

March 21, 2016

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 4802-E: Implementation of California Public Utilities Commission Decision 16-01-044 Creating Pacific Gas and Electric Company's New Net Energy Metering Successor Rate Schedules NEM2, NEM2V and NEM2VMSH , and Various Associated Filed Forms, and Modifying of Electric Rule 21**

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Dear Mr. Randolph:

By way of this letter, the Solar Energy Industries Association (SEIA),<sup>1</sup> the California Solar Energy Industries Association (CALSEIA), The Alliance for Solar Choice (TASC) and Vote Solar (collectively, the Joint Solar Parties) respond to the above referenced advice filing of Pacific Gas and Electric Company (PG&E) seeking to implement PG&E's Net Energy Metering (NEM) successor tariffs pursuant to Commission Decision 16-01-044. Specifically, the Joint Solar Parties seek clarification with respect to the following elements of the PG&E submittal:

- (1) Application of required grandfathering provisions;
- (2) Appropriate billing interval for assessment of nonbypassable charges;
- (3) Assessment of nonbypassable charges on VNEM and NEMA customers;
- (4) Assessment of nonbypassable charges in Multiple Tariff Generating Facility Arrangements;
- (5) Billing of nonbypassable charges;
- (6) Invoicing of Interconnection Fee; and
- (7) Effective Date

**Grandfathering Provision should be Implemented Consistent with D. 14-03-041**

PG&E's Advice Letter states that, in accordance with conclusion of law 14 of Decision 16-01-044, language was added to the Applicability Section of its NEM 2 tariff providing 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.

“customers should be able [sic] use the NEM successor tariff as it existed at the time they completed their interconnection application for 20 years from the year of the interconnection of their system.”<sup>2</sup> This language, however, does not appear anywhere in PG&E’s proposed NEM 2 tariff. PG&E should be directed to incorporate this language into its NEM 2 tariff.<sup>3</sup>

In addition, implementation of this “grandfathering provision” should be consistent with Decision 14-03-041 (which provided for a 20 year transition period for existing NEM customers on the current Schedule NEM ). Specifically, the requirements pertaining to the maintenance of grandfathered status in the event of system modification, ownership transfer and/or paired energy storage, which were adopted in Decision 14-03-041, should be incorporated into PG&E’s proposed Schedule NEM 2 and VNEM 2.<sup>4</sup> The Joint Solar Parties note that this approach was utilized by Southern California Edison Company in its proposed NEM Successor Tariff (ST) (Sheets 26-27), and submit that, consistent with the rationale employed by the Commission in Decision 14-03-041, should be utilized in the all three investor owned utilities’ (IOUs) successor tariffs.

**Nonbypassable Charges should be Assessed on a Metered Interval no less than One Hour**

Special Condition 2.c. of PG&E’s proposed Schedule NEM2 provides that :

Non-Bypassable Charges Customers on this tariff must pay the non-bypassable charges specified in D.16-01-044 in each metered interval for each kilowatthour of electricity they consume from the grid..... These charges may not be reduced by any credits for exports to the grid as calculated in 2.a and 2.b.

Neither the tariff language provided nor the accompanying advice letter, however, specify the applicable meter interval. The Joint Solar Parties submit that this meter interval should be no less than hourly for residential customers.

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<sup>2</sup> PG&E Advice 4802-E, p. 6.

<sup>3</sup> The Joint Solar Parties note that PG&E does have comparable language in its other proposed NEM tariffs. *See, e.g.*, proposed Schedule NEM 2V, sheet 2.

<sup>44</sup> The grandfathering provisions regarding transferability of the installation should be applicable as well to the “Change of Party” provisions in PG&E tariff which allow a “Customer who owns, rents or leases a premise that includes solar and/or wind turbine electrical generating facilities, or a hybrid of both with a capacity of 30kW or less, that were previously approved by PG&E for NEM 2 [or NEM V 2] interconnection prior to the Customer moving in and/or taking electric service with PG&E (Change of party Customer) will take service on this tariff (or other appropriate tariffs as determined by the Commission) as long as [certain] requirements.... are met.”

PG&E should be directed to revise its tariff to reflect that it will use a meter interval of no less than an hour for the purposes of determining a residential customer's nonbypassable charges.

**Assessment of Nonbypassable Charges on NEMA and VNM Customers Must Reflect the Construct of their NEM Arrangement**

Decision 16-01-044 directed the IOUs, in their implementing advice letters, to "clearly explain the method for allocating generation to each benefitting account (for VNM) or aggregated account (under NEMA) in each interval for purposes of assessing NEM successor tariff nonbypassable charges."<sup>5</sup> PG&E provides no such explanation.

Given the requirement that "VNM systems should be subject to the same requirements regarding nonbypassable charges and interconnection costs as systems under the standard successor tariff,"<sup>6</sup> the Joint Parties submit that benefitting VNM accounts should not be required to pay NBCs on volumes "virtually" consumed. Under the NEM successor tariff, NEM customers will not pay NBCs for any self-generation used onsite within one billing interval, but solely power consumption across each billing interval factoring in the amount of power consumed behind the meter. Given the construct of VNM arrangements -- i.e., generation is not consumed behind a single meter but is virtually "delivered" to benefitting service accounts through after-the-fact allocation of bill credits -- in order for VNM systems to be "subject to the same requirements," they should not pay nonbypassable charges for energy virtually consumed on site. PG&E should be directed to so clarify its proposed Schedule NEM2V.

Similarly, the Joint Solar Parties submit that in order for NEMA systems to "be subject to the same requirements regarding nonbypassable charges and interconnection costs as systems under the standard successor tariff,"<sup>7</sup> as contemplated by the Decision the nonbypassable charges should be assessed net consumption across all aggregated meters within the billing interval. The purpose of the NEMA tariff option is to allow a single customer with multiple meters on their property to treat those meters as one load and have equivalent treatment under NEM as customers with only one meter. As stated in Decision 16-01-044, "NEMA customers, like customers using the VNM tariff, are compensated the same way as all NEM customers; only the aggregation feature is different."<sup>8</sup> Thus because a "customer" in a NEMA arrangement involves multiple meters, consumption from the grid in each interval for those customers is not measured by one meter but must be measured as net consumption across all of those meters. PG&E should be directed to clarify its proposed Schedule NEM2 to clarify that with respect to NEMA

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<sup>5</sup> D. 16-01-044, p. 91. *See also*, p.99 footnote 114 ("[T]he IOUs must provide a transparent methodology for recovery of NEM successor tariff nonbypassable charges from VNM customers, as well as NEMA customers, discussed below.")

<sup>6</sup> *Id.*, p. 98-99.

<sup>7</sup> *Id.*, p. 99.

arrangements the nonbypassable charges will be assessed on net consumption across all meters during the billing interval.

**Customers with a Multiple Tariff Generating Facility Should not pay Nonbypassable Charges for Facilities under Schedule NEM**

With respect to Customers with a Multiple Tariff Generating Facility, PG&E's proposed Schedule NEM2 provides that "[b]illing credit will be applied consistent with the appropriate net metering tariff as follows: .....(v) No credits shall offset NBC charges calculated on all usage supplied from the grid.<sup>9</sup> Such tariff language does not appear to contemplate a situation which the customer has one or more generating facilities under Schedule NEM 2 and one or more facilities under Schedule NEM. The facilities on Schedule NEM are not required to pay nonbypassable charges on all usage supplied from the PG&E grid. PG&E should be directed to modify its tariff such that supplied usage is proportionally assigned to each facility under the multi tariff arrangement, ensuring that the NEM facilities will not be billed NBCs based on all system usage.

**Nonbypassable Charges should be Presented as a Line Item on the Customer's Bill**

Neither PG&E's Advice Letter nor associated tariffs detail how nonbypassable charges will be presented on the customer's bill. Consistent with the position taken in their comments on the Proposed Decision in R. 14-07-002, the Joint Solar Parties submit that the NBCs should be presented on the customer's bill as an additional line item.<sup>10</sup> As stated in those comments, an additional line item will allow the utilities to charge NEM customers for all NBCs across all delivered energy without the need to charge a different rate for NEM imports than the rate used to determine credits for NEM exports. This bill presentation will thus preserve the essential "running the meter backward" simplicity of the NEM transaction while informing the NEM customer of their additional contribution to the important programs covered by the nonbypassable charges. The Joint Solar Parties highlight the fact that SCE has adopted this position in its successor tariff implementing advice letter stating:

Successor Tariff customers will see a new section on their bill that shows the amount of NBCs owed for each billing period, with the NBCs due and payable monthly like today's non-energy charges. SCE believes that this approach to billing the NBCs satisfies the Decision's direction that NBCs be recovered "in a fairer and more transparent way than under the current NEM tariff."<sup>11</sup>

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<sup>8</sup> *Id.*, p. 99-100.

<sup>9</sup> See Special Condition 4.g (1) (a) (v) of PG&E proposed Schedule NEM2.

<sup>10</sup> Comments of The Alliance for Solar Choice, Solar Energy Industries Association, California Solar Energy Industries Association and Vote Solar on the Proposed Decision Adopting Successor to Net Energy Metering Tariff, R. 14-07-002 (January 5, 2016), p.10.

<sup>11</sup> SCE Advice Letter 3371-E, p.5 citing Decision 16-01-044 at p. 91.

### **Change in Applicability of the Virtual Net Energy Metering Tariff**

Decision 16-01-044 modified the Virtual Net Energy Metering Tariff program to allow participation of customers behind multiple service delivery points at a single site under the tariff. Citing to the fact that Finding of Fact 46 of the Decision phrased this directive as providing for “multiple service delivery points for all premises,” PG&E limits applicability for its NEM2V tariff to “multi-tenant or multi-meter Eligible NEM2V installation on a single Premises, as defined in Electric Rule 1.”<sup>12</sup>

Premises is defined in Rule 1 as follows:

All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises, and public or quasi-public institutions, by a dedicated street, highway or public thoroughfare or railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the Premises served.

The result of this limitation is exclusion of certain residential enterprises from participation in the virtual net metering program. Condominium and apartment complexes often have streets running between buildings, but the complex is still a single property. Compliance with Decision 16-01-044 does not require such a change. The relevant comparison is with the MASH VNM tariff. D.16-01-044 states, “The Commission also adopts the CALSEIA proposal that the VNEM tariff should be expanded to allow multiple service delivery points at a single site under the tariff. This has been allowed under the MASH VNM tariff since the adoption of D.11-07-031, and has been used successfully by participants, without administrative problems.”<sup>13</sup> PG&E’s NEMVMASH tariff allows participation from all customers within a single “Eligible Low Income Development.”<sup>14</sup> A “development” in the case of a market rate apartment complex is no different from a low-income apartment complex. It is the entire complex, independent of the existence of roads between buildings. PG&E should be directed to change the applicability section of its proposed Schedule NEM2V to eliminate the requirement that eligible NEM2V customers and installations be on a single “Premises” as such is defined in Rule 1.

### **Invoicing of Interconnection Fee**

PG&E modified Sections E.3 and E.4 and Tables E-1, E-2 and E-3 of its Electric Rule 21 Generating Facility Interconnections Tariff to, among other things, address Decision 16-01-044’s

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<sup>12</sup> PG&E Advice 4802-E, p. 8

<sup>13</sup> D.16-01-044, p. 99.

<sup>14</sup> PG&E, NEMVMASH tariff, Applicability paragraph 3.

requirement that customers on the NEM successor tariff pay a reasonable interconnection fee.<sup>15</sup> It not clear, however, whether payment by either the customer or contractor of the interconnection fee is acceptable. PG&E should be required to accept payment from either the contractor or the customer and its tariff should be modified to set forth such obligation.

In addition, the Joint Solar Parties submit that mailing paper checks is no longer a reasonable payment process. It would slow interconnection and create unnecessary administrative burden. At the very least, PG&E should establish an electronic payment option. Online payment is common in the business world today, and PG&E already makes available and encourages online transactions for customer bill payment. Even more efficient would be to bill contractors monthly for the fees or keep a contractor credit card on file for automatic payment and emailed receipts upon submittal of applications. Imperial Irrigation District provides for such an option for payment of meter installation fees.

### **Effective Date should be Consistent with a Tier 2 Advice Filing**

Decision 16-01-044 directs each IOU to file a Tier 2 Advice Letter to implement its successor NEM tariff. Tier 2 Advice Letters are effective after staff approval, pursuant to General Order 96-B. PG&E, however requests that its advice filing become effective when the NEM cap in its service territory is reached.<sup>16</sup> The Commission should direct PG&E to put its NEM successor tariff into effect upon Commission approval, as dictated by General Order 96-B.

While the primary purpose of the successor tariff is service to new NEM customers once PG&E has reached its MW cap, the fact is that there are certain customers which are currently being deprived the opportunity of utilizing the NEM tariff -- i.e., those with systems over 1 MW. These customers should not have to wait to interconnect under the NEM successor tariff, but should be able to take NEM service immediately, as contemplated by the Decision.<sup>17</sup>

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<sup>15</sup> Despite the directive in Decision 16-01-044 (p.67) that PG&E provide a standardized interconnection fee for customers installing systems less than 1 MW as part of the advice filing implementing its NEM successor tariff, it failed to do so in size. Instead, PG&E states the "interconnection fee is expected to be in the range of \$141 to \$144." See PG&E Advice 4802-E, p.5, note 10. PG&E should be held to that estimate.

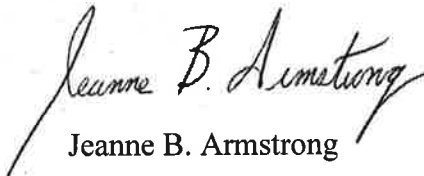
<sup>16</sup> PG&E Advice 4802-E, p. 15,

<sup>17</sup> It should be noted that San Diego Gas & Electric company requested an effective date consistent with a Tier 2 Advice Filing -- March 30, 2016. See SDG&E Advice 2860-E, p. 4.

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The Joint Solar Parties appreciate the opportunity to respond to PG&E's advice filing, and request that the PG&E be directed to modify its proposed successor tariff in the manner set forth above.

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<sup>18</sup> In accordance with Rule 1.8(d), SEIA's representative is authorized to sign this response on behalf of CALSEIA, TASC and Vote Solar.