

PUBLIC UTILITIES COMMISSION

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Date: December 16, 2013

From: Gabe Petlin, CPUC Energy Division

To: Susan Buller, PG&E; Erin Pulgar, SCE; and Jamie York, SDG&E

Energy Division Requested Changes to PG&E Advice 4305-E, SCE Advice 2952-E, and SDG&E Advice 2529-E

The Energy Division requests the IOUs make the following changes to the above mentioned advice letters via supplemental filings. We would like to review draft supplemental advice letters and tariffs before they are served on parties. When served on parties the protest period should be re-opened for 5 days. Unless noted each request is directed at all three IOUs for consistency. We request to receive review drafts within 10 business days or sooner of this letter.

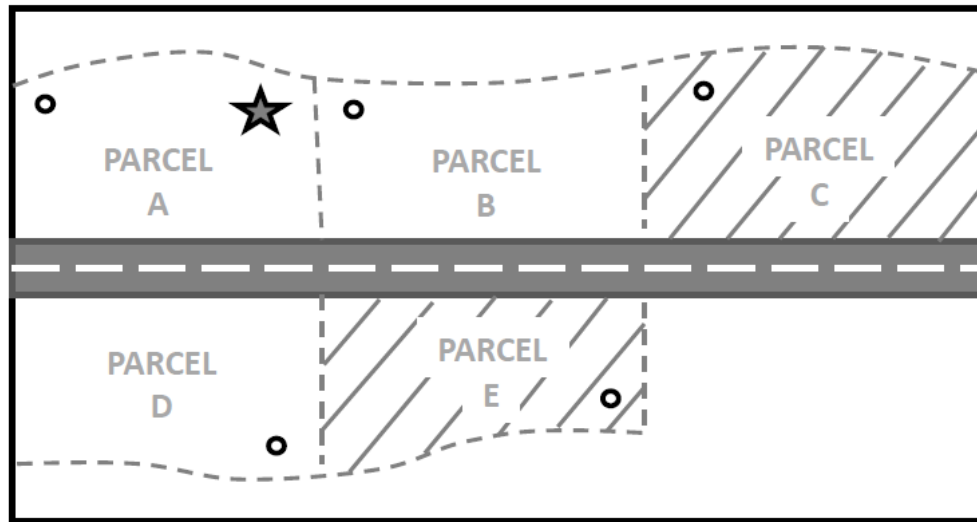
8 Parties filed protests on the Advice Letters: SEIA, SolarCity, IREC, City of San Diego, California Farm Bureau Federation, Agricultural Energy Consumers Association, Natel Energy, and Recolte Energy.

- 1) ***Adjacent and Contiguous*** – The IOUs’ interpretation of adjacent and contiguous is overly narrow. The Energy Division requests the following clarifying language be added:

Customer-generators with multiple contiguous properties are eligible to participate in NEM load aggregation without regard to where meters are located relative to the NEM generator, so long as all meters are within an unbroken chain of parcels under the same ownership, or lease that are contiguous to each other. Parcels that are divided by a street, highway, or public thoroughfare are considered contiguous, provided they are within an unbroken chain of otherwise contiguous parcels and under the same ownership or lease.

For example, if there are three parcels, A, B and C, where A abuts B, B abuts C, but A and C are separated by B, then the loads of all three parcels shall be eligible for aggregation. In addition, if there are five parcels, A, B, C, D, and E that form a cluster of contiguous parcels and D and E are separated from A, B and C by a street, highway, or public thoroughfare all five parcels are considered contiguous, provided they are otherwise contiguous and under the same ownership or lease.

The IOUs should include a visual example to illustrate the above additional language. The following diagram from PG&E should be modified to show that **all 5 parcels are eligible**.



- ★ = RENEWABLE ELECTRICAL GENERATION FACILITY
- = METER
- ⋯ = ELIGIBLE
- ▨ = INELIGIBLE

- 2) **Bill Credit Allocation Method** – The method proposed by the IOUs could result in less than 100% of the kWh generated by the generator account being allocated to benefiting accounts. To ensure that all of the kWh from the generating account are allocated to the benefiting accounts the IOUs have agreed to add the following language at the request of the Energy Division:

The monthly allocation percentage of kWh will be based on the cumulative usage at each aggregated account and the cumulative generation from the generating account from the start of the Relevant Period.

Including a few sample illustrations would be very helpful.

- 3) **The IOUs' Proposed Billing Service Fees** – The Energy Division requests the following changes to the billing service fees:

- One-time set-up fees may be no higher than \$25 per benefiting account and shall be capped at \$500 per aggregation arrangement.
- Monthly billing fees may be no higher than \$5 per benefiting account.
- The IOUs may request authorization to establish memorandum accounts to track billing costs in excess of the current NEM program costs for one year from the effective date of the tariffs, and the IOUs may file advice letters in one year after the effective date with a proposed final billing service fee structure to be implemented on a going forward basis.

Should the fee structure change existing customers shall not be retroactively charged or debited.

- 4) **Effective date of PG&E Advice Letter** – PG&E proposed an effective date of 120 days after the date of filing their advice letter. Both SCE and SDG&E proposed an effective date 30 days from their original date of filing. The Energy Division requests that all three IOUs make their tariffs effective upon approval by the Energy Division.
- 5) **Clarification with Respect to the Permanent Prohibition on Net Surplus Compensation (NSC) for Aggregated Facilities.** With regard to the NSC issue raised by SEIA (SB 594 states that customer generators enrolled under NEM aggregation will be *permanently* ineligible for NSC), all of the utilities agreed that a customer generator will be prohibited from NSC *only* while under the NEM aggregation tariff. In other words, if a customer generator was enrolled in NEM aggregation at one point in time, and then later chose to take service under the regular NEM tariff, they would once again be eligible for NSC. The Energy Division requests the IOUs make the appropriate clarification in their tariffs on this issue.
- 6) **The Prohibited Combination of a Non-NEM Eligible Generator with a NEM Aggregation Arrangement** – SCE has agreed to remove this prohibition in response to the protest of SEIA and SCE has indicated it is agreeable to modifying this provision to allow aggregated accounts to have non-NEM eligible generating facilities directly interconnected to them. The Energy Division requests that all three IOUs make such a modification.
- 7) **Consistent Use of the Terms “Property” and “Parcel”.** The Energy Division requests that the tariffs be modified to be consistent with the legislation SB 594 which uses the terms “property” and “parcel”. Therefore the term “premise” should be struck from the tariffs.

Utility Specific Requested Changes:

- 8) **SCE Form 14-397.** The Energy Division requests that the language “as determined by SCE” be replaced with “as verified in Form14-937.”

Issues that can be Addressed Outside of the Advice Letters:

- 9) **Consistent and Detailed Tracking of NEM-Related Interconnection Costs -** Commission Resolution E-4610 directs the IOUs to begin to track interconnection costs associated with all NEM systems. Energy Division will follow-up on this directly with the IOUs and not as part of this advice letter review process.
- 10) **CSI Incentives** – SEIA requests that the IOUs’ NEM tariffs be clarified with respect to the treatment of CSI incentives for NEM Aggregation customers with multiple CSI Applications. The Energy Division has directed the CSI program administrators to address this issue it will be handled outside of this advice letter review process.