

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

Order Instituting Rulemaking Regarding Policies
Procedures and Rules for the California Solar
Initiative, the Self-Generation Incentive Program
and Other Distributed Generation Issues.

Rulemaking 12-11-005
(November 8, 2012)

**COMMENTS OF THE VOTE SOLAR INITIATIVE ON PROPOSED DECISION
REGARDING NET ENERGY METERING INTERCONNECTION ELIGIBILITY FOR
STORAGE DEVICES PAIRED WITH NET ENERGY METERING GENERATION
FACILITIES**

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May 5, 2014

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The Vote Solar Initiative (Vote Solar) hereby submits these Comments on the Proposed Decision Regarding Net Energy Metering Interconnection Eligibility for Storage Devices Paired with Net Energy Metering (NEM) Generation Facilities, issued on April 15, 2014 (“Proposed Decision”).

I. INTRODUCTION

Vote Solar supports the Proposed Decision and applauds the Commission for its thoughtful and rational consideration and incorporation of stakeholder input. Vote Solar recommends two minor revisions to the Proposed Decision to 1) clarify that customers with existing NEM-paired storage systems that were incorrectly charged interconnection application, supplemental review, distribution system upgrade or standby charges should be reimbursed for these charges, and 2) recognize the evolving and interconnected nature of State and Commission policies, rules, programs and technologies to promote grid reliability while reducing greenhouse

gas (GHG) emissions and provide for review and possible modification of certain aspects of the Decision as new storage technologies, configurations and programs are introduced.

II. ANY INTERCONNECTION-RELATED FEES OR STANDBY CHARGES INAPPROPRIATELY COLLECTED FROM EXISTING NEM-PAIRED STORAGE CUSTOMERS SHOULD BE REIMBURSED

The Proposed Decision correctly determines that NEM-paired storage systems are exempt from interconnection application, supplemental review, distribution system upgrade and standby charges. However, customers who installed eligible NEM-paired storage systems may have been charged these fees prior to the issuance of the Commission's Final Decision. Vote Solar believes the utilities should be required to promptly reimburse any such customers for past charges that do not comport with the Final Decision.

III. THE COMMISSION SHOULD REVIEW THE SIZING AND METERING RULES EITHER AS PART OF THE NEM SUCCESSOR TARIFF PROCEEDING OR A SEPARATE DEDICATED NEM-PAIRED STORAGE REVIEW

The Proposed Decision imposes size limits and metering requirements on storage devices paired with NEM eligible generation to protect the integrity of the NEM program. While Vote Solar agrees that NEM customers should only receive net metering credit for eligible renewable energy output, we also support expanded uses of paired storage devices to support integration of variable energy resources and other grid reliability needs such as resource adequacy/local capacity, flexible ramping, demand response, voltage support and frequency regulation. The Commission is currently conducting other proceedings¹ and has issued recent decisions² that support expanded use of energy storage, demand response, and vehicle-grid integration, all of which could have further implications for NEM-paired storage systems and use cases. In

¹ For example, the Alternative -Fuel Vehicle Programs proceeding (R.13-11-007), the Resource Adequacy proceeding (R.11-10-023), and the Demand Response Program Improvements proceeding (R.13-09-011).

² For example, Decision Authorizing Long-Term Procurement for Local Capacity Requirements, Tracks 1 (D.13-02-015) and 4 (D.14-03-004), and the Energy Storage Procurement Decision (D.13-10-040).

addition, the Commission is just beginning the stakeholder discussion regarding the development of the NEM successor tariff in compliance with AB327.

The storage system size limits and metering requirements in this Proposed Decision are a reasonable and rational starting point to encourage NEM-paired storage systems to be deployed. Vote Solar agrees with the use of inverter integrated metering to reduce costs and complexity and encourage deployment of NEM-paired storage systems. However, we reserve comment on the efficacy of limiting the storage system size to the maximum output of the PV system as opposed to the maximum load until we have a better understanding of how such limits affect customers' ability to participate in future demand response, flexible ramping or other such programs.

As is being discussed in other Commission proceedings such as the Alternative Fuel Vehicle Programs proceeding, there are many other possible configurations of storage devices that can be paired with NEM-eligible generation systems. Further, the Commission is trying to expand use of demand response and other Preferred Resources to address local and system capacity requirements, as has been documented in the Decision Authorizing Long-Term Procurement for Local Capacity Requirements for Tracks 1 and 4 decisions and Resource Adequacy proceeding. This may result in new technologies, new programs, and/or new NEM-paired storage configurations that were not envisioned in this Proposed Decision.

In light of the nascent nature of this technology and significant potential implications for other Commission supported programs, Vote Solar recommends the Final Decision reflect the need for review and possible revision of the size and metering requirements for NEM-paired storage as part of the NEM Successor Tariff proceeding, or as part of a separate NEM-paired storage proceeding at some point in the next 18 to 24 months.

IV. CONCLUSION

Vote Solar supports the Proposed Decision, with the recommendations suggested herein, and appreciates the opportunity to provide these comments.

Respectfully submitted,

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