

March 21, 2016

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

Re: Southern California Edison Company Advice 3371-E: Implementation of Southern California Edison Company's Net Energy Metering Successor Tariffs in Accordance with Decision 16-01-044

Dear Mr. Randolph:

By way of this letter, the Solar Energy Industries Association (SEIA),¹ 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 Southern California Edison Company (SCE) seeking to implement SCE'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 SCE submittal:

- (1) Meter interval used in calculation of nonbypassable charges (NBCs) ;
- (2) Assessment of nonbypassable charges on NEM Aggregation and Virtual NEM customers;
- (3) Assessment of nonbypassable charges on customers with a Multiple Tariff Generating Facility;
- (4) Invoicing of Interconnection Fee;
- (5) Availability of tariff for sub-metered properties; and
- (6) Effective Date.

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

Subsection 2 of the Rate Section of SCE's proposed Schedule NEM-ST provides:

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.

As determined in each billing period, a Customer is responsible for NBCs, assessed on a \$-per kilowatthour (kWh) basis using the NBC factors contained in the Customer's OAT, for each kWh of electricity that is consumed/imported from the grid (i.e., ES, as defined below) in each metered interval (e.g., one hour or 15-minute). The amount of electricity (in kWh) that is generated by the Customer's Generating Facility and exported to the grid (i.e., EF, as defined below) cannot be used to offset or net the kWh on which a Customer's NBCs are based.

This tariff language, which sets forth illustrative meter intervals, is insufficient to provide NEM customers with adequate certainty as to which meter interval will be utilized and thus the basis upon which customers will be assessed NBCs. It is the understanding of the Joint Solar Parties that the vast majority of residential customers have an hourly billing interval. In order to promote fairness to customers reviewing solar proposals from multiple companies, it is important to have consistency across the customer class.² Therefore, this meter interval should be no less than hourly for residential customers.

SCE 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."³ In its "explanation," SCE contends that because the Decision provides that NEM successor tariff customers must pay nonbypassable charges on each kWh of electricity they consume from the grid in each metered interval, "the amount of generation allocated to VNM and NEM-A benefitting and aggregated accounts has no bearing on the calculation of NBCs."⁴ SCE asserts that "consistent with the Decision, the NBCs for these customers will be based on the metered imports from the grid that register on the benefitting or aggregated account's standard SCE time-of-use (TOU) meter."⁵ SCE is incorrect in its assessment and fails to take into account the manner in which VNM and NEMA customers "consume" electricity from the grid.

² The Joint Solar Parties note that the SCE's example of how NBCs will be calculated for NEM customers was premised on an hourly meter interval. See SCE Advice 3371-E, p. 5.

³ 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.")

⁴ SCE Advice 3371-E, p. 6.

⁵ *Id.*

The construct of a VNM arrangement is the renewable generation is all exported to the grid and is virtually “delivered” to benefitting service accounts through after-the-fact allocation of bill credits. Under the NEM successor tariff, NEM customers will not pay NBCs for any self-generation used onsite within one billing interval, but solely on power consumption across each billing interval factoring in the amount of power virtually consumed behind the meter. Accordingly, in order for VNM systems to be “subject to the same requirements” regarding nonbypassable charges as systems under the standard successor tariff,⁶ they should not pay nonbypassable charges for energy virtually consumed on site. SCE should be directed to revise its proposed Schedule NEM-V-ST accordingly.

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”⁷ as contemplated by the Decision, the nonbypassable charges should be assessed on 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.”⁸ 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. SCE should be directed to clarify its proposed Schedule NEM-ST to clarify that with respect to NEMA arrangements the nonbypassable charges will be assessed on net consumption across all meters during the billing interval.

Customers with a Multi Tariff Generating Facility Should not pay Nonbypassable Charges on Facilities under Schedule NEM

With respect to Customers with a Multiple Tariff Generating Facility, SCE’s proposed schedule NEM-ST provides that such customers “are responsible for paying NBCs, as defined in the Rates section above, on all imports from SCE (i.e., ES) as recorded on the TOU revenue meter at the Point of Common Coupling (PCC).” Such tariff language does not appear to contemplate a situation which the customer has one or more generating facilities under Schedule NEM-ST and one or more facilities under Schedule NEM. The facilities on Schedule NEM are not required to pay nonbypassable charges on imports from SCE. SCE should be directed to modify its tariff such that imports are proportionally assigned to each facility under the multi tariff arrangement, so that the NEM system will not be billed NBCs for imports.

⁶ D. 16-01-044, p. 98-99.

⁷ *Id.*, p. 99.

⁸ *Id.*, p. 99-100.

Interconnection Fees Should be payable by Contractor or Customer

In discussing Decision 16-01-044's requirement that customers on the NEM successor tariff pay a reasonable interconnection fee, SCE states that "with regard to the actual collection of this new interconnection fee from Successor Tariff customers, SCE is exploring options to determine if online payments can be accepted in lieu of having the customers submit payment via check."⁹ The Joint Solar Parties also seek clarity on whether payment by either the customer or contractor of the interconnection fee is acceptable. SCE should be required to accept payment from either the contractor or the customer and its tariff should be modified to set forth that 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, SCE should establish an electronic payment option. Online payment is common in the business world today, and SCE 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.

The NEM Successor Tariff should be Available to Sub-metered Properties

SCE states that it will not allow participation from customers that do not have a TOU rate available to them.¹⁰ This includes residential hotels and sub-metered properties on Schedules DM, DMS-1, DMS-2, and DMS-3. These customers should not be denied access to the NEM successor tariff.

In a sub-metered property, the amount due to the utility is determined by the master meter, which can make use of a TOU rate. The fact that most sub-metered accounts do not have interval meters does not impact the fact that customers pay for electricity according to time-varying rates. Sub-metered properties are typically older apartment buildings, and accommodations must be made to allow them to participate in self-generation. The Decision orders that the IOUs "must each *ensure* that any residential customer interconnecting pursuant to the net energy metering successor tariff is placed on an appropriate and available time of use rate, including a pilot time of use rate."¹¹ Energy Division should clarify that customers whose utility service is behind a master meter that is on a TOU rate satisfies the requirement that the customer is on a TOU rate.

⁹ SCE Advice 3371-E, p. 4.

¹⁰ See SCE Advice 3371-E, proposed Schedule NEM-ST, Sheet 2.

¹¹ D. 16-01-044, Ordering Paragraph 5 (emphasis added).

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. A Tier 2 Advice Letter is effective after staff approval, pursuant to General Order 96-B. However, SCE, citing PU Code Section 2827.1(c), has requested that its advice filing become effective upon SCE reaching its NEM program limit in accordance with PU Code Section 2827(c)(4)(B)(ii) or July 1, 2017, whichever is earlier.¹² The language of Section 2827 (c)(4)(B) only requires that upon reaching SCE's MW cap or July 1, 2017, all new NEM customers must go on the successor NEM tariff. It does not prohibit the NEM successor tariff from going into effect earlier, and affording customers the option of which tariff to use. The Commission should direct SCE to put its NEM successor tariff into effect upon Commission approval.

While the primary purpose of the successor tariff is service to new NEM customers once SCE has reached its MW cap, the fact is that there are certain customers who 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 until the NEM cap is reached, but should be able to take NEM service immediately, as contemplated by the Decision.¹³

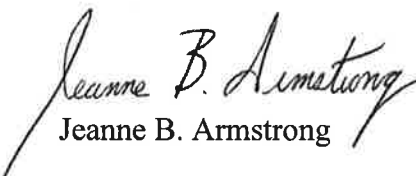
¹² PU Code Section 2827(c)(4)(B)(ii) provides that “[b]eginning July 1, 2017, or when ordered to do so by the commission because the large electrical corporation has reached its capacity limitation of subparagraph (B) of paragraph (4) of subdivision (c) of Section 2827, all new eligible customer-generators shall be subject to the standard contract or tariff developed by the commission and any rules, terms, and rates developed pursuant to subdivision (b).”

¹³ It should be noted that San Diego Gas and 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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Energy Division
March 21, 2016
Page 6

The Joint Solar Parties appreciate the opportunity to respond to SCE' Advice Filing, and request that SCE be directed to modify its proposed successor tariff in the manner set forth above.

GOODIN, MACBRIDE,¹⁴
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By 
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¹⁴ In accordance with Rule 1.8(d), SEIA's representative is authorized to sign this response on behalf of CALSEIA, TASC and Vote Solar.