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VIA U.S. & ELECTRONIC MAIL (EDTariffUnit@cpuc.ca.gov) & FACSIMILE ((415-703-2200))

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

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

Dear Energy Division Tariff Unit:

The City of San Diego (the City) hereby submits this protest to SDG&E's Advice Letter 2529-E-A (Partial Supplement to Advice Letter 2529-E or Revised Advice Letter), which was served on January 15, 2014. Through this Advice Letter, SDG&E seeks to make certain revisions to its Net Energy Metering (NEM) tariff to comply with Commission Resolution E-4610, which orders the Investor-Owned Utilities to comply with Senate Bill 594. Senate Bill 594 authorizes NEM customers with multiple electric accounts to aggregate the load of those meters located on the property where the renewable electrical generator is located. This revised Advice Letter also partially responds to concerns raised by the Commission's Energy Division in its letter dated December 16, 2013 (ED Letter). Previously, the City protested SDG&E's Advice Letter 2529-E.

The City requests that the Energy Division accept this protest, even though SDG&E's Advice Letter 2529-E-A requests comments by January 21, 2014. The City did not realize that the Advice Letter requested an expedited deadline for protests. The City now understands that the period for filing protests was requested to be shortened to five days by instructions of the Energy Division via its memorandum to the utilities dated December 16, 2013. However, the City did not obtain a copy of the Energy Division's letter until after the utilities filed their revised Advice Letters. Five days is an unreasonably short period of time

for parties to be required to protest. SDG&E filed its revised Advice Letter on January 15 stating that the deadline for protests is January 21, 2015. Of the five days between January 15 and January 21, three of those days were weekend days and holidays, making SDG&E's setting January 21 as the deadline even more unreasonable. The City requests that in the interest of fairness, this protest should be received as timely filed. In the event the Energy Division or SDG&E may still regard this protest as untimely, notwithstanding the unreasonableness of the five-day period allowed (where three of the five days were non-business days), the City reasonably requests relief that Energy Division accept this protest as a late-filed protest under General Order 96-B Section 7.4.4.

The City appreciates the Energy Division's efforts to resolve many of the issues raised in protests to the initial Advice Letters implementing Senate Bill 594 and Resolution E-4610 that were filed by San Diego Gas and Electric (SDG&E), Pacific Gas & Electric, and Southern California Edison. SDG&E's revised Advice Letter addressed one of the issues that the City raised in its initial protest. Unfortunately, SDG&E's Revised Advice Letter still errs in two areas: (1) its requirement that existing NEM customers must obtain a new interconnection agreement and (2) the billing charges for aggregation of multiple NEM accounts.

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

SDG&E's revised Advice Letter still does not distinguish between existing NEM customers that want to aggregate meters at a location that (1) has an existing generator or set of generators providing service to a single meter under an existing NEM tariff and plans to serve multiple meters under the proposed aggregated NEM tariff and (2) a location that currently does not have a generator but plans to install one or more generators to serve load at multiple meters under the proposed aggregated NEM tariff. Because SDG&E's Advice Letter does not distinguish between existing and new NEM customers, SDG&E could require customers with existing generators providing service under the existing NEM tariff and under existing Interconnection Agreements to obtain new Interconnection Agreements and meet new requirements for Rule 21 that might not have been in effect when the customer's generator(s) were originally interconnected.¹

Such a result is unreasonable. Existing NEM customers already have interconnection agreements in place (pursuant to Special Condition 4 of the NEM Tariff) and should not be required to obtain a new interconnection agreement (or have new interconnection studies completed) when electing NEM Aggregation. This would place unnecessary burdens on existing NEM customers that wish to use NEM Aggregation. No new interconnection studies should be required where an existing Interconnection Agreement is in place since power flows on the distribution grid will not be affected by aggregation of multiple meters for

¹AL 2529-E-A (Revised Cal. P.U.C. Sheet 23798-E, Sheet 7, Special Condition 4; Cal. P.U.C. Sheets No. 24078-E, 24079-E, and 24080-E, Special Conditions 8.d.5 and 8.d.6

billing purposes under SDG&E's NEM tariff (i.e., aggregation of multiple meters is nothing more than a change in the accounting for energy usage for different customer accounts).

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

After SDG&E issued Advice Letter 2529-E-A, the City discussed the need for interconnection with SDG&E and was assured that even though existing NEM systems would, for purposes of participating in aggregation, still need to be placed on the posited "Generating Facility Interconnection Agreement (Multiple Tariff) (Form 117-2160)", it would not be likely that such existing systems would require additional studies to be placed on the Multiple Tariff.² Rather than relying on the qualified assurances from SDG&E's Regulatory Affairs Department, the City believes that Advice Letter 2529-E-A should be modified to unequivocally exempt existing NEM customers from needing new Interconnection Studies unless the NEM customer expands its generating facilities.

2. Billing Charges for NEM Aggregation

Senate Bill 594 added Section 2827(h)(4)(H) to the Public Utilities Code. This new section requires an NEM Aggregation customer to pay service charges for the cost of providing billing services to the electric utility that provides the service. SDG&E originally proposed to charge NEM Aggregation customers an upfront, one-time charge of \$156 per meter (or \$216 per meter if the customer's aggregation arrangement includes multiple renewable generating facilities.)³ The ED Letter requests that the billing service fees be revised to a (1) a one-time set-up fee of no more than \$25 per benefitting account and shall be capped at \$500 per aggregation arrangement and (2) monthly billing fees no higher than \$5 per benefitting account.⁴ In response to the ED Letter, SDG&E revised its proposed billing fees by increasing its one-time charges for NEM Aggregation customers with either single or multiple generating facilities to \$220 per generating facility, which is greater than its originally proposed fees for Aggregation Arrangements that have single or multiple generators.⁵

The City protests the charges in SDG&E's Revised Advice Letter. SDG&E only provides a cursory level of support for its increase in fees. The City recommends that the Commission adopt the set-up fees as recommended in the ED Letter (i.e., \$25 per benefitting account, with a cap of \$500). At the same time, the Commission should not allow SDG&E to charge

² Conversation with Jamie York, January 23, 2014.

³ SDG&E AL 2529-E at p. 3.

⁴ ED Letter at p. 2.

⁵ AL 2529-E-A, Cal. P.U.C Sheet No. 24080-E, Special Conditions 8.e.1.

any monthly fees associated with billing. SDG&E's Revised Original and Advice Letters make it plain that SDG&E will not incur any monthly costs associated with Aggregated NEM. Therefore, consistent with the ED Letter, the Commission should order SDG&E to not charge any monthly billing charges.

The City agrees with the ED Letter that SDG&E should be allowed to establish a memorandum account to track billing costs in excess of the current NEM program costs for one year from the effective date of the tariffs, and that SDG&E should be allowed to file an Advice Letter in one year after the effective date of the adoption of the Aggregated NEM tariff with a proposed final billing service fee structure to be implemented on a going forward basis. However, consistent with the ED Letter, if SDG&E should find that the fee structure should change based on a comparison of its actual costs to its initially adopted billing fees, these changes should be applied prospectively and not to existing customers.

4. Conclusion

In light of the foregoing, the City of San Diego respectfully requests that the Commission (1) direct SDG&E to revise AL 2529-E-A to ensure that existing NEM customers who elect NEM Aggregation are not burdened with completing an interconnection study and (2) direct SDG&E to adopt a fixed set-up charge of \$25 per benefitting account with a cap of \$500 for each customer and to not charge any monthly billing fees.

Sincerely,

/s/

Frederick M. Ortlieb
Deputy City Attorney

cc: Ms. Megan Caulson, SDG&E
Service List R.12-11-005