NEM Grandfathering

March, 2014

Alternatives to the PD

Minor changes to PD can significantly reduce cost-shift

		(a)	(b)	(c)	(d)
		Effective Years Post July 2017	PG&E MWs Grandfathered	Cumulative PG&E Cost-Shift During Proposed Grandfathering period ($ billions)	Cumulative PG&E Cost-Shift During Proposed Grandfathering period including Rate Reform ($ billions)
1	***PD – 20 Years for all***	***16.2***	***2410***	***$9.9***	***$5.2***
2	***20 Years pre-2016; 10 years after***	***13.3***	***2410***	***$8.2***	***$4.3***
3	***20 Years pre-2016; 5 years after***	***11.9***	***2410***	***$7.3***	***$3.8***
4	***20 Years pre-2016; 0 years after***	***10.6***	***2410***	***$6.5***	***$3.4***
5	***15 Years pre-2016; 10 years after***	***9.8***	***2410***	***$6.0***	***$3.1***
6	***15 Years pre-2016; 5 years after***	***8.3***	***2410***	***$5.1***	***$2.7***
7	***15 Years pre-2016; 0 years after***	***7.1***	***2410***	***$4.3***	***$2.3***

Notes:
1.Projected volumes in column (b) assume 1720 MW installed before 2016 and 690MW installed after in all scenarios
2.Column (c) cost-shift per MW per year in 2017 of $255,000 from E3 work-papers; column (d) cost-shift reduced to reflect PG&E rate reform
3.Rate reform assumption --effective avoided res rate/kwh of $.205 based on Res Rate OIR proposals from 2-28-14, including impact of $10 Basic Service Fee, 2 Tiers (with 20% differential), and 80% of DG offsetting the higher tier.
4.Cost-shift values are projected from E3 2017 values in 2017 dollars