

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's Own
Motion to Conduct a Comprehensive Examination of
Investor Owned Electric Utilities' Residential Rate
Structures, the Transition to Time Varying and Dynamic
Rates, and Other Statutory Obligations

Rulemaking 12-06-013
(Filed June 21, 2012)
Phase 1

**PREHEARING CONFERENCE STATEMENT OF
THE SOLAR ENERGY INDUSTRIES ASSOCIATION
AND THE VOTE SOLAR INITIATIVE**

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Pursuant to the Third Amending Scoping Memo and Ruling of the Assigned Commissioner issued in the above captioned proceeding on April 15, 2014 (Scoping Memo), the Solar Energy Industries Association (SEIA)¹ and the Vote Solar Initiative (Vote Solar) submit this Prehearing Conference Statement addressing evidentiary needs to resolve factual disputes about default time of use (TOU) rates. Specifically, the Scoping Memo affords parties the opportunity to “further identify areas of factual dispute and categories of data and types of studies that could be used to resolve these disputes.”² To this end, SEIA / Vote Solar submit that the following factual issues must be explored in order to fully assess the potential positive and negative impacts of default TOU residential rates:

- Experience with the implementation of TOU residential rates in other states and countries.³

¹ The comments contained in this filing represent the position of the Solar Energy Industries Association as an organization, but not necessarily the views of any particular member with respect to any issue.

² Scoping Memo, pp. 9-10.

³ PG&E (Phase 1 Prepared Testimony, pp. 2-57- 2-58) has presented evidence which speaks against default TOU residential rates. This, evidence, however, is deficient and does not allow for an adequate exploration of documented accounts of the implementation of residential TOU rates.

- Experience with implementation of mandatory TOU rates for commercial and industrial customers in California.
- Potential impacts of TOU rates on the distributed generation (DG) and storage markets and as well as on the cost and benefits of net energy metering (NEM).
- Revenue impacts of a sudden migration to default residential TOU rates.
- Magnitude of the expected savings / benefits (or costs) from moving to TOU residential rates.⁴

It is the expectation of SEIA / Vote Solar that the first two factual issues listed will not be disputed. Rather it will be a matter of ensuring that the record contains sufficient documentation regarding the experiences with different forms of TOU rates. With respect to the latter three issues, SEIA / Vote Solar anticipate that they will be the subject of dispute and may require additional exploration through cross examination. As to the “categories of data and types of studies that could be used to resolve these disputes,” SEIA / Vote Solar note that there have been several studies which have examined the impacts of TOU rates on DG, storage, and NEM.⁵ Parties may choose to introduce additional, updated analysis of such impacts, given the significant rate design changes expected for the residential market. Moreover, the utilities could

⁴ The Scoping Memo (p. 8, note 1) recognizes certain data elements which would need to be assessed in order to determine the magnitude of the savings (or costs) resulting from moving to default residential TOU rates, *e.g.*, do TOU rates result in (a) significant reductions in energy use at time of monthly system peaks; (b) significant load reductions in monthly on-peak energy use; and /or (c) significant load increases in monthly semi-peak and off-peak energy use?

⁵ Several NEM studies in California have looked at the impact of TOU rates on NEM customers: (1) Dargouth, N; Barbose, G; and Wiser, R., “The Impact of Rate Design and Net Metering on the Bill Savings from Distributed PV for Residential Customers in California” (April 2010, LBNL), available at <http://eetd.lbl.gov/ea/emp/reports/lbnl-3276e.pdf> , and (2) Beach, R. Thomas, and McGuire, Patrick G., *Evaluating the Benefits and Costs of Net Energy Metering in California* (January 2013), available at <http://votesolar.org/wp-content/uploads/2013/01/Crossborder-Energy-CA-Net-Metering-Cost-Benefit-Jan-2013-final.pdf>. The Commission-sponsored NEM studies from Energy and Environmental Economics, in 2010 and 2013, analyzed the costs and benefits of NEM for both TOU and non-TOU customers, but did not report the results separately for each type of rate design.

provide the bill comparison and revenue data needed to analyze the potential revenue shifts from various levels of migration to TOU rates. The utilities and other parties to recent general rate cases and to prior stages of this OIR have analyzed the impacts of rate design changes on energy use and peak loads. Such analyses in this phase could help to illuminate the impacts of a widespread adoption of TOU rates.

Respectfully submitted this 2nd day of May, 2014, at San Francisco, California

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