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June 16, 2014

Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Re: Reply of San Diego Gas & Electric to the Protest of Advice Letter 2605-E, Modifications to Tariff Schedules Related to Net Energy Metering Pursuant to Decision (D.) 14-03-041 and Assembly Bill 327

Energy Division:

In accordance with Section 7.4.3 of General Order (“GO”) 96-B, San Diego Gas & Electric Company (“SDG&E”) hereby replies to the protest from the Solar Energy Industries Association (“SEIA”) filed on June 9, 2014.

On May 19, 2014, SDG&E filed Advice Letter (“AL”) 2605-E to request that the California Public Utilities Commission (“Commission” or “CPUC”) approve modifications to its Tariff Schedules for Net Energy Metering (“NEM”), Virtual Net Energy Metering for Multi-Tenant and Multi-Meter Properties (“NEM-V”) and Virtual Net Energy Metering for Multi-Family Affordable Housing (“VNM-A”) pursuant to Decision (“D.”) 14-03-041 and Assembly Bill (“AB”) 327. These Schedules are revised to incorporate the established transition period as well as reflect that they will closed to new customers once SDG&E reaches its NEM program limit or July 1, 2017, whichever is earlier. Schedule Net Energy Metering for Fuel Cell Customer-Generators (“NEM-FC”) is also revised in accordance with AB 327 to specify that the Eligible Fuel Cell Electrical Generating Facility must have commenced operation on or before January 1, 2017. the *Amendment and Restatement of Agreement for Power Purchase wiith a Firm Capacity Qualifying Facility (Oceanside Refrigeration, Inc.)* with Goal Line, L.P. (“Goal Line” or “Seller”) dated July 2, 2013 (the “Amendment”) that modifies an existing Qualifying Facility (“QF”) contract.

PROTEST

SEIA, the sole party to oppose SDG&E’s AL, protested on the grounds that SDG&E did not make it clear that (1) “customers who have submitted all the necessary documentation to receive service prior to the” earlier of July 1, 2017 or when SDG&E reaches its NEM program limit “are eligible to continue to receive service under the current tariff during the transition period;”¹ and (2) “AB 327 sets a floor up to which the utilities 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.”²

¹ SEIA protest, submitted on June 9, at p. 2.

² *Id.*, at p. 4.

RESPONSE

SDG&E is agreeable to SEIA's two suggested clarifications. Accordingly, SDG&E will amend the applicability sections of its NEM tariffs by submitting sub-sheets in a separate, forthcoming filing to include SEIA's revisions.

Sincerely,

CLAY FABER
Director – Regulatory Affairs

cc: Jeanne B. Armstrong
Service List R.12-11-005