

Workshop Agenda: Discussion of NEM Successor Tariff or Contract Options

April 23, 2014, 9:30am – 2:00pm

California Public Utilities Commission
505 Van Ness Avenue – Auditorium
San Francisco, CA 94102



WebEx (Slide View/Submit Questions)

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Meeting Number: 746 188 123

Meeting Password: nem

Phone Attendees (Listen Only)

Conference Line: 866-687-1443

Participant Code: 1049466

General Questions: Ehren.Seybert@cpuc.ca.gov or Jason.Perkins@cpuc.ca.gov

Supporting Documents Available on the CPUC's Website at:

<http://www.cpuc.ca.gov/PUC/energy/DistGen/NEMWorkShop04232014.htm>

Background

On October 7, 2013, Governor Brown signed Assembly Bill (AB) 327 (Perea), directing the California Public Utilities Commission to develop a standard tariff or contract for eligible customer-generators with a renewable electrical generation facility no later than December 15, 2015. For the full text of AB 327: http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB327

Purpose

The purpose of this workshop is for Energy Division staff to outline the expectations and schedule for the development of a successor tariff or standard contract to net energy metering (NEM), and to engage stakeholders in an informal discussion of:

- 1) **Guiding Principles** for the design of a new tariff/contract;
- 2) **Program Elements** to consider in the new tariff/contract; and,
- 3) Other topics to consider in a forthcoming NEM proceeding.

Workshop participants should be prepared to discuss the questions posed in this agenda. CPUC staff will also solicit informal written comments on the possible Guiding Principles and Program Elements following the workshop.

Workshop Agenda**A. Introduction and Overview**

9:30-10:00

(Ehren Seybert - CPUC)

- Welcome, introductions, and housekeeping
- Overview of workshop agenda
- Expectations and schedule
 - Scope of NEM successor contract/tariff following AB 327
 - Role of the NEM public tool
 - Proceeding and timing issues
- Stakeholder discussion
 - Stakeholder input and process for getting proposals on record

B. Discussion of Possible Guiding Principles

10:00-11:00

(Jason Perkins – CPUC)

- Presentation of possible guiding principles developed by Energy Division:
 - AB 327 goals
 - Market certainty
 - Simplicity, transparency, equity
 - Innovation and growth
 - Other CPUC policies and goals
- Stakeholder discussion
 - What are the most important objective(s) to consider in developing the new contract or tariff? What are the most important values to the customer-generator and to all other ratepayers?
 - For example, other objectives could include: fair compensation for the production of customer-side renewable generation; balancing the ratepayer costs and benefits of the program; incentivizing customer-generators to size their systems to offset their onsite load, etc.

- AB 327 directs the Commission to 'ensure that customer-sited renewable distributed generation continues to grow sustainably.' How could this 'sustainable growth' goal be defined?
 - For example, could rate and tariff reform pending in R.12-06-013 promote the deployment of distributed generation in new market segments or customer classes, and how might the new tariff/contract take advantage of this?
- If the Commission were to adopt more than one successor tariff or contract, how could they be differentiated?
 - For example, the successor tariffs/contracts could be differentiated by customer class, system size, etc.
- Are there any lessons learned from the implementation of NEM (and NEM variants), the California Solar Initiative (CSI), or the Self-Generation Incentive Program (SGIP) that could be applied to the successor contract or tariff?
- Do stakeholders have any other potential guiding principles that the Commission should take into account?
 - For example, other considerations to support current or anticipated future policies, such as the procurement of energy storage, Zero Net Energy (ZNE) goals, changes to Rule 21, etc.
 - Other ownership structure or customer class considerations.

Break

11:00-11:15

C. Discussion of Successor Tariff Program Element Options

11:15-12:15

(Ehren Seybert - CPUC)

- Presentation of possible program elements developed by Energy Division
 - Pricing mechanisms
 - Secondary program elements
 - Current examples: Interconnection and departing load exemptions, faster interconnection processing times.

- Variants to successor tariff/contract
 - Current examples: Virtual NEM, Renewable Self-Generation Bill Credit Transfer program, NEM aggregation.
- Stakeholder discussion:
 - Defining a successor contract versus tariff: What types of pricing mechanisms could be considered in the successor tariff or contract? What are all the elements of a pricing mechanism to consider in designing the successor tariff or contract? Which terms of service and billing rules must be considered for customer-generators under these two categories?
 - What types of alternatives, including alternative tariffs/contracts or modified program elements, could be considered for residential customers in disadvantaged communities? Are there other ownership structure or customer class considerations?
 - To what extent could local grid benefits/interactions with the electric grid be considered or incentivized in the design of a new tariff? Do we have enough information to be able to capture and incentivize these benefits?
 - For example, locational-specific interconnection fee exemptions, system size limits, system orientation (for PV), etc.
 - AB 327 allows projects greater than 1 MW that do not have a significant impact of the distribution grid to be built to the size of onsite load if the projects are subject to reasonable interconnection charges under Rule 21. What processes are underway, or need to be initiated, that would help evaluate this statutory requirement?

Lunch**12:15-1:00**

D. Other Topics to Consider in NEM Successor Tariff Proceeding 1:00-1:30

(Jason Perkins - CPUC)

- Other topics interrelated to the NEM proceeding
- Coordination between other proceedings
 - Rates Proceeding (R.12-06-013)
 - Rule 21 Proceeding (R.11-09-011)

E. Wrap-Up

1:30-2:00

(Ehren Seybert - CPUC)

- High level summary of issues raised at workshop
- Next steps and upcoming events:
 - NEM Successor Tariff proceeding
 - Written comments to be solicited on possible Guiding Principles and Program Elements
 - Future workshops, development of the NEM public tool, and stakeholder proposals