

March 21, 2016

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

**Re: San Diego Gas & Electric Company Advice 2860-E: Net Energy Metering
Successor Tariff Implementation Advice Letter Pursuant to 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 San Diego Gas & Electric Company (SDG&E) to implement SDG&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 SDG&E submittal:

- (1) Application of required grandfathering provisions;
- (2) Appropriate billing interval for assessment of nonbypassable charges (NBCs);
- (3) Assessment of nonbypassable charges on VNEM and NEMA customers;
- (4) Billing of nonbypassable charges; and
- (5) Invoicing of Interconnection Fee.

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

In accordance with D. 16-01-044, the Applicability Section of SDG&E's proposed Schedule NEM-ST provides that "Eligible customer-generators that elect to receive service under this schedule shall be permitted to remain on this schedule, as it existed on the date the eligible customer-generator's complete interconnection application, including the final building inspection, was received by SDG&E, for 20 years from the original year of interconnection of its [Renewable Electrical Generation Facility] REGF." SDG&E's proposed Schedule, NEM-ST

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.

does not address the maintenance of the 20 year grandfathered status in the event of system modification, ownership transfer and/or paired energy storage. The Joint Solar Parties submit that 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 SDG&E's Schedule NEM -ST and Schedule NEM-V-ST. The Joint Solar Parties note that the grandfathering requirements included in D.14-03-041 were utilized by Southern California Edison Company in its proposed NEM Successor Tariff (ST) (Sheets 26-27), and submit that they, should be utilized in all three Investor Owned Utilities' (IOUs) successor tariffs.²

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

The Rate section of SDG&E's proposed Schedule NEM-ST provides:

All eligible customer-generators taking service under this schedule are responsible for paying nonbypassable charges which pursuant to D. 16-01-044 are defined as Public Purpose Program (PPP) charges, Nuclear Decommissioning (ND) charges, the Competition Transition Charge (CTC), and the Department of Water Resources Bond Charge (DWR-BC). These charges are calculated based on the total energy delivered by the Utility as defined in Special Condition 1 of this schedule, during each metered interval recorded over the course of each monthly billing period.

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. 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.³ Therefore, this meter interval should be no less than hourly for residential customers.

SG&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.

² The grandfathering provisions regarding transferability of an installation should be applicable as well to the "Change of Party" provisions in SDG&E tariff which allows a "[a]customer who owns, rents, or leases a premises that includes a REGF with a capacity of 30kW or less that was approved by SDG&E for parallel operation with SDG&E's grid prior to the customer moving in and/or receiving electric service from SDG&E (Change-of-party customer) may be eligible for service under this schedule as long as the requirements of this section have been met."

³ The Joint Solar Parties note that the SDG&E's example of how NBCs will be calculated for NEM customers was premised on an hourly meter interval. See SDG&E Advice 2860-E-A, p. 2.

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.”⁴ SDG&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,”⁵ 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 on power consumption across each billing interval factoring in the amount of power consumed behind the meter. Given the construct of VNM arrangements -- i.e., 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 -- in order for VNM systems to be “subject to the same requirements,” they should not pay nonbypassable charges for energy virtually consumed on site. SDG&E should be directed to so clarify its proposed Schedule NEM-V-ST.

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,”⁶ 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.”⁷ 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. SDG&E 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.

⁴ 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.”)

⁵ *Id.*, p. 98-99.

⁶ *Id.*, p. 99.

⁷ *Id.*, p. 99-100.

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

Neither SDG&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.⁸ 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."⁹

SDG&E should be directed to revise its advice letter submittal to the extent necessary to assure that the NBCs will be presented on the customer's bill as an additional line item.

Invoicing of Interconnection Fee

Section J of SDG&E's Interconnection Application and Agreement for Generating Facilities of 30 Kilowatts or Less provides that "[a]fter SDG&E receives your application and verifies completeness, an invoice for the interconnection fee will be sent to you at the address provided in the Contractor Information section or the Customer Generating Facility Information section above." It is not clear, however, whether payment by either the customer or contractor of the interconnection fee is acceptable. SDG&E 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, SDG&E should establish an electronic payment option. Online payment is common in the business world today, and SDG&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

⁸ 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.

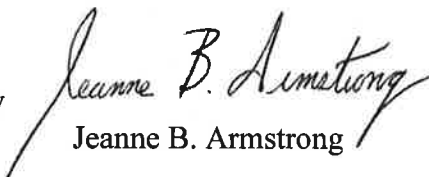
⁹ SCE Advice Letter 3371-E at p. 6 *citing* Decision 16-01-044, p. 91.

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payment and emailed receipts upon submittal of applications. Imperial Irrigation District provides for such an option for payment of meter installation fees.

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

GOODIN, MACBRIDE,¹⁰
SQUERI & DAY, LLP

By 
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Service List, R. 14-07-002

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¹⁰ In accordance with Rule 1.8(d), SEIA's representative is authorized to sign this response on behalf of CALSEIA, TASC and Vote Solar.