

June 9, 2014

Edward Randolph, Director  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4004  
San Francisco, CA 94102

**Re: Pacific Gas and Electric Company Advice 4418-E: Modification of Schedules NEM, NEMV, NEMV MASH pursuant to Decision 14-03-041 and Assembly Bill 327; San Diego Gas & Electric Company Advice 2605-E: Modifications to Tariff Schedule Rate to Net Energy Metering Pursuant to Decision 14-03-041 and Assembly Bill 327; Southern California Edison Company Advice 3041-E: Modifications to Schedules NEM, MASH-VNM and NEM-V and Associated Forms to Implement Net Energy Metering (NEM) Transition Provisions Pursuant to Assembly Bill 327 and Decision 14-03-041**

Dear Mr. Randolph:

By way of this letter, the Solar Energy Industries Association (SEIA)<sup>1</sup> protests the above referenced advice filings submitted by Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE) (collectively, the IOUs) regarding changes to their respective Net Energy Metering (NEM) Tariff Schedules to effect compliance with Commission Decision 14-03-041 and Assembly Bill (AB) 327. The IOUs' proposed changes to their NEM Tariff Schedules do not comply in totality with Decision 14-03-041 and/ or AB 327. To this end, the Commission, prior to approval of the advice filings, must direct the IOUS to make the changes set forth below.

#### **Qualification for Transition Period**

Decision 14-03-041 established a twenty year transition period for customers on the current NEM tariff prior to July 1, 2017, or the date on which a utility reaches its NEM transition trigger level, whichever is earlier (referred to herein as the "qualifying period"). In this regard, the Commission clarified that:

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<sup>1</sup> The comments contained in this letter 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.

Eligibility for the transition period is based on the date of submission of the documentation needed to complete a NEM interconnection application, including the final building inspection. *Customers that complete their application prior to reaching the date that the successor tariff is implemented will be eligible for the transition period once they receive their Permission to Operate letter.* The date of that letter indicates the year in which a system was interconnected for the purposes of the transition.<sup>2</sup>

In other words, it is not the customer's receipt of the PTO letter prior to the end of the qualifying period, but the customer's submission to the IOU of the documentation needed to complete the interconnection application, that makes the customer eligible to receive service under the current NEM tariff for the transition period.

SCE's proposed tariff changes recognize this distinction. Thus, SCE's proposed changes to the applicability section of its NEM tariffs include the following language:

*Qualified Customers who are receiving service on this Schedule, or who have submitted all documentation necessary for receiving service on this Schedule, prior to the date SCE reaches its NEM trigger level or July 1, 2017, whichever is earlier, are subject to the transition provisions as provided in Special Condition 15 below.*<sup>3</sup>

PG&E's and SDG&E's proposed tariff changes do not recognize this distinction. Rather their proposed tariff language requires the customer to have been "taking service"<sup>4</sup> or "receiving service"<sup>5</sup> on the NEM tariff prior to the end of the qualifying period. Consistent with the directive contained in Decision 14-03-041, PG&E and SDG&E should be required to modify the applicability sections of their respective NEM tariffs to provide that customers who have submitted all documentation necessary to receive service prior to the end of the qualifying period are eligible to continue to receive service under the current tariff during the transition period.

### **Modifications to Systems**

In Decision 14-03-041 the Commission determined that:

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<sup>2</sup> Decision 14-03-041, p.23, footnote 49.

<sup>3</sup> See, e.g., SCE Advice 3041-E, Schedule Mash VNM, Sheet 1 (emphasis added).

<sup>4</sup> See, e.g., PG&E Advice 4418-E, Electric Schedule NEM, Sheet 2.

<sup>5</sup> See, e.g., SDG&E Advice 2605-E, Schedule NEM, Sheet 11.

Additions or modifications to transitioning systems would remain eligible for the remainder of their transition period as long as the generation capacity is increased by no more than the greater of 10 percent of the system's capacity or 1 kW.<sup>6</sup>

The Commission's determination was directed to modifications or additions to systems eligible for the transition period *if those modifications are made after the implementation of the NEM successor tariff.*<sup>7</sup> Both SCE and SDG&E clearly recognize that the restriction on capacity increase pertains solely to the increases made after the end of the qualifying period.<sup>8</sup> PG&E's proposed tariff language does not.<sup>9</sup> PG&E should be directed to modify its tariff consistent with Decision 14-03-041, making the modification language applicable solely to those modifications made after the implementation of the successor NEM Tariff.

### **Net Energy Metering Cap**

In its advice filing, PG&E correctly characterizes the cap on its current NEM schedules as the earlier of :

- (i) the AB 327 cut-off date of July 1, 2017 or
- (ii) when PG&E has exceeded [the] ***larger of the 5% cap in CA PUC section 2827*** (the

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<sup>6</sup> Decision 14-03-041, p. 27.

<sup>7</sup> *Id.*, p.25.

<sup>8</sup> See SCE Advice 3041-E , Schedule Mash VNM, Sheet 12 ("*Eligible Generators eligible for the 20-year transition period that are modified and/or repaired on or after the date SCE reaches its NEM trigger level or July 1, 2017, whichever is earlier, shall remain eligible for the remainder of their 20-year transition period as long as the modifications and/or repairs do not increase the Eligible Generator by more than the greater of (1) 10 percent of the Eligible Generator's nameplate rating capacity, as established when the Eligible Generator was originally interconnected, or (2) 1 kW (emphasis added); SDG&E Advice, Schedule NEM, Sheet 11 (Modifications or repairs that occur after the earlier of July 1, 2017 or when SDG&E reaches its program limit that increase the system's generation by more than the greater of 10% of the renewable electrical generating facility's capacity at the time the customer receives the ATO letter or 1 kW, not to exceed a total generation capacity of 1 MW, and are sized to meet but not exceed the customer's annual onsite load, may either choose to meter the additions separately under the successor tariff or elect for the whole renewable electrical generating facility to take service under the successor tariff) (emphasis added).*

<sup>9</sup> PG&E Advice 4418-E, Schedule NEM, Sheet 2.

calculation of which is detailed in Attachment 1 of D.14-03-041 and described in the NEM tariff) *or the 2409 MW* limit (added by AB 327 to Public Utilities Code Section 2827(c)(4)(B)(iii) ).<sup>10</sup>

By use of the “larger of” language, PG&E correctly recognizes that the 2409 MW limit set in AB 327 is a floor; that the 5% cap set by PU Code Section 2827 could exceed 2409 MW. PG&E, however, does not recognize this critical distinction in its tariff sheets. Rather, it describes the cap on its current NEM schedules as the earlier of:

(i) July 1, 2017, or

(ii) such time as the Total Rated Generating Capacity used by eligible customer generators and Qualified Customers on Rate Schedules NEM, NEMV and NEMVMASH exceeds the maximum of five (5) percent of PG&E’s Aggregate Customer Peak Demand or 2409 megawatts of nameplate generating capacity.<sup>11</sup>

Removal of the “larger of” language from this provision would allow PG&E to stop providing service to new customers under its current NEM schedules once the 2409 MW floor is reached, regardless of whether the 5% cap set in PU Code Section 2827 has been reached. This is clearly inconsistent with the statute. PG&E should be directed to clarify its tariff language to add the “larger of” qualifier. Thus the applicable language would read:

(ii) such time as the Total Rated Generating Capacity used by eligible customer generators and Qualified Customers on Rate Schedules NEM, NEMV and NEMVMASH exceeds ***the larger of*** the maximum of five (5) percent of PG&E’s Aggregate Customer Peak Demand or 2409 megawatts of nameplate generating capacity.

Similarly, neither SCE nor SDG&E have recognized that AB 327 sets a floor up to which they must continue to offer service to new customers under their respective NEM tariffs even if the calculated five percent of their aggregate customer peak demand is below the floor. Accordingly, SCE should be directed to include language clarifying that it will provide service under its current NEM schedules up to its AB 327 mandated 2,240 MW floor, regardless of whether the 5% cap set in PU Code Section 2827 has been reached. Similarly, SDG&E should be directed to clarify in its advice filing and tariff sheets to indicate that 607 MW represents a floor up to which they must continue to offer their NEM schedules.

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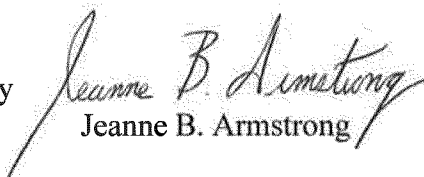
<sup>10</sup> PG&E Advice 4418-E, p. 3.

<sup>11</sup> PG&E Advice 4418-E, Electric Schedule NEM, Sheet 1.

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Very truly yours,

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