

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Does AL request confidential treatment? If so, provide explanation: N/A

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 2/14/14

No. of tariff sheets: 23

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Preliminary Statement – NEMAMA, Schedule NEM, Form 142-02769 & TOC

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
 Attention: Tariff Unit
 505 Van Ness Ave.,
 San Francisco, CA 94102
 EDTariffUnit@cpuc.ca.gov

San Diego Gas & Electric
 Attention: Megan Caulson
 8330 Century Park Ct, Room 32C
 San Diego, CA 92123
 mcaulson@semprautilities.com

¹ Discuss in AL if more space is needed.

General Order No. 96-B
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

S. Cauchois
R. Pocta
W. Scott

Energy Division

P. Clanon
S. Gallagher
D. Lafrenz
M. Salinas

CA. Energy Commission

F. DeLeon
R. Tavares

Alcantar & Kahl LLP

K. Cameron

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiantz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Children's Hospital & Health Center

T. Jacoby

City of Poway

R. Willcox

City of San Diego

J. Cervantes
G. Lonergan
M. Valerio

Commerce Energy Group

V. Gan

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill
J. Pau

Dept. of General Services

H. Nanjo
M. Clark

Douglass & Liddell

D. Douglass
D. Liddell
G. Klatt

Duke Energy North America

M. Gillette

Dynergy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell

M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg

J. Heather Patrick

J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard

R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

J. Clark

M. Huffman

S. Lawrie

E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

San Diego Regional Energy Office

S. Freedman

J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Southern California Edison Co.

M. Alexander
K. Cini
K. Gansecki
H. Romero

TransCanada

R. Hunter
D. White

TURN

M. Hawiger

UCAN

D. Kelly

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties In:

R.12-11-005

R.10-05-004

ATTACHMENT A
ADVICE LETTER 2529-E-A

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 24065-E	PRELIMINARY STATEMENT, III. MEMORANDUM ACCOUNTS, DESCRIPTION/LISTING OF ACCOUNTS, Sheet 2	Revised 23618-E
Original 24066-E	PRELIMINARY STATEMENT, III. MEMORANDUM ACCOUNTS, NET ENERGY METERING AGGREGATION MEMORANDUM ACCOUNT (NEMAMA), Sheet 1	
Revised 24067-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 1	Revised 23221-E
Revised 24068-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 2	Revised 22598-E
Revised 24069-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 3	Revised 22599-E
Revised 24070-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 4	Revised 22600-E
Revised 24071-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 5	Revised 21366-E
Revised 24072-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 6	Revised 22601-E
Revised 24073-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 7	Revised 22602-E
Revised 24074-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 8	Revised 23231-E
Revised 24075-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 9	Revised 22604-E
Revised 24076-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 10	Revised 22605-E
Original 24077-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 11	
Original 24078-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 12	
Original 24079-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 13	
Original 24080-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 14	
Original 24081-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 15	
Original 24082-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 16	
Original 24083-E	SAMPLE FORMS, FORM 142-02769, Sheet 1	
Revised 24084-E	TABLE OF CONTENTS, Sheet 1	Revised 24060-E
Revised 24085-E	TABLE OF CONTENTS, Sheet 3	Revised 23825-E
Revised 24086-E	TABLE OF CONTENTS, Sheet 5	Revised 24057-E
Revised 24087-E	TABLE OF CONTENTS, Sheet 10	Revised 23960-E



PRELIMINARY STATEMENT

Sheet 2

III. MEMORANDUM ACCOUNTS
DESCRIPTION/LISTING OF ACCOUNTS

Listing of Accounts

- Catastrophic Event Memorandum Account (CEMA)
- Streamlining Residual Account (SRA)
- Nuclear Claims Memorandum Account (NCMA)
- Real-Time Energy Metering Memorandum Account (RTEMMA)
- Net Energy Metering Memorandum Account (NEMMA)
- Self-Generation Program Memorandum Account (SGPMA)
- Bond Payment Memorandum Account (BPMA)
- Direct Access Cost Responsibility Surcharge Memorandum Account (DACRSMA)
- Advanced Metering and Demand Response Memorandum Account (AMDRMA)
- Reliability Costs Memorandum Account (RCMA)
- Litigation Cost Memorandum Account (LCMA)
- Community Choice Aggregation Surcharge Memorandum Account (CCASMA)
- Independent Evaluator Memorandum Account (IEMA)
- Community Choice Aggregation Procurement Memorandum Account (CCAPMA)
- California Solar Initiative Performance-Based Memorandum Account (CSIPMA)
- Market Redesign Technology Upgrade Memorandum Account (MRTUMA)
- Gain/Loss On Sale Memorandum Account (GLOSMA)
- Non-Residential Submetering Memorandum Account (NRSMA)
- Long Term Procurement Plan Technical Assistance Memorandum Account (LTAMA)
- California Institute for Climate Solutions Memorandum Account (CICSMA)
- Energy Efficiency 2009-2011 Memorandum Account (EEMA)
- Fire Hazard Prevention Memorandum Account (FHPMA)
- Wildfire Expense Memorandum Account (WEMA)
- Smart Grid Memorandum Account (SGMA)
- Dynamic Pricing Memorandum Account (DPMA)
- Disconnect Memorandum Account (DMA)
- El Dorado Transition Cost Memorandum Account (EDTCMA)
- Environmental Fee Memorandum Account (EFMA)
- General Rate Case (GRC) Memorandum Account (GRCMA)
- 2012 – 2014 Energy Savings Assistance Programs Memorandum Account (ESAPMA)
- SONGS Technical Assistance Memorandum Account (STAMA)
- Net Energy Metering Aggregation Memorandum Account (NEMAMA)

N

2P4

Advice Ltr. No. 2529-E-A

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President

Date Filed Jan 15, 2014

Effective _____

Resolution No. E-4610



PRELIMINARY STATEMENT

Sheet 1

III. MEMORANDUM ACCOUNTS

NET ENERGY METERING AGGREGATION MEMORANDUM ACCOUNT (NEMAMA)

1. Purpose:

The purpose of the NEMAMA is to track the costs associated with the Net Energy Metering Aggregation Program (NEM Aggregation). Pursuant to Public Utilities Code Section 2827(h)(4), an eligible customer-generator with multiple meters may elect to aggregate the electrical load of the meters located on the property where the renewable electrical generation facility is located and on all property adjacent or contiguous to the property on which the renewable electrical generation facility is located, provided that all properties are solely owned, leased, or rented by the eligible customer-generator. The NEMAMA includes the costs associated with NEM Aggregation such as billing-related fees, operation and maintenance, and administrative and general expenses.

2. Applicability:

The NEMAMA shall apply to all eligible customer-generators who elect to receive service under SDG&E's Special Condition 8 of Schedule NEM. In order to additionally qualify for Special Condition 8 NEM Aggregation, customers must meet the definition of an eligible customer-generator found in Public Utilities Code Section 2827(b)(4).

3. Rates

The NEMAMA applies to all electric distribution rate schedules.

4. Accounting Procedures

SDG&E shall maintain the NEMAMA by making entries to it at the end of each month as follows:

- a) A debit entry equal to the electric portion of SDG&E's incremental Operating and Maintenance (O&M) and Administrative and General (A&G) operating expenses associated with NEM Aggregation.
- b) A credit entry equal to the electric portion of initial charges, monthly charges, and any other charges determined collectable in NEM Aggregation.
- c) A debit or credit entry equal to the interest on the average of the balance at the beginning of the month and the balance after the entries above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor publication.

5. Disposition

In accordance with Public Utilities Code Section 2827(h)(4)(H), an eligible customer-generator electing to aggregate the electrical load of multiple metes pursuant to Special Condition 8 of Schedule NEM shall remit service charges for the cost of providing billing services to the electricity utility that provides service to those meetings. Accordingly, the balance in NEMAMA shall be collected from customers participating in NEM Aggregation. SDG&E may file an advice letter one year after the effective date of the establishment of the NEMAMA to propose a final billing service fee structure and determine the disposition of any undercollection or overcollection recorded in this account compared to the billing services fees collected pursuant to Special Condition 8 of Schedule NEM.

1P5

Advice Ltr. No. 2529-E-A

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President

Date Filed Jan 15, 2014

Effective _____

Resolution No. E-4610



SCHEDULE NEM
NET ENERGY METERING

Sheet 1

APPLICABILITY

Pursuant to California Public Utilities Code (PU Code) Section 2827, this schedule is applicable to a residential, small commercial (as defined in subdivision (h) of Section 331 of the PU Code), commercial, industrial, or agricultural customer who uses a Renewable Electrical Generation Facility, as defined in Special Condition 1.b, or a combination of those facilities, with a total capacity of not more than 1,000 kilowatts (kW) that is located on the customer's owned, leased, or rented premises, is interconnected and operates in parallel with the Utility's transmission and distribution systems, and is intended primarily to offset part or all of the customer's own electrical requirements (hereinafter "eligible customer-generator" or "customer"). Certain incremental billing and metering costs set forth in this schedule that are related to net energy metering are applicable to Energy Service Providers (ESPs) serving eligible customer-generators.

This service is not applicable to a Direct Access (DA) customer where the customer's ESP does not offer a net energy metering tariff. In the event a DA customer's ESP does not offer an NEM Aggregation service, as described in Special Condition 8, the customer shall not be eligible for NEM Aggregation service under this rate schedule. In addition, if an eligible customer-generator participates in direct transactions with an electric provider that does not provide distribution service for the direct transactions, the electric provider, and not the Utility, is obligated to provide net energy metering to the customer (also see Special Condition 3.e).

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Pursuant to Decision 08-02-002 and notwithstanding all applicable terms and conditions contained herein, to the extent a Community Choice Aggregator (CCA) offers a net energy metering tariff, Utility shall provide applicable NEM services under this schedule to an eligible CCA customer-generator consistent with services provided to its bundled service eligible customer-generators. As a condition of receiving service under this schedule, the CCA shall be responsible for timely providing the applicable generation-related bill charges or credits for each CCA customer-generator to the utility. Each eligible CCA customer-generator shall look to its CCA for NEM services related to the electric generation charges and credits that result from receiving services under this schedule. The CCA shall also be responsible for the applicable generation-related bill credit structure associated with this service option and providing the CCA customer-generator with the applicable generation-related bill credit.

This schedule shall be available to eligible customer-generators, upon request, on a first-come-first-served basis until the time that the total rated generating capacity used by both NEM and VNM-A eligible customer-generators exceeds 5% of SDG&E's aggregate customer peak demand, defined as the highest sum of all customers' non-coincident peak demands that occurs in any calendar year.

Schedule NEM applies also to specified Net Energy Metering eligible (NEM-eligible) generators in a Generating Facility comprised of multiple NEM- and non-NEM-eligible generators, served through the same Point of Common Coupling (PCC), where the NEM-eligible generating capacity is not more than 1 MW. Such facilities will be referred to as Multiple Tariff Facilities, and any group of generators within such a facility that are subject to the same tariff provisions for billing and metering purposes will be referred to as a Constituent Generator Group. In order to be eligible for this rate schedule in a Multiple Tariff Facility, the customer-generator must meet all the requirements of Special Condition 6 for the schedule NEM-eligible generator, and must also meet any other applicable tariffs. Customer-generator must also complete a Generating Facility Interconnection Agreement (Multiple Tariff) (Form 117-2160).

Due to the complexity of NEM Aggregation arrangements and/or Multiple Tariff Facilities NEM-eligible generators interconnecting under the provisions of Special Condition 6 or 8 may require additional review and/or interconnection facilities and other equipment, and may incur interconnection costs, as provided for in electric Rule 21.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 2

APPLICABILITY (Continued)

Schedule NEM applies to an eligible customer-generator with multiple meters that may elect to aggregate the electrical load of the meters located on the customer's owned, leased, or rented premises where the renewable electrical generation facility is located. Such program will be referred to as NEM Aggregation. To be eligible for NEM Aggregation, an eligible customer-generator must meet all the requirements in Special Condition 8 and complete NEM Aggregation Form 142-02769.

As of January 1, 2010, a customer who owns, rents or leases a premises that includes a Renewable electrical generation facility, or a combination of those facilities with a capacity of 30kW or less, that were previously approved by SDG&E for NEM interconnection prior to the customer moving in and/or taking electric service with SDG&E (Change of party customer) will take service on this tariff as long as the requirements of this section are met.

To be eligible, the Change of party customer must: 1) ensure that the Generating Facility is compliant with all applicable safety and performance standards as delineated in SDG&E's Electric Rule 21 and other applicable tariffs; 2) keep in force the amount of property, commercial general liability and/or personal liability insurance the Change of party customer has in place at the time they initiate service on this tariff; 3) understand that SDG&E may from time to time release to the California Energy Commission and/or the California Public Utilities Commission, information regarding the Change of party customer's facility, including Change of party customer's name and Generating Facility location, capacity and operational characteristics.

Change of party customers making any modification to previously approved SDG&E NEM Renewable electrical generation facility are not eligible for this provision and must complete the interconnection process in Special Condition 4 of this tariff.

Change of party customers also must agree to comply with all rules and requirements of SDG&E's Net Energy Metering tariffs.

When the builder/developer of a subdivision sells a new home during the NEM application process, after the builder/developer completes the Net Energy Metering Application and Interconnection Agreement for customers with Solar and/or Wind Generating Facility of 30kW or Less (Form 142-02765) and otherwise meets all of SDG&E's requirements for the NEM interconnection, but prior to SDG&E providing final written approval for Parallel Operation on Schedule NEM, SDG&E may treat the new home owner/customer as a Change of party customer, as defined above.

TERRITORY

Within the entire territory served by the Utility.

RATES

All rates charged on this schedule will be in accordance with the eligible customer-generator's otherwise applicable metered rate schedule (OAS). An eligible customer-generator served under this schedule is responsible for all charges from its OAS including monthly billed minimum charges, customer charges, meter charges, facilities charges, energy and demand charges, and excluding any adjustments due to power factor provisions. Applicable demand charges are defined in the OAS.

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SCHEDULE NEM
NET ENERGY METERING

RATES (Continued)

Customers eligible for service under this schedule are not required to take service under Schedule S, Standby Service, or Schedule S-I, Standby Service-Interruptible, for the qualifying generators. Multiple Tariff Facilities that are interconnected under the terms of Special Condition 6 may be subject to the requirements of Schedule S or S-I. To the extent that charges for transmission and distribution services are recovered through demand charges in any billing period, no standby charges shall apply in that monthly billing cycle, except Multiple Tariff Facilities interconnected under the terms of Special Condition 6 may be subject to the requirements of Schedules S or S-I.

The charges and credits for Multiple Tariff Facilities taking service on this rate schedule under the provisions of Special Condition 6 will be calculated using the OAS identified by the eligible NEM customer-generator in its application for interconnection and its interconnection agreement with SDG&E or as subsequently changed by the eligible NEM customer-generator in accordance with SDG&E's Electric Rule 12.

Customer-generators with Multiple Tariff Facilities with existing NEM and/or NEM-FC eligible generators interconnecting additional generators, will receive a bill true-up prior to taking service under Special Condition 7. This ensures that all NEM accounts have the same Relevant Period, as defined in Special Condition 3, going forward.

The charges and credits for customer-generators electing NEM Aggregation under the provisions of Special Condition 8 will be calculated using the current OAS in affect for each service. In the event one or more of the accounts to be aggregated is currently receiving NEM under this schedule, to ensure that all accounts in the aggregation arrangement have the same Relevant Period, the accounts will be trued-up prior to taking service under Special Condition 8.

All NEM-eligible customer-generators are responsible for Public Purpose Program (PPP) charges based on the net energy delivered by the Utility.

SPECIAL CONDITIONS

1. Definitions: The definitions of terms used in this schedule are either found herein or in Rule 1, Rule 21, or the customer's OAS.
 - a. Otherwise Applicable Schedule ("OAS"): The NEM-eligible customer-generator's regularly filed rate schedule under which service is rendered.
 - b. Renewable Electrical Generation Facility: A facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the Public Resources Code. These sources are biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation (only if facility will not cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow), digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 4

SPECIAL CONDITIONS (Continued)

2. Metering Equipment: Multiple Tariff Facilities will be metered under one of the options in Special Condition 6. All other Net Energy Metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. If the eligible customer-generator's existing electrical meter is not capable of registering the flow of electricity in two directions, the eligible customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to register electricity flow in two directions. An additional meter or meters, installed in a dual meter socket ("dual metering"), to monitor the flow of electricity in each direction, may be installed with the consent of the eligible customer-generator, at the expense of the Utility, and the dual metering shall be used only to provide the information necessary to accurately bill or credit the customer according to the Utility's OAS or to collect electric generating system(s) performance information for research purposes. The Utility shall determine whether dual metering is required under this provision. If dual metering is installed, the net energy metering calculation (see below) shall yield a result identical to that of a single meter capable of registering the flow of electricity in two directions. The Utility shall not require dual metering except where necessary for billing accuracy. If none of the normal metering options available at the Utility's disposal, which are necessary to render accurate billing, are acceptable to the eligible customer-generator, the Utility shall have the right to refuse interconnection.

3. Net Energy Metering and Billing: Facilities qualifying under multiple tariffs, see Special Condition 6. Eligible customer-generators qualifying for and electing NEM Aggregation, see Special Condition 8. Net energy is defined as measuring the difference between the electric energy supplied by the Utility through the electric grid to the eligible customer-generator and the electric energy generated by an eligible customer generator and fed back into the electric grid over a 12-month period (Relevant Period). At the end of each Relevant Period following the date the eligible customer-generator was first eligible for Schedule NEM, or the date of written authorization for Parallel Operation, whichever is later, and at each anniversary date thereafter, the eligible customer-generator shall be billed for net electric energy used during that period. If an eligible customer-generator terminates service under this rate schedule, or experiences a change in electric service provider prior to the end of any Relevant Period, the Utility shall reconcile the customer's consumption and production of electric energy and bill and provide compensation the customer as described below, as if it were the end of the normal Relevant Period.

In the event the monthly valued energy exported by the eligible customer-generator exceeds the monthly valued energy consumed by eligible customer-generator during the Relevant Period, based on the eligible customer-generator's OAS as set forth below, no payment shall be made for the excess energy delivered to the grid. If the Utility is the electric service provider, this condition may be modified where the customer has signed a contract to sell electric energy to the Utility.

In the event that the monthly valued energy supplied by the Utility during the Relevant Period exceeds the monthly valued energy exported by the eligible customer-generator during the Relevant Period, the eligible customer-generator is a net consumer and the Utility shall bill the eligible customer-generator for the net consumption during the Relevant Period based on the eligible customer-generator's OAS, as set forth below.

Except as provided for in Special Conditions 3(h) and 3(i), Pursuant to PU Code Section 2827(h)(3), once the true-up is completed at the end of the Relevant Period, any credit for excess energy (kWh) will be retained by the Utility and the net producer will not be owed any compensation for this excess energy. Production and consumption during the twelfth month is already considered in the true-up.

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SCHEDULE NEM
NET ENERGY METERING

SPECIAL CONDITIONS (Continued)

3. Net Energy Metering and Billing: (Continued)

The eligible customer-generator's OAS shall apply to the value of any net monthly consumption or production as follows:

- a) Baseline Rates: If the customer is a net consumer over a billing period, the net kWh consumed shall be billed at the applicable baseline rates up to the billing period's baseline allowance, with any excess kWh consumed billed at the applicable non-baseline rates charged other customers in the rate class.

If the customer is a net generator over a billing period, the net kWh generated shall be valued at the applicable baseline rates up to the billing period's baseline allowance, with any excess kWh generated valued at the applicable non-baseline rates charged other customers in the rate class.

- b) Time-of-Use: If the customer is a net generator during any discrete time-of-use (TOU) period, the net kWh produced shall be valued at the appropriate TOU rates charged other customers under the same OAS. If the customer is a net consumer during any discrete TOU period, the net kWh consumed shall be billed at the appropriate TOU rates charged other customers under the same OAS.

- c) Annual and Monthly Billing: If the Utility supplies the eligible customer-generator with electric energy, the Utility shall provide the eligible customer-generator with net energy consumption information with each regular bill. That information shall include the current monetary balance owed to the Utility for the net energy consumed since the last Relevant period ended. Eligible residential and small commercial customer-generators may pay monthly or annually for the net energy consumed. For all other commercial, industrial, and agricultural customers, the net balance of all moneys owed must be paid monthly. The net value of energy exported over a monthly billing cycle shall be carried over to the following billing period and appear as a credit on the eligible customer-generator's account, until the end of the Relevant Period.

For CCA, at the end of each relevant period, the Utility and CCA shall complete an annual true up of all charges and credits calculated monthly, consistent with the provisions set forth under this schedule. Credits and charges related to the CCA's generation services shall be based on the information provided by the CCA to the Utility. Credits and charges related to services provided by the Utility shall be based on the Utility's rates. Any net balance related to generation charges that are collected from an eligible NEM CCA customer-generator will be paid annually by the Utility to the CCA as set forth in Rule 27, Section Q, which describes the payment and collection terms between the Utility and a CCA customer. The charges or credits resulting from a CCA's generation services shall not be co-mingled with charges or credits resulting from services provided by the Utility.

A customer receiving service on this rate schedule shall not be eligible for the Level Pay Plan option set forth in Rule 9.

- d) Cost Responsibility Surcharge (CRS): Pursuant to D.03-04-030, eligible customer-generators shall pay the DWR charges and CTC (collectively CRS) on the net energy delivered by the Utility, as set forth in Schedule CGDL-CRS.

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SCHEDULE NEM
NET ENERGY METERING

SPECIAL CONDITIONS (Continued)

3. Net Energy Metering and Billing: (Continued)

- e) ESP Charges: The charges for all energy components for eligible customer-generators shall be based exclusively on the eligible customer-generator's net energy consumption over a Relevant Period, without regard to the eligible customer-generator's choice of ESP. If the eligible customer-generator switches its ESP during a Relevant Period, the prior ESP shall reconcile the customer generator's consumption and export of electricity for the applicable part of the current Relevant Period and the new Relevant Period will begin with respect to service provided by the eligible customer-generator's new ESP. The Utility will recover the incremental metering and billing service costs associated with Net Energy Metering from the customer's ESP.
- f) CCA Charges: If the eligible customer-generator switches its commodity provider during the Relevant Period, the previous commodity provider shall reconcile the customer generator's consumption and a new relevant period will begin with respect to service provided by the eligible customer-generator's new commodity provider, if applicable.
- g) Commencement of Service: The Utility shall start a customer on Schedule NEM effective with the first meter read date prior to the later of (1) customer notice to the Utility of a request for service on Schedule NEM or (2) SDG&E's written authorization for parallel operation of the customer's eligible Generating Facility.
- h) Assembly Bill 920: Pursuant to Assembly Bill (AB) 920, starting January 1, 2011, a NEM customer with "net surplus electricity" (all electricity generated by an eligible customer measured in kilowatt-hours over a 12-month period that exceeds the amount of electricity consumed by that eligible customer), is eligible to receive net surplus compensation (NSC), valued pursuant to D.11-06-016. If a customer has not generated excess kWhs, the customer is not eligible for NSC.
- i) Compensation for net surplus energy: Per AB 920, SDG&E will compensate NEM customers with generation of less than 1 MW with excess kWhs at the end of their relevant period, for both the value of the electricity and the value of the renewable attributes. The Utility will compensate qualifying NEM customers for net surplus generation by the following formula:

$$\text{NSC} = \text{Value of Electricity} + \text{Value of Renewable Energy Credits (if applicable)}$$

(i) Value of the Electricity -

$$\text{Value of Electricity} = \text{Net surplus kWhs} \times \text{DLAP price}$$

The Utility will use SDG&E's Default Load Aggregation Point (DLAP) price as the basis for the net surplus compensation rate (adopted in D.11-06-016). DLAP reflects the costs the Utility avoids in procuring power during the time period net surplus generators produce excess power.

This rate is the simple rolling average of SDG&E's DLAP price from 7 a.m. to 5 p.m. corresponding to the customer's 12-month relevant period. The rolling average will be calculated on a monthly basis and be applied to all customers with a relevant period in the following month.

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SCHEDULE NEM
NET ENERGY METERING

SPECIAL CONDITIONS (Continued)

3. Net Energy Metering and Billing: (Continued)

i) Compensation for net surplus energy: (Continued)

(i) Value of the Electricity – (Continued)

The Utility uses a full 12 months of DLAP prices, as published on the CAISO Open Access Same-time Information System (OASIS), ending the twentieth (20th) day of each month. The Utility then calculates the net surplus compensation rate within five days of the first of the month to allow the CAISO to finalize the day-ahead DLAP prices. This rate is applied to all eligible net surplus generators, irrespective of their rate class. This rate will be updated monthly and is available at: <http://www.sdge.com/nem/>.

(ii) Value of Renewable Energy Credits –

The Utility will include a Renewable Attribute Adder (RAA) with the NSC rate after the California Energy Commission (CEC) determines the eligibility of net energy metering customer facilities for the Renewable Portfolio Standard and an ownership verification and tracking system for Renewable Energy Credits (RECs) created by net surplus generators.

The renewable attribute adder will be calculated using the most recent Western Electricity Coordinating Council (WECC) average renewable premium, based on United States Department of Energy (DOE) published data. The renewable attribute adder will only be paid to those net surplus generators who provide RECs to the Utility. Until the CEC makes its determination and the Utility receives approval on a tariff revision addressing this, the RAA will not be included in the calculation of NSC (section (i) above).

D.11-06-016 requires NEM customers who elect to receive NSC to notify the Utility that they are a Qualifying Facility exempt from certification filing at the Federal Energy Regulatory Commission (FERC). Since all NEM customer-generators have certified to SDG&E that they are generating facilities with net power production capacities of 1 MW or less, and thus currently meet the requirements for a qualifying facility exempt from certification filing at FERC by being under 1 MW (under FERC Order 732), SDG&E requires no additional documentation at this time.

Eligible customers have the option to carry over net surplus compensation to future 12-month periods or can elect a monetary payment, if the amount is greater than one dollar (\$1). Payments for NSC should be reduced by any amount the customer owes to the Utility.

4. Interconnection: Prior to Parallel Operation, the eligible customer-generator must execute and comply with the applicable Utility Interconnection Agreement For Net Energy Metering Renewable electrical generating facility (Form 142-02760) or the Net Energy Metering Application and Interconnection Agreement for Customers with Solar and/or Wind Generating Facilities of 30 kW or Less (Form 142-02765) or for NEM / non-NEM Generating Facility Interconnection Agreement export, Form 117-2160. The eligible customer-generator shall meet all applicable safety and performance standards established by the National Electric Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the CPUC regarding safety and reliability.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 8

SPECIAL CONDITIONS (Continued)

5. Customer-Generators Installed on or Before September 30, 2003: Pursuant to Section 2827.7 of the PU Code, eligible customer-generators who have all local and state permits required to commence construction of their generating facilities on or before December 31, 2002, and have completed construction on or before September 30, 2003, are entitled to the Net Energy Metering terms in effect on the date the local and state permits were acquired, for the life of the Generating Facility, regardless of any change in customer or ownership of the Generating Facility.

6. Multiple Tariff Facility:

Multiple Tariff Facilities have the following additional provisions:

- a) When Net Generation Output Metering (NGOM) is required, such NGOM must conform to the requirements set forth in Electric Rule 21, Section J.3.
- b) An NEM-eligible Constituent Generator Group is defined as a constituent generator group that is eligible for service under the provisions of either schedule NEM or NEM-FC.
- c) A non-NEM-eligible Constituent Generator Group is defined as a constituent generator group that does not take service under the provisions of schedules NEM or NEM-FC, but interconnects under the provisions of Electric Rule 21.
- d) All metering for Multiple Tariff Facilities called for in this Special Condition must meet the requirements needed to bill under the customer-generator's OAS. All metering, equipment and nonexport relays necessary to implement the provisions in this section will be provided at the customer-generator's expense.
- e) Billing Credits:
 - 1) For customer-generators with one NEM-eligible Constituent Generator Group and one or more non-NEM-Eligible Generators without non-export relay, and energy (kWh) is exported to the grid at the PCC, the billing credit will be calculated for each billing period as follows:
 - a) NEM-eligible Export is the lesser of either all exported energy (kWh) as measured at the PCC or the NEM-eligible Constituent Generator Group's production as measured at the NGOM(s)
 - b) Multiply the NEM-eligible export determined in (a) above with the customer-generator's rate per OAS and applicable NEM schedule.
 - 2) For customer-generators with multiple NEM-eligible Constituent Generator Groups and with or without one or more non-Eligible Generator's without non-export relay, and energy (kWh) is exported to the grid at the PCC, the billing credit for each NEM-eligible Constituent Generator Group will be calculated for each billing period as follows:

(Continued)



SCHEDULE NEM
NET ENERGY METERING

Sheet 9

SPECIAL CONDITIONS (Continued)

6. Multiple Tariff Facility: (Continued)

e) Billing Credits: (Continued)

2) (Continued)

- a) Sum all NEM-eligible Constituent Generator Groups' production (kWh) as measured at the NGOMs.
- b) Determine the proportion of energy production (kWh) attributable to each NEM-eligible Constituent Generator Group by dividing the NGOM reading of each by the sum from (a) above.
- c) NEM-eligible Export for each NEM-eligible Constituent Generator Group is the lesser of either its proportion of attributable energy production determined in (b) above multiplied by the total exported energy (kWh) as measured at the PCC or its energy production (kWh) measured at its NGOM.
- d) Multiply each NEM-eligible Constituent Generator Group's Export determined in (c) above by the customer-generator's rate per OAS and applicable NEM schedule.

If interval meters are used, this allocation of bill credit will be done on the aggregated intervals over a billing period. If the OAS is a time-of-use (TOU) rate schedule, the allocation will be performed for each aggregated TOU period separately.

A Generating Facility is not a Multiple Tariff Facility and the customer will be billed as provided in Special Condition 2 of this tariff.

3) Billing credit will be applied consistent with the appropriate NEM tariff as follows:

- a) First, apply Generation Rate Component credits from NEM-FC generators (if any) as appropriate, to the remainder of generation component charges on the account served by the Generating Facility (Host Account).
- b) Second, apply NEM Generating Facility credits to energy charges of the accounts served by the Generating Facility.

f) Multiple Tariff Facility Configurations and Metering.

- 1) For two or more of NEM-eligible Constituent Generator Groups and no non-NEM eligible Constituent Generator Groups, the customer-generator must install NGOM on each Constituent Generator Group. In addition, metering is required at the PCC.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 10

SPECIAL CONDITIONS (Continued)

6. Multiple Tariff Facility: (Continued)

f) Multiple Tariff Facility Configurations and Metering. (Continued)

2) For both NEM-eligible and non-NEM-eligible Constituent Generator Groups, the customer must select one of the following options:

a) Non Export Relay Option: A customer-generator must install a Non-Export relay on their non-NEM Constituent Generator Groups and install metering as follows: 1) If there is only one type of NEM-eligible Constituent Generator Group then metering at the PCC is all that is required and the terms of the appropriate NEM tariff for that group shall apply; 2) If there are two or more types of NEM-eligible Constituent Generator Groups, then metering at the PCC and NGOM metering of each NEM-eligible Constituent Generator Group is required.

b) NGOM Option: The customer-generator must install NGOM on each NEM-eligible Constituent Generator Group and metering at the PCC.

For any of the above configurations, if the customer-generator has a Constituent Generator Group eligible for Schedule NEM for Renewable electrical generating facility the customer-generator may elect to take service for such under either Schedule NEM or Schedule NEM-FC as appropriate to one of the other Constituent Generator Groups.

For the purpose of tariff administration, other metering configurations may be allowed at SDG&E's discretion.

7. Pursuant to Public Utilities Code Section.2827(c)(2), any customer with an existing electrical Generating Facility and meter who enters into a new net energy metering contract (for example, form 142-02760.5 Interconnection Agreement For Virtual Net Energy Metering for Multifamily Affordable Housing (VNM-A) Renewable Electric Generating Facility) shall complete and submit a copy of form 142-02763 – NEM/VNM-A Inspection Report to SDG&E, unless the electrical Generating Facility and meter have been installed or inspected within the previous three years. The NEM/VNM-A Inspection Report (Form 142-02763) shall be prepared by a California licensed contractor who is not the owner or operator of the facility and meter. A California licensed electrician shall perform the inspection of the electrical portion of the facility and meter and sign the NEM / VNM-A Inspection Report (Form 142-02763). If an inspection is required, the customer shall submit the fully completed NEM/VNM-A Inspection Report (Form 142-02763) to SDG&E within 90 days of the of the customer becoming the customer of record at this account, or else the customer agrees to disconnect their Generating Facility and inform SDG&E it no longer will take service under schedule NEM or VNM-A. By signing the Interconnection Agreement, the NEM/VNM-A Inspection Report (Form 142-02763) shall be incorporated into the Interconnection Agreement.

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SCHEDULE NEM

NET ENERGY METERING

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation

Pursuant to PU Code Section 2827(h)(4), an eligible customer-generator with multiple meters may elect to aggregate the electrical load of the meters located on the property where the renewable electrical generation facility is located and on all property adjacent or contiguous to the property on which the renewable electrical generation facility is located, provided that all properties are solely owned, leased, or rented by the eligible customer-generator. All of the following additional conditions will apply to an eligible customer-generator that elects to aggregate its electric load pursuant to this Special Condition (NEM Aggregation Customer):

a) Definitions:

- 1) NEM Aggregated Account(s): the eligible account(s), associated with the eligible meters, as identified by the customer and listed on the NEM Aggregation Form 142-02769 whose load will be aggregated for the purpose of applying NEM Aggregation.
- 2) For purpose of this Special Condition, the terms "Property" and "Parcel" have the same meaning and are used interchangeably.

b) The Utility will use the aggregated load for the purpose of determining whether an NEM Aggregation Customer is a net consumer or a net producer during the Relevant Period. At the end of the Relevant Period, NEM Aggregation returns the customer's net balance to zero, showing no net surplus electricity.

c) An eligible customer-generator electing service under this Special Condition is subject to the following:

- 1) NEM Aggregation Customers must continue to meet the definition of an eligible customer-generator found in PU Code Section 2827(b)(4), in order to additionally qualify for NEM Aggregation.
- 2) NEM Aggregation Customers may elect to receive service under this Special Condition provided that all meters in the NEM Aggregation arrangement are located on parcels that are part of an unbroken chain of contiguous parcels that are solely owned, leased or rented by the NEM Aggregation Customer. For the purposes of NEM Aggregation, parcels that are divided by a street, highway, or public thoroughfare are considered contiguous, provided they are within an unbroken chain of otherwise contiguous parcels and under the same ownership or lease, as verified in Form 142-02769. In all instances where a NEM Aggregation Customer receives NEM Aggregation service, contiguous properties must be under the same ownership or lease.
- 3) Eligible meters associated with NEM Aggregated Accounts must be located on the same property and adjacent or contiguous property as the renewable electrical generating facility or facilities.

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SCHEDULE NEM

NET ENERGY METERING

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation (Continued)

- 4) All meters associated with the NEM Aggregated Accounts must serve and bill under the name of the same customer of record.
 - 5) A renewable electrical generation facility, or a combination of renewable electrical generation facilities, shall not exceed a total generating capacity of 1 MW.
 - 6) NEM Aggregation Customers, pursuant to this Special Condition and PU Code Section 2827(h)(4)(B), shall be prohibited from receiving net surplus electricity compensation. If a NEM Aggregated Account is removed from the aggregated arrangement and can otherwise qualify for NEM service on its own, the customer may then be eligible to receive net surplus electricity compensation, provided it meets all other applicable eligibility criteria of Schedule NEM.
 - 7) NEM Aggregation Customers shall be responsible for remitting payment to the Utility for the costs of providing NEM Aggregation billing services.
 - 8) The Utility may request additional information from customers and conduct research to ensure compliance with all applicable statutes and tariffs, including but not limited to traditional NEM and NEM Aggregation requirements. If the Utility determines that an existing or prospective NEM Aggregation Customer is not in compliance with all applicable statutes and tariff provisions, including but not limited to traditional NEM and NEM Aggregation requirements, the Utility may refuse NEM Aggregation service.
- d) Interconnection: If an eligible customer-generator elects to receive NEM Aggregation service and satisfies the requirements in paragraph c) of this Special Condition and the applicable statutes and tariffs, the eligible customer-generator will be subject to the following interconnection process:
- 1) A NEM Aggregation Customer shall have an effective interconnection agreement with the Utility.
 - 2) As applicable, the NEM Aggregation Customer will indicate its election of NEM Aggregation on either Form 142-02765 (NEM Application and Interconnection Agreement for Electric Generating Facilities of 30 Kilowatts or Less) or Form 142-02766 (NEM Application and Interconnection Agreement for Electric Generating Facility Greater than 30 Kilowatts up to 1000 Kilowatts). In addition, the NEM Aggregation Customer will complete the NEM Aggregation Form (Form number 142-02769). The NEM Aggregation Form (1) requests a list of meters and accounts the NEM Aggregation Customer intends to include in the aggregation arrangement; (2) requires the NEM Aggregation Customer to select the preferred method for interconnecting to the electrical grid; and (3) includes a declaration the NEM Aggregation Customer must sign acknowledging and verifying the that the conditions set forth in paragraph c) above have been met.

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SCHEDULE NEM

NET ENERGY METERING

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation (Continued)

3) The NEM Aggregation Customer must select which of the two methods offered for connecting to the Utility's grid is preferred: interconnecting via a billing account meter – Billing Account Method or a Net Generator Output Meter (NGOM) – NGOM Method.

a) Billing Account Method: This interconnection method follows the standard interconnection model applicable to non-NEM Aggregation Customers and non-multiple tariff customers receiving service under this rate schedule. No additional metering equipment is necessary for interconnecting under this method. Payment of all costs for any system upgrades required for aggregated arrangement shall be the responsibility of the NEM Aggregation Customer.

b) NGOM Method: Under this method, the NEM Aggregation Customer shall be responsible for paying a one-time, upfront, charge, adjusted to include the factors described in the Special Facilities section of Electric Rule 2 and calculated based on all costs associated with:

- a. connecting the renewable electrical generating facility directly to SDG&E's distribution system;
- b. installing a SDG&E-owned NGOM capable of recording generation in 15-minute increments;
- c. applicable disconnect/reconnect procedure charges requested by the customer, any wiring, trenching, conduit; and
- d. any other facility costs incurred by SDG&E to interconnect the NEM Aggregation Customer.

The location of the customer's equipment necessary for the installation of the NGOM shall be approved by the Utility, and will normally be grouped with the service and metering equipment for one or more existing SDG&E-owned meters. The Utility will measure the generation output from the renewable electrical generating facility and assign each Aggregated Account the appropriate credit based on the monthly usage of each Aggregated Account.

If there is any load behind the NGOM in addition to incidental load related to the operation of the NEM Aggregation Customer, the Utility may require, at the expense of the NEM Aggregation Customer, the purchase and installation of metering equipment necessary to determine the total generation and total usage at the interconnection point. Usage shall be billed as a usage account to ensure that all eligible generation output is allocated and that netting only occurs after credits have been allocated.

The current cost of an NGOM varies depending on the type of meter required and typically ranges from \$1,000 - \$5,000, updated as required. Other equipment that may be required for the installation of an NGOM (including, but not limited to, remote communications costs) shall be installed at the NEM Aggregation Customer's expense.

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SCHEDULE NEM
NET ENERGY METERING

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation (Continued)

Sample costs by meter:

Meter Type	Estimated Cost
Self-contained Meter Installation (1200a)	\$ 998
Single-phase CT Installation	\$2,306
Three-phase CT Installation (<800a)	\$2,306
Three-phase CT Installation (1800a)	\$2,943

- 4) In the event there is a change of status that makes any of the meters or accounts listed in the NEM Aggregation form ineligible to take service under Special Condition 8, NEM Aggregation Customers shall notify the Utility within fifteen (15) days of such changes.
- 5) In the event a Rule 21 study is required, the processing of the request for interconnection may extend beyond the 30-working-days typically required under non-NEM Aggregation.
- 6) The eligible renewable electrical generation facility shall comply with all of the Utility's tariffs, including but not limited to Rule 21, and any other regulations and laws governing the interconnection of the eligible renewable electrical generating facility.

e) Billing Provisions:

- 1) A one-time service establishment fee of \$220 per NEM Aggregated Account will be assessed to NEM Aggregation Customers receiving service under this Special Condition.
- 2) No additional monthly fee per NEM Aggregated Account will be assessed to NEM Aggregation Customers receiving service under the Special Condition.
- 3) The Net Energy Metering Aggregation Memorandum Account (NEMAMA) will be established to track billing-related costs in excess of the NEM Aggregation program costs listed in paragraph (e)(1) and (e)(2) of this Special Condition. NEM Aggregation program costs may be re-evaluated one year from the effective date of this Special Condition.
- 4) All NEM Aggregated Accounts in the arrangement must have the same Relevant Period.
- 5) Should a meter be added during a Relevant Period, the new meter will be charged the one-time service establishment fee and its Relevant Period will be adjusted so that it aligns with the Relevant Period of the existing NEM Aggregated Accounts.
- 6) Should an NEM Aggregated Account be removed during a Relevant Period, the aggregated arrangement will be adjusted.
- 7) All changes to the aggregation arrangement will become effective on the first regularly scheduled meter read date that is at least 15 days following the Utility's receipt of the request.

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SCHEDULE NEM

NET ENERGY METERING

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation (Continued)

- 8) The Utility shall provide the NEM Aggregation Customer with individual Aggregated Account consumption and allocated generation information with each regular monthly bill. The information shall include the current monetary balance owed to the Utility for the net energy consumed in the current Relevant Period.
- 9) The Utility will initially set up a manual billing process for NEM Aggregation. If the Utility performs billing system upgrades to automate its NEM Aggregation billing process, costs associated with billing system modifications required for the development and implementation of Special Condition 8 will be recorded in the NEMAMA.
- 10) A mix of bundled and DA or CCA account types in a given aggregated arrangement is prohibited under this Special Condition.
- 11) NEM Aggregation service shall not be permitted in combination with service provided under the Multiple Tariff Facilities provisions under this, or any other, NEM rate schedule.

f) Billing Process:

- 1) Energy Delivered: If the Billing Account interconnection method is selected, the metered output, measured in kWh, will be determined by the amount of excess generation that is delivered to the grid. If the NGOM interconnection method is selected, the metered output, delivered to the grid, is recorded by the NGOM during the specific billing period.
- 2) Allocation of Credit: The monthly allocation percentage of kWh will be based on the cumulative usage at each Aggregated Account compared with the total cumulative usage for all of the Aggregated Accounts and the cumulative generation from the generating account from the start of the Relevant Period.
- 3) Customer Bill: Credits applied to Aggregated Accounts will be based on the methodology set forth in paragraph (f)(2) of this Special Condition. At the end of each bill period, remaining credits shall be carried over to the following monthly billing period, until the end of the Relevant Period. NEM Aggregation Customers served under this Special Condition are responsible for all charges from their OAS including monthly billed minimum charges, customer charges, meter charges, facilities charges, energy and demand charges, excluding any adjustments due to power factor provisions. Applicable demand charges are defined in the specific account's OAS.
- 4) NEM Aggregation Billing: At the end of each Relevant Period, the NEM Aggregation Customer shall be billed for net electric energy used during that period. If an NEM Aggregation Customer terminates service under this rate schedule prior to the end of any Relevant Period, the Utility shall reconcile the customer's consumption of electric energy with any remaining credit, and bill to the customer as if it were the end of a normal Relevant Period.

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SCHEDULE NEM

NET ENERGY METERING

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation (Continued)

a) For an OAS with Baseline Rates:

If the NEM Aggregation Customer is a net consumer for the month, the net kWh consumed shall be billed in accordance with the aggregated customer's accounts OAS. If the NEM Aggregation Customer is a net generator for the month, the net kWh generated shall be valued in accordance with the aggregated customer's accounts OAS.

b) For an OAS with Time-of-Use (TOU) Rates

If the NEM Aggregation Customer is a net consumer during any discrete TOU period for the month, the net kWh consumed shall be billed at the applicable TOU rates charged in the OAS. If the NEM Aggregation Customer is a net generator during any discrete TOU period for the month, the net kWh generated shall be valued at the applicable TOU rates charged in the OAS.

g) In the event an NEM Aggregation Customer becomes eligible for payments resulting from participation in a demand response program, such payments to an NEM Aggregation Customer shall be based on the customer's metered usage, disregarding any contributions from NEM Aggregation. Similarly, any other demand response programmatic elements that are affected by a customer's load (e.g. program eligibility) shall also exclude from consideration any impacts of NEM Aggregation.

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San Diego Gas & Electric Company
San Diego, California

Original Cal. P.U.C. Sheet No. 24083-E

Canceling _____ Cal. P.U.C. Sheet No. _____

SAMPLE FORMS
FORM 142-02769

Sheet 1

Net Energy Metering (NEM) Aggregation Form

(1/14)

See Attached Form

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NET ENERGY METERING (NEM) AGGREGATION FORM

List of Meters and Accounts Eligible for NEM Aggregation under
Special Condition 8 of Schedule NEM

Selection of Method of Interconnection under Special Condition 8
of Schedule NEM

NEM Aggregation Declaration of Eligible Customer-Generator
with Multiple Meters

**NET ENERGY METERING (NEM) AGGREGATION FORM
OF SAN DIEGO GAS & ELECTRIC COMPANY**

This form should be completed as applicable by an eligible customer-generator electing to take service under Schedule NEM Special Condition 8: NEM Aggregation. In addition to the completion of this form, an eligible customer-generator must indicate its NEM Aggregation election in Part 1 Section B of Forms 142-02765 or 142-02766, as applicable. As governed by Schedule NEM Special Condition 8, SDG&E will aggregate the load of the customer-generator's meters listed below where the customer-generator is the customer of record and the accounts are (i) located on the same property where the renewable electrical generation facility is located, or (ii) on property adjacent or contiguous to that property as long as those property are solely owned, leased, or rented by the customer-generator. Parcels that are divided by a street, highway, or public thoroughfare are considered contiguous for NEM Aggregation purposes, provided that parcels comprising the property are otherwise contiguous and under the same ownership as described in (ii) above.

In accordance with this form:

(i) Pursuant to Schedule NEM Special Condition 8, the electricity generated by the renewable electrical generation facility and exported to the grid shall be allocated to each of the aggregated meters in proportion to the electrical load served by those meters, and

(ii) In accordance with Paragraph (c)(8) of Schedule NEM Special Condition 8, the customer-generator shall remit payment for service charges incurred by SDG&E for the cost of providing NEM Aggregation billing services, and

(iii) The customer-generator shall be ineligible to receive net surplus electricity compensation while taking service under Special Condition 8 of Schedule NEM.

NET ENERGY METERING (NEM) AGGREGATION FORM

List of Meters and Accounts Eligible for NEM Aggregation under Special Condition 8 of Schedule NEM

Below please list all the meters and accounts to be included in the aggregated arrangement:

Generator Account(s)	Customer-Generator Meter	Account Service Address as listed on your Billing Statement (Street, City, Zip Code – no P.O. Boxes)	Estimated Annual kWh Production ¹

¹Formulas for Solar, Wind, and Other Technologies:

Solar

CEC-AC² rating X 1,664³ = _____

Wind

Total Inverter Nameplate Rating X 2,190⁴ = _____

Other Technologies

Total Inverter Nameplate Rating X 7,008⁵ = _____

² CEC-AC (kW) = California Energy Commission Alternating Current, refers to inverter efficiency rating (Quantity of PV Modules x PTC Rating of PV Modules x CEC Inverter Efficiency Rating)/1,000

³ Estimated Solar Production = 8,760 hrs/yr X 0.19 solar capacity factor = 1,664

⁴ Estimated Wind Production = 8,760 hrs/yr X 0.25 wind capacity factor = 2,190

⁵ Estimated Other Technologies = 8,760 hrs/yr X 0.80 other technologies capacity factor = 7,008

NET ENERGY METERING (NEM) AGGREGATION FORM

Aggregated Accounts ⁶	Aggregated Meters	Aggregated Account Service Address as listed on your Billing Statement (Street, City, Zip Code - no P.O. boxes)	Annual kWh Load ⁷
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
Total Annual kWh			
120% of Total Annual kWh			

(Use more sheets as necessary.)

Signature of Customer-Generator _____ Date: _____

⁶ If this is a new account, enter *NEW*.

⁷ For previous twelve months from date of signature. Please also enter the annual kWh for generator account prior to the generator being installed; if none, enter zero.

NET ENERGY METERING (NEM) AGGREGATION FORM

Selection of Method of Interconnection under Special Condition 8 of Schedule NEM

Please select the customer-generator's method for interconnecting its renewable electrical generation facility or facilities to the electrical grid. For a detailed description of the interconnection methods, please refer to Special Condition 8, Section d of SDG&E's Schedule NEM.

Check one of the following. If multiple generator meters are contained in the arrangement, check any that apply:

- Billing Account Method
- Net Generator Output Meter (NGOM) Method

NET ENERGY METERING (NEM) AGGREGATION FORM

NEM Aggregation Declaration

I, _____, state as follows:

1. I am an authorized representative of _____ (“Customer”) and I am authorized to make this declaration.
2. I have personal knowledge of the matters set forth herein and if called upon as a witness could and would testify competently thereto.
3. Customer is applying for NEM Aggregation service with San Diego Gas & Electric Company (“SDG&E”).
4. Customer hereby states that
 - a. Customer is an “eligible customer-generator” with multiple meters. “Eligible customer-generator” means
 1. a customer who uses a renewable electrical generation facility, or a combination of those facilities,
 2. with a total capacity of not more than one megawatt,
 3. that is located on the customer’s owned, leased, or rented property,
 4. and is interconnected and operates in parallel with the electrical grid,
 5. and is intended primarily to offset part or all of the customer’s own electrical requirements. [California Public Utilities Code Section 2827(b)(4)]
_____ *Initial*
 - b. Customer elects to aggregate the electrical load of the meters identified herein.
 - c. Customer declares and represents that all of the meters identified herein are
 1. located on the property where the renewable electrical generation facility is located [_____ *Initial*], and
 2. located on property adjacent or contiguous to the property on which the renewable electrical generation facility is located. [_____ *Initial*] Parcels that are divided by a street, highway, or public thoroughfare are considered contiguous, provided they are otherwise contiguous and under the same ownership.
 - d. Customer declares and represents that all of the properties referenced herein are solely owned, leased, or rented by Customer.
_____ *Initial*

NET ENERGY METERING (NEM) AGGREGATION FORM

NEM Aggregation Declaration (continued)

5. Customer understands that an eligible customer-generator may only elect to aggregate the electrical load of multiple meters if the renewable electrical generation facility or combination of those facilities has a total generating capacity of not more than one megawatt. Customer declares and represents that the total generating capacity of the facility or combination of facilities referenced herein do not exceed one megawatt.

_____ *Initial*

6. Customer understands that electing NEM Aggregation services renders Customer ineligible to receive NEM net surplus electricity compensation while taking service under Special Condition 8 of Schedule NEM.
7. Customer shall be responsible for paying all service charges rendered by SDG&E for the costs of providing billing services under NEM Aggregation.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this ____ day of _____,
_____ at _____,
_____ [city, state].

[Signature]

Authorized Representative of Customer

_____ [Date]

This document may be submitted by email or fax provided the originals are delivered to SDG&E within ten (10) business days thereafter.



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The following sheets contain all the effective rates and rules affecting rates, service and information relating thereto, in effect on the date indicated herein.

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142-4035	06-05	Application for California Alternate Rates for Energy (CARE) Program for Migrant Farm Worker Housing Centers.....	18415-E
142-05200	09-12	Generator Interconnection Agreement for Fast Track Process.....	23216-E
142-05201	09-12	Exporting Generating Facility Interconnection Request.....	23217-E
142-05202	01-01	Generating Facility Interconnection Application Agreement....	14152-E
142-05203	10-12	Generating Facility Interconnection Application.....	23236-E
142-05205	07-02	Optional Binding Mandatory Curtailment Plan Contract.....	17729-E
142-05207	04-06	Base Interruptible Program Contract.....	23043-E
142-05209	04-01	No Insurance Declaration.....	15476-E
142-05210	06-04	Rolling Blackout Reduction Program Contract.....	18273-E
142-05211	06-04	Bill Protection Application.....	18273-E
142-05212	07-03	Demand Bidding Program Non-Disclosure Agreement.....	17152-E
142-05215	04-06	Third Party Marketer Agreement for BIP.....	22975-E

(Continued)

10P4

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Jan 15, 2014

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Lee Schavrien

Effective

Senior Vice President

Decision No. _____

Resolution No. E-4610

ATTACHMENT B

Letter from the Energy Division
Dated December 16, 2013

SDG&E Advice Letter 2529-E-A

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



Date: December 16, 2013

From: Gabe Petlin, CPUC Energy Division

To: Susan Buller, PG&E; Erin Pulgar, SCE; and Jamie York, SDG&E

Energy Division Requested Changes to PG&E Advice 4305-E, SCE Advice 2952-E, and SDG&E Advice 2529-E

The Energy Division requests the IOUs make the following changes to the above mentioned advice letters via supplemental filings. We would like to review draft supplemental advice letters and tariffs before they are served on parties. When served on parties the protest period should be re-opened for 5 days. Unless noted each request is directed at all three IOUs for consistency. We request to receive review drafts within 10 business days or sooner of this letter.

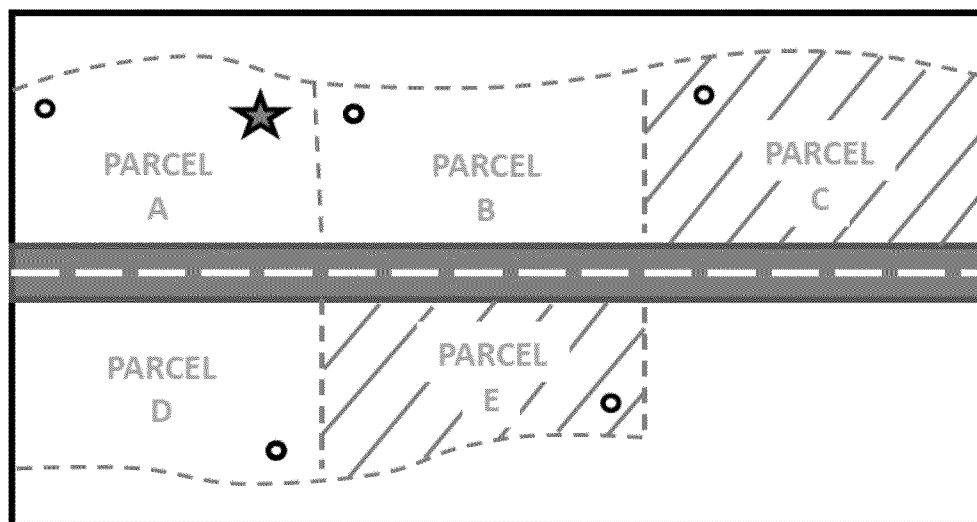
8 Parties filed protests on the Advice Letters: SEIA, SolarCity, IREC, City of San Diego, California Farm Bureau Federation, Agricultural Energy Consumers Association, Natel Energy, and Recolte Energy.

- 1) *Adjacent and Contiguous* – The IOUs’ interpretation of adjacent and contiguous is overly narrow. The Energy Division requests the following clarifying language be added:

Customer-generators with multiple contiguous properties are eligible to participate in NEM load aggregation without regard to where meters are located relative to the NEM generator, so long as all meters are within an unbroken chain of parcels under the same ownership, or lease that are contiguous to each other. Parcels that are divided by a street, highway, or public thoroughfare are considered contiguous, provided they are within an unbroken chain of otherwise contiguous parcels and under the same ownership or lease.

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 for aggregation. In addition, if there are five parcels, A, B, C, D, and E that form a cluster of contiguous parcels and D and E are separated from A, B and C by a street, highway, or public thoroughfare all five parcels are considered contiguous, provided they are otherwise contiguous and under the same ownership or lease.

The IOUs should include a visual example to illustrate the above additional language. The following diagram from PG&E should be modified to show that **all 5 parcels are eligible**.



- ★ = RENEWABLE ELECTRICAL GENERATION FACILITY
- = METER
- = ELIGIBLE
- ▨ = INELIGIBLE

- 2) **Bill Credit Allocation Method** – The method proposed by the IOUs could result in less than 100% of the kWh generated by the generator account being allocated to benefiting accounts. To ensure that all of the kWh from the generating account are allocated to the benefiting accounts the IOUs have agreed to add the following language at the request of the Energy Division:

The monthly allocation percentage of kWh will be based on the cumulative usage at each aggregated account and the cumulative generation from the generating account from the start of the Relevant Period.

Including a few sample illustrations would be very helpful.

- 3) **The IOUs' Proposed Billing Service Fees** – The Energy Division requests the following changes to the billing service fees:
- One-time set-up fees may be no higher than \$25 per benefiting account and shall be capped at \$500 per aggregation arrangement.
 - Monthly billing fees may be no higher than \$5 per benefiting account.
 - The IOUs may request authorization to establish memorandum accounts to track billing costs in excess of the current NEM program costs for one year from the effective date of the tariffs, and the IOUs may file advice letters in one year after the effective date with a proposed final billing service fee structure to be implemented on a going forward basis.

Should the fee structure change existing customers shall not be retroactively charged or debited.

- 4) **Effective date of PG&E Advice Letter** – PG&E proposed an effective date of 120 days after the date of filing their advice letter. Both SCE and SDG&E proposed an effective date 30 days from their original date of filing. The Energy Division requests that all three IOUs make their tariffs effective upon approval by the Energy Division.
- 5) **Clarification with Respect to the Permanent Prohibition on Net Surplus Compensation (NSC) for Aggregated Facilities.** With regard to the NSC issue raised by SEIA (SB 594 states that customer generators enrolled under NEM aggregation will be *permanently* ineligible for NSC), all of the utilities agreed that a customer generator will be prohibited from NSC *only* while under the NEM aggregation tariff. In other words, if a customer generator was enrolled in NEM aggregation at one point in time, and then later chose to take service under the regular NEM tariff, they would once again be eligible for NSC. The Energy Division requests the IOUs make the appropriate clarification in their tariffs on this issue.
- 6) **The Prohibited Combination of a Non-NEM Eligible Generator with a NEM Aggregation Arrangement** – SCE has agreed to remove this prohibition in response to the protest of SEIA and SCE has indicated it is agreeable to modifying this provision to allow aggregated accounts to have non-NEM eligible generating facilities directly interconnected to them. The Energy Division requests that all three IOUs make such a modification.
- 7) **Consistent Use of the Terms “Property” and “Parcel”.** The Energy Division requests that the tariffs be modified to be consistent with the legislation SB 594 which uses the terms “property” and “parcel”. Therefore the term “premise” should be struck from the tariffs.

Utility Specific Requested Changes:

- 8) **SCE Form 14-397.** The Energy Division requests that the language “as determined by SCE” be replaced with “as verified in Form 14-937.”

Issues that can be Addressed Outside of the Advice Letters:

- 9) **Consistent and Detailed Tracking of NEM-Related Interconnection Costs** - Commission Resolution E-4610 directs the IOUs to begin to track interconnection costs associated with all NEM systems. Energy Division will follow-up on this directly with the IOUs and not as part of this advice letter review process.
- 10) **CSI Incentives** – SEIA requests that the IOUs’ NEM tariffs be clarified with respect to the treatment of CSI incentives for NEM Aggregation customers with multiple CSI Applications. The Energy Division has directed the CSI program administrators to address this issue it will be handled outside of this advice letter review process.