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April 10, 2014

Mr. Edward Randolph
Energy Division – Director
California Public Utilities Commission
505 Van Ness Ave, Room 4004
San Francisco, CA 94102

**Re: WITHDRAWAL OF SAN DIEGO GAS & ELECTRIC (SDG&E) AL 2561-E;
MODIFICATION TO APPLICABLE NET ENERGY METERING SCHEDULES PURSUANT
TO ASSEMBLY BILL 327**

Dear Mr. Randolph

In accordance with GO 96.B, Section 5.3, San Diego Gas & Electric Company (“SDG&E”) hereby withdraws Advice Letter (“AL”) 2561-E filed on December 31, 2013. The purpose of AL 2561-E was to request approval from the California Public Utilities Commission (“Commission”) modifications to SDG&E’s applicable Net Energy Metering (“NEM”) Electric Tariff Schedules pursuant to Assembly Bill (“AB”) 327. Specifically, schedules NEM, Virtual Net Metering for Multi-Tenant and Multi-Meter Properties (“NEM-V”), and Virtual Net Metering for Multifamily Affordable Housing (“VNM-A”) were revised to reflect that they will be closed to new customers once SDG&E reaches its NEM program limit of 607 megawatts (“MW”) of nameplate generating capacity available to eligible customer-generators or July 1, 2017, whichever is earlier. Schedule Net Energy Metering for Fuel Cell Customer- Generators (“NEM-FC”) specified that the Eligible Fuel Cell Electrical Generating Facility must have commenced operation on or before January 1, 2017.

SDG&E is withdrawing AL 2561-E as a result of the Commission’s recent clarification in Decision (“D.”) 14-03-041, which states:

Pub. Util. Code § 2827(c)(4)(B)7 sets the limit for enrollment in the large utilities’ currently existing NEM tariff structures as 5 percent of the aggregate customer peak demand of those utilities, but specifies that the trigger level marking the end of current NEM tariffs may not be lower than absolute megawatt levels specified in the statute. This section further provides that the electrical corporations use a uniform method approved by the Commission to calculate the aggregate customer peak demand.¹

Based on the Commission’s directives, SDG&E will re-file proposed modifications to its NEM Electric Tariff schedules to reflect that they will be closed to new customers once the combined total peak

¹ D.14-03-041, at p. 5.

demand of all electricity used by eligible customer-generators served by SDG&E exceeds 5 percent of SDG&E's aggregate customer peak demand or July 1, 2017, whichever is earlier.

CLAY FABER
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Cc: Ehren Seybert, Energy Division
Energy Division Tariff Unit
Service List R.12-11-005, R.12-06-013