

July 14, 2014

Jeanne B. Armstrong, Attorney at Law

VIA FIRST CLASS MAIL AND EMAIL

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

Re: Joint Advice Filing of Southern California Edison Company (Advice 3062-E), Pacific Gas and Electric Company (Advice 4446-E), and San Diego Gas & Electric Company (Advice 2615-E) Regarding Net Energy Metering Interconnection Cost Categories Being Tracked Pursuant to Resolution E-4610 and Decision 14-05-033

Dear Mr. Randolph:

By way of this letter, the Solar Energy Industries Association (SEIA)¹ responds to the above referenced Joint Advice Filing submitted by Southern California Edison Company (SCE) on behalf of itself, Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E) (collectively, the IOUs) regarding the net energy metering (NEM) interconnection cost categories being tracked by the IOUs with respect to NEM Aggregation (Resolution E-4610) and the interconnection of NEM paired storage (D.14-05-033).

The Joint Advice Letter references the following four costs areas which will be tracked by the IOUs: (1) Processing / Administration Costs; (2) Distribution Engineering Costs; (3) Metering Installation / Inspection and Commissioning; and (4) Facility Upgrade Costs. SEIA does not contest the tracking of costs in these four expenditure areas, but, given the fact that the Commission has stated it will use this cost information as part of its determination as to whether to “end, extend, or modify the exemption provided to NEM-paired storage devices under the NEM tariff,”² SEIA has concerns about the potential for elevated cost recordings resulting in unwarranted reductions to the exemptions currently afforded NEM-paired storage devices.

Specifically, facility upgrade costs (defined to include the costs of interconnection facilities and distribution upgrades) could be overstated as the result of restrictive IOU

¹ 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.

² Decision 14-05-033, p. 24.

distribution planning practices. For example, to the extent that utility planning includes the assumption that both the solar system and the storage device are producing at maximum output with minimal onsite load to absorb such output, the attribution of overestimated distribution upgrade costs for most, if not all, applicants would result. Accordingly, SEIA submits that in its review of the costs tracked by the IOUs with respect to facility upgrades, the Commission must take into account the IOUs distribution planning assumptions.

Similarly, with respect to the IOUs' recordation of processing and administration costs, the Commission must bear in mind that initial costs will be higher than costs incurred once the IOUs become more familiar with NEM-paired storage applications. In other words, efficiencies in program administration, that are not present at program commencement, will be achieved. Thus, the Commission should not make generalized conclusions regarding future processing and administration costs based on the IOUs initial cost submittals.

In addition to the above, SEIA seeks certain clarifications to the manner in which the IOUs intend to implement certain of the Commission's directives. First, as noted in the Joint Advice Letter, the IOUs were directed to track the costs of, among other things, standby charge waivers resulting from interconnecting NEM-paired storage systems.³ The Advice Letter, however, provides no information on how those charges will be tracked. In fact since none of the IOUs were assessing standby charges specifically associated with the deployment of customer-side storage devices prior to the issuance of D.14-05-033, SEIA believes the costs associated with forgone standby charge collection should be zero. To provide additional clarity and direction, SEIA submits that as part of its approval of the Joint Advice Letter, the Commission should direct the IOUs to file information regarding how they intend to attribute standby costs to storage, if any.

Finally, Decision 14-05-033 imposes on the IOUs an obligation to "refund interconnection costs to customers who paid interconnection costs to interconnect qualifying energy storage devices paired with Net Energy Metering-paired storage systems prior to the issuance of this decision."⁴ With respect to this obligation, the Joint Advice Letter states that the IOUs "intend to use January 1, 2012, which was the effective date of Senate Bill 489 (Wolk, 2011), as the cut-off date for the refund eligibility."⁵ As currently drafted, this language could be interpreted to mean that only customers who paid interconnection costs to interconnect qualifying energy storage devices paired with Net Energy Metering-paired storage systems **prior to** January 1, 2012, would be eligible for a refund. Such an interpretation, however, would run counter to the Commission's intent. Accordingly, SEIA is interpreting the language to mean that all NEM-paired storage systems installed on or after January 1, 2012 will be eligible for a refund.

³ Joint Advice Letter, p. 2.

⁴ Decision 14-05-033, Ordering Paragraph 2, p. 39.

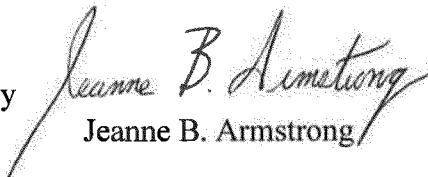
⁵ Joint Advice Letter, p. 4.

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SEIA appreciates the opportunity to respond to the Joint Advice Filing.

Very truly yours,

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