

# 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	<i>PD – 20 Years for all</i>	<b>16.2</b>	<b>2410</b>	<b>\$9.9</b>	<b>\$5.2</b>
2	<i>20 Years pre-2016; 10 years after</i>	<b>13.3</b>	<b>2410</b>	<b>\$8.2</b>	<b>\$4.3</b>
3	<i>20 Years pre-2016; 5 years after</i>	<b>11.9</b>	<b>2410</b>	<b>\$7.3</b>	<b>\$3.8</b>
4	<i>20 Years pre-2016; 0 years after</i>	<b>10.6</b>	<b>2410</b>	<b>\$6.5</b>	<b>\$3.4</b>
5	<i>15 Years pre-2016; 10 years after</i>	<b>9.8</b>	<b>2410</b>	<b>\$6.0</b>	<b>\$3.1</b>
6	<i>15 Years pre-2016; 5 years after</i>	<b>8.3</b>	<b>2410</b>	<b>\$5.1</b>	<b>\$2.7</b>
7	<i>15 Years pre-2016; 0 years after</i>	<b>7.1</b>	<b>2410</b>	<b>\$4.3</b>	<b>\$2.3</b>

- 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