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June 16, 2014

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, Room 4005
San Francisco, CA 94102

RE: Substitute Sheets for San Diego Gas & Electric (SDG&E) Advice Letter 2605-E, Modifications to Tariff Schedules Related to Net Energy Metering Pursuant to Decision (D.) 14-03-041 and Assembly Bill 327

Enclosed please find substitute sheets 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") tariffs pursuant to Decision ("D.") 14-03-041 and Assembly Bill ("AB") 327. These sheets were originally submitted on May 19, 2014 through Advice Letter 2605-E.

In response to the protest received on June 9, 2014 by the Solar Environmental Industries Association ("SEIA"), SDG&E hereby clarifies that the program limit established in AB 327, specifically in Public Utilities Code Section 2827(c)(4)(B)(i), is a floor and therefore may not be less than 607 megawatts ("MW"). SDG&E also clarifies that eligible customer-generators who have completed and submitted the required interconnection documentation are eligible for the 20 year transition period. As such, the following will be included in the "Applicability" section to sheet 1 for each of the above tariff schedules:

In accordance with Public Utilities Code Section 2827(c)(4)(B)(i), SDG&E's program limit may not be less than 607 MW of nameplate generating capacity available to eligible customer-generators. Customers who have completed and submitted the required interconnection-related documentation to SDG&E

An asterisk has been reflected in the upper right corner of the sheets referenced above.

The attached substitute sheets are being served to interested parties in R.12-11-005.

Sincerely,

JOFF MORALES
Regulatory Affairs

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SCHEDULE NEM

Sheet 1

NET ENERGY METERING

APPLICABILITY

Pursuant to California Public Utilities Code (PU Code) Section 2827, this schedule is applicable to a residential, small commercial (as defined in subdivision (h) of Section 331 of the PU Code), commercial, industrial, or agricultural customer who uses a Renewable Electrical Generation Facility, as defined in Special Condition 1.b, or a combination of those facilities, with a total capacity of not more than 1,000 kilowatts (kW) (also referred herein as 1 megawatt [MW]) that is located on the customer's owned, leased, or rented premises, is interconnected and operates in parallel with the Utility's transmission and distribution systems, and is intended primarily to offset part or all of the customer's own electrical requirements (hereinafter "eligible customer-generator" or "customer"). Certain incremental billing and metering costs set forth in this schedule that are related to net energy metering are applicable to Energy Service Providers (ESPs) serving eligible customer-generators.

This schedule shall be available to eligible customer-generators, upon request, on a first-come-first-served basis until the earlier of July 1, 2017 or when SDG&E reaches its NEM program limit. Pursuant to Assembly Bill 327, PU Code Section 2827(c)(4)(B)(i), SDG&E will reach its program limit when the combined total peak demand of all electricity used by eligible customer-generators in SDG&E's service area, furnishing net energy metering to eligible customer-generators, receiving service under Schedules NEM, NEM-V and VNM-A, exceeds 5% of SDG&E's aggregate customer peak demand. Aggregated customer peak demand is defined for this purpose as the highest sum of all SDG&E's customers' non-coincident peak demands that occurs in any calendar year. In accordance with Public Utilities Code Section 2827(c)(4)(B)(i), SDG&E's program limit may not be less than 607 MW of nameplate generating capacity available to eligible customer-generators. Customers who have completed and submitted the required interconnection-related documentation to SDG&E prior to the date SDG&E reaches its NEM program limit or July 1, 2017, whichever is earlier, are subject to the transition provisions as provided in Special Condition 7. This Schedule will be closed to new customers on the earlier of when SDG&E reaches its program limit or July 1, 2017. SDG&E will provide service under a successor tariff to this Schedule, which will be developed pursuant to PU Code Section 2827.1(b), for eligible customer-generators who: (1) complete the required interconnection documentation after SDG&E reaches its program limit or July 1, 2017, whichever is earlier; or (2) are eligible for the transition period, but elect to take service under the successor tariff.

This service is not applicable to a Direct Access (DA) customer where the customer's ESP does not offer a net energy metering tariff. In addition, if an eligible customer-generator participates in direct transactions with an electric provider that does not provide distribution service for the direct transactions, the electric provider, and not the Utility, is obligated to provide net energy metering to the customer (also see Special Condition 3.e).

Pursuant to Decision 08-02-002 and notwithstanding all applicable terms and conditions contained herein, to the extent a Community Choice Aggregator (CCA) offers a net energy metering tariff, Utility shall provide applicable NEM services under this schedule to an eligible CCA customer-generator consistent with services provided to its bundled service eligible customer-generators. As a condition of receiving service under this schedule, the CCA shall be responsible for timely providing the applicable generation-related bill charges or credits for each CCA customer-generator to the utility. Each eligible CCA customer-generator shall look to its CCA for NEM services related to the electric generation charges and credits that result from receiving services under this schedule. The CCA shall also be responsible for the applicable generation-related bill credit structure associated with this service option and providing the CCA customer-generator with the applicable generation-related bill credit.

Schedule NEM applies also to specified Net Energy Metering eligible (NEM-eligible) generators in a Generating Facility comprised of multiple NEM- and non-NEM-eligible generators, served through the same Point of Common Coupling (PCC), where the NEM-eligible generating capacity is not more than 1 MW. Such facilities will be referred to as Multiple Tariff Facilities, and any group of generators within such a facility that are subject to the same tariff provisions for billing and metering purposes will be referred to as a Constituent Generator Group. In order to be eligible for this rate schedule in a Multiple Tariff Facility, the customer-generator must meet all the requirements of Special Condition 6 for the schedule NEM-eligible generator, and must also meet any other applicable tariffs. Customer-generator must also complete a Generating Facility Interconnection Agreement (Multiple Tariff) (Form 117-2160).

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SCHEDULE NEM-V

Sheet 1

VIRTUAL NET ENERGY METERING FOR MULTI-TENANT AND MULTI-METER PROPERTIES

APPLICABILITY

Optionally available to Qualified Customers, as defined in Special Condition (SC) 3, owning, renting, or leasing space within a multi-tenant or multi-meter¹ property, which includes all residential (whether rental properties or condominiums), commercial and industrial properties, where the Owner of the property has installed an "eligible customer-generator", as defined in Schedule NEM and Public Utilities (PU) Code Section 2827, subject to the Generator Limitation provisions described in SC 9, and contracts with the Utility to have all eligible output from the generator supplied to the Utility for the purpose of providing a credit to the Qualified Customers. The terms of this rate schedule shall apply to any Qualified Customer that is designated by the Owner on a Generation Credit Allocation Request Form, unless the customer provides written notification to the Utility declining to receive a credit. Virtual Net Energy Metering (VNM) facilitates cost savings for Owners by avoiding the installation of an eligible customer-generator on each individual tenant's unit, and also provides Qualified Customers with the benefits that would otherwise be provided under Schedule NEM.

This schedule shall be available to eligible customer-generators, upon request, on a first-come-first-served basis until the earlier of July 1, 2017 or when SDG&E reaches its NEM program limit. Pursuant to Assembly Bill 327, PU Code Section 2827(c)(4)(B)(i), SDG&E will reach its program limit when the combined total peak demand of all electricity used by eligible customer-generators in SDG&E's service area, furnishing net energy metering to eligible customer-generators, receiving service under Schedules NEM, NEM-V and VNM-A, exceeds 5% of SDG&E's aggregate customer peak demand. Aggregated customer peak demand is defined for this purpose as the highest sum of all SDG&E's customers' non-coincident peak demands that occurs in any calendar year. . In accordance with Public Utilities Code Section 2827(c)(4)(B)(i), SDG&E's program limit may not be less than 607 MW of nameplate generating capacity available to eligible customer-generators. Customers who have completed and submitted the required interconnection-related documentation to SDG&E prior to the date SDG&E reaches its NEM program limit or July 1, 2017, whichever is earlier, are subject to the transition provisions as provided in Special Condition 7. This Schedule will be closed to new customers on the earlier of when SDG&E reaches its program limit or July 1, 2017. SDG&E will provide service under a successor tariff to this Schedule, which will be developed pursuant to PU Code Section 2827.1(b), for eligible customer-generators who: (1) complete the required interconnection documentation after SDG&E reaches its program limit or July 1, 2017, whichever is earlier; or (2) are eligible for the transition period, but elect to take service under the successor tariff.

Accounts not fully utilizing energy allocated to them under this schedule may be eligible for additional compensation at the conclusion of their Relevant Period as described in Special Condition 7.e.

For purposes of calculating customer charges, standby charges, and demand charges, a Qualified Customer shall be treated identically as a NEM customer, consistent with PU Code § 2827(g). The Utility may charge incremental billing costs to Qualified Customers requesting to receive a demand credit subject to a review for reasonableness. The customer must agree to such incremental charges prior to utility providing this service.

In the event a Qualified Customers becomes eligible for payments resulting from participation in a demand response program, such payments to a Qualified Customers shall be based on the customer's metered usage disregarding any contributions from VNM generation. Similarly, any other demand response programmatic elements that are affected by a customer's load (e.g. program eligibility) shall also exclude from consideration any impacts of VNM generation.

Service on this rate schedule must be taken in combination with the Qualified Customer's otherwise applicable rate schedule (OAS).

¹ "Multi-meter" means two or more utility revenue meters participating in the NEM-V program, in addition to the Net Generation Output Meter.

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SCHEDULE VNM-A

Sheet 1

VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING

APPLICABILITY

Optionally available to Qualified Customers as defined in Special Condition (SC) 4, owning, renting, or leasing in Multi-Family Affordable Housing Accommodations as defined in SC 3, where the Owner of the complex has installed a solar "eligible customer-generator" with generating capacity of 1 megawatt (MW) or less, as defined in Schedule NEM and Public Utilities (PU) Code Section 2827, and contracts with the Utility to have all eligible output from the generator supplied to the Utility for the purpose of providing a credit to the Qualified Customers within the complex. The terms of this rate schedule shall apply to any Qualified Customer that is designated by the Owner on a Solar Generation Credit Allocation Request Form, unless the customer provides written notification to the Utility declining to receive a credit. Virtual Net Energy Metering (VNM) facilitates cost savings for Owners by avoiding the installation of an eligible customer-generator on each individual dwelling unit, and also provides Qualified Customers with the benefits that would otherwise be provided under Net Energy Metering (NEM). Owners that install an eligible customer-generator for the purpose of VNM-A may be eligible for additional up-front incentives (see SC 11).

This schedule shall be available to eligible customer-generators, upon request, on a first-come-first-served basis until the earlier of July 1, 2017 or when SDG&E reaches its NEM program limit, or until all funds available for incentives have been allocated. Pursuant to Assembly Bill 327, PU Code Section 2827(c)(4)(B)(i), SDG&E will reach its program limit when the combined total peak demand of all electricity used by eligible customer-generators in SDG&E's service area, furnishing net energy metering to eligible customer-generators, receiving service under Schedules NEM, NEM-V and VNM-A, exceeds 5% of SDG&E's aggregate customer peak demand. Aggregated customer peak demand is defined for this purpose as the highest sum of all SDG&E's customers' non-coincident peak demands that occurs in any calendar year. . In accordance with Public Utilities Code Section 2827(c)(4)(B)(i), SDG&E's program limit may not be less than 607 MW of nameplate generating capacity available to eligible customer-generators. Customers who have completed and submitted the required interconnection-related documentation to SDG&E prior to the date SDG&E reaches its NEM program limit or July 1, 2017, whichever is earlier, are subject to the transition provisions as provided in Special Condition 7. This Schedule will be closed to new customers on the earlier of when SDG&E reaches its program limit or July 1, 2017. SDG&E will provide service under a successor tariff to this Schedule, which will be developed pursuant to PU Code Section 2827.1(b), for eligible customer-generators who: (1) complete the required interconnection documentation after SDG&E reaches its program limit or July 1, 2017, whichever is earlier; or (2) are eligible for the transition period, but elect to take service under the successor tariff.

Accounts not fully utilizing energy allocated to them under this schedule may be eligible for additional compensation at the conclusion of their Relevant Period as described in Special Condition 8.e.

Service on this rate schedule must be taken in combination with the Qualified Customer's otherwise applicable rate schedule (OAS). VNM-A Customers are not eligible to take service under SDG&E Schedule DR-SES.

TERRITORY

Within the entire territory served by the Utility.

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