

January 21, 2014

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

**Re: Pacific Gas and Electric Company Advice 4339-E: Schedules NEM, NEMV, NEMVMASH and NEMFC Changes in Compliance With Assembly Bill 327; San Diego Gas & Electric Company Advice 2561-E: Modification to Applicable Net Energy Metering Schedules Pursuant to Assembly Bill 327**

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Dear Mr. Randolph:

By way of this letter, the Solar Energy Industries Association (SEIA),<sup>1</sup> The Alliance for Solar Choice, the California Solar Energy Industries Association, and the Vote Solar Initiative protest the above referenced advice filings submitted by Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) regarding changes to their respective Net Energy Metering (NEM) Tariff Schedules to effect compliance with Assembly Bill (AB) 327. Neither PG&E's nor SDG&E's proposed changes to their NEM Tariff Schedules comply with AB 327 and, therefore, must be rejected.

PG&E and SDG&E correctly note that AB 327 defines the remaining period of time during which their current NEM Tariff Schedules must continue to be offered to new customers. Both, however, have erroneously applied the statute by placing a specified MW cap on their NEM offerings.<sup>2</sup>

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<sup>1</sup> The comments contained in this letter represent the position of the Solar Energy Industries Association as an organization, but not necessarily the views of any particular member with respect to any issue.

<sup>2</sup> PG&E proposes to modify its NEM Tariff Schedules to state that they will continue to be offered "until July 1, 2017, or such time as the total rated generating capacity used by eligible customer-generators on Rate Schedules NEM, NEMV and NEMVMASH exceeds 2409 megawatts of nameplate generating capacity, whichever is earlier."

SDG&E proposes to modify its NEM Tariff Schedules to state that they will continue to be offered until "the earlier of July 1, 2017 or when SDG&E reaches its NEM program limit of 607

The applicable statutory language reads as follows:

(B) The commission shall require every large electrical corporation to make the standard contract or tariff available to eligible customer-generators, continuously and without interruption, ***until such times as the large electrical corporation reaches its net energy metering program limit or July 1, 2017, whichever is earlier.*** A large electrical corporation reaches its program limit when the combined total peak demand of all electricity used by eligible customer-generators served by all the electric utilities in the large electrical corporation's service area furnishing net energy metering to eligible customer-generators exceeds 5 percent of the aggregate customer peak demand of those electric utilities. For purposes of calculating a large electrical corporation's program limit, "aggregate customer peak demand" means the highest sum of the noncoincident peak demands of all of the large electrical corporation's customers that occurs in any calendar year. To determine the aggregate customer peak demand, every large electrical corporation shall use a uniform method approved by the commission. ***The program limit calculated pursuant to this paragraph shall not be less than the following:***

(i) For San Diego Gas and Electric Company, when it has made 607 megawatts of nameplate generating capacity available to eligible customer-generators.

....

(iii) For Pacific Gas and Electric Company, when it has made 2,409 megawatts of nameplate generating capacity available to eligible customer-generators.

Thus the statute did not set a specified program limit for each of the IOUs. Rather it defined how the program limit for each IOU should be calculated, and established a floor below which the program limit could not drop. Stated another way, if, for example, the combined total peak demand of all electricity of NEM customers in PG&E's service territory exceeds 2409 MW, but is less than 5 percent of PG&E's annual aggregate customer peak demand, then PG&E must continue to offer its current NEM tariff Schedule until it reaches 5 percent of its aggregate peak customer demand (or July 1, 2017).

It should be noted that SCE, through Advice Filing 189-G/2982-E, correctly applied the statutory language to its NEM Tariff Schedules, revising the availability of such schedules to read as follows:

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*megawatts of nameplate capacity available to eligible customer-generators as provided in Assembly Bill 327, Public Utilities Code Section 2827(c)(4)(B)(i)."*

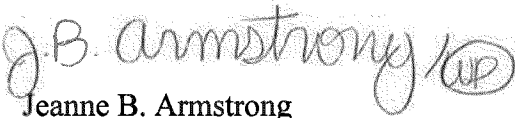
This Schedule is available on a first-come, first-served basis until the first of the following events occurs: (a) the total combined rated generating capacity of all Renewable Electrical Generating Facilities served under this Schedule, and all Eligible Generators served under Schedule NEM-V and Schedule MASH-VNM, reaches five (5) percent of Southern California Edison's (SCE) aggregate customer peak demand, as defined in Special Condition 7; or (b) July 1, 2017.

PG&E's and SDG&E's Advice Filings should be rejected and they should be directed to resubmit proposed changes to their NEM Tariff Schedules which reflect the directives of AB 327.

Very truly yours,

GOODIN, MACBRIDE, SQUERI,  
DAY & LAMPREY, LLP

By

  
Jeanne B. Armstrong

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Industries Association<sup>3</sup>

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Service List R.10-05-004 and R.12-11-005

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<sup>3</sup> Counsel for the Solar Energy Industries Association has been authorized to sign on behalf of the other protesting entities.