

November 7, 2000

Advice 2053-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject

Pacific Gas and Electric Company (the Company) hereby submits for filing revisions to its electric tariffs. The affected tariff sheets are listed on the enclosed Attachment I.

Purpose

The purpose of this filing is to submit new rate Schedule E-NET—*Net Energy Metering Service*. Schedule E-NET replaces Schedule E-NEM--*Net Energy Metering Service*. This filing is made in compliance with the Administrative Law Judge's Ruling on Implementation of Assembly Bill (AB) 918 (R. 99-10-025) dated October 23, 2000. Effective January 1, 2001, Schedule E-NET will be the rate schedule applicable to net-metered customer-generators ("Customer-Generators").

Background

AB 918, signed into law by Governor Davis on September 30, 2000, amended section 2827 of the California Public Utilities Code to modify the billing of residential and small customers with wind and/or solar facilities of 10 kW or less on their premises. This bill also clarifies the conditions under which the Company is obligated to serve eligible Customer-Generators who take Direct Access service from an Energy Service Provider (ESP), and which costs the Company may recover from ESPs to serve such Customer-Generators.

Existing law requires that the billing and crediting of an eligible Customer-Generator be based on the average retail price per kilowatt for the customer-generator's rate class. AB 918 establishes new formulas for the billing and crediting of eligible Customer-Generators based on the features of their otherwise-applicable rate schedules. Features such as time-of-use rates including seasonal and low-emission vehicle rates and baseline rates (including low-income rates), will now dictate how consumption will be charged and generation credited.

AB 918 clarifies the Company's obligation to serve Customer-Generators taking

Direct Access service under net energy metering. This bill exempts the Company from the obligation to provide net energy metering to a Customer-Generator who takes Direct Access service from an ESP that does not offer net energy metering.

In addition, AB 918 authorizes the Company to recover from the ESP of a Direct Access net metering Customer-Generator, any incremental costs related to metering and billing such service in an amount set by the California Public Utilities Commission. The rates at which such incremental costs would be calculated are set out in new Schedule E-NET. These rates are based on the Company's hourly labor cost to perform such services.

AB 918 provides two conditions under which the 12-month reconciliation of the annual accounts may occur prior to the 12-month anniversary: 1) when the Customer-Generator taking Direct Access service switches ESPs, and 2) when the Customer-Generator's ESP no longer provides Direct Access service to the customer. Language describing both of these situations is incorporated in Schedule E-NET.

In addition, in order to cleanly implement the new requirements of AB 918, the Company proposes to reconcile each existing Customer-Generator account's net usage and generation under currently effective Schedule E-NEM as of December 31, 2000. The Company will then charge each Customer-Generator on Schedule E-NEM for any net usage they may have accrued as of that date, or return any net generation to the grid, whichever is applicable, as would occur at the end of the Schedule E-NEM customer's 12-month reconciliation period. The Company will implement service under new Schedule E-NET by permitting existing net metering Customer-Generators to complete new interconnection agreements effective January 1, 2001.

Clarifying language is also incorporated into Schedule E-NET to explicitly state the Company's Competitive Transition Charge (CTC) obligations in a manner consistent with the Company's past practices under Schedule E-NEM. Also, language is included which states that Schedule S—*Standby Service*, does not apply to net metering customers.

The Interconnection Agreement for Net Energy Metering for Residential and Small Commercial Solar or Wind Electric Generating Facilities of 10 Kilowatts or Less (Interconnection Agreement) (Form 79-854) has been updated to reflect that Customer-Generators may pay their net energy consumption monthly if they choose, a change authorized by AB 918. In addition, the Interconnection Agreement has been reformatted so the Company may collect more detailed information about the Customer-Generator's generating systems and to make administrative functions more efficient.

Protests

Anyone wishing to protest this filing may do so by sending a letter within 20 days of the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102
Facsimile: (415) 703-2200

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Les Guliasi
Director, Regulatory Relations
77 Beale Street, Mailcode B10C
P.O. Box 770000
San Francisco, CA 94177
Facsimile: (415) 973-7226

Effective Date

In accordance with the terms of AB 918, the Company requests that this advice filing become effective **January 1, 2001**.

Notice

In accordance with Section III, Paragraph G, of General Order 96-A, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and to the service list for Rulemaking (R.) 99-10-025 Address changes should be directed to Nelia Avendano at (415) 973-3529.

Vice President - Regulatory Relations

cc: Service List – R. 99-10-025

Attachments



SCHEDULE E-NET—NET ENERGY METERING SERVICE

(N)

APPLICABILITY: This net-metering schedule is applicable to a “small customer” (as defined in Rule 1) who uses a solar or wind turbine electrical generating facility, or a hybrid system of both, with a capacity of not more than 10 kilowatts that is located on the customer’s premises, operates in parallel with PG&E’s transmission and distribution facilities, and is intended primarily to offset part or all of the customer’s own electrical requirements (hereinafter “eligible customer-generator” or “customer”). Certain incremental billing and metering costs set forth in this schedule that are related to net energy metering are applicable to Energy Service Providers (ESPs) serving eligible customer-generators.

Availability of this schedule to eligible customer-generators will be on a first-come first-served basis and will be until such time as either: (1) the total rated generating capacity used by eligible customer-generators equals one-tenth of 1 percent of PG&E’s aggregate eligible customer-generators’ peak demand, or (2) when the combined total peak demand of all eligible customer generators served by all electric service providers, in PG&E’s service territory, and by PG&E, furnishing net energy metering to eligible customer-generators in PG&E’s territory equals one-tenth of 1 percent of the aggregate peak demand of those electric service providers, as required by Section 2827 of the California Public Utilities Code.

This service is not applicable to a Direct Access (DA) customer where the customer’s ESP does not offer a net energy metering tariff.

TERRITORY: The entire territory served.

RATES: All rates charged under this schedule will be in accordance with the eligible customer-generator’s otherwise-applicable residential or commercial rate schedule. An eligible customer-generator served under this schedule is responsible for all charges from its otherwise-applicable rate schedule including monthly customer and demand charges. Charges for electricity supplied by PG&E will be based on the net metered usage in accordance with Net Energy Metering and Billing (Special Condition 2, below).

Customer-generators eligible for service under this schedule are exempt from the requirements of Schedule S--Standby Service.

Except as allowed in their otherwise-applicable rate schedule, the eligible customer-generators are exempt from paying Competitive Transition Charges (CTC) and other non-bypassable charges for their departing load served by the electricity generated by the customer’s generator.

SPECIAL CONDITIONS:

- METERING EQUIPMENT:** Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. If the eligible customer-generator’s existing electrical meter is not capable of measuring the flow of electricity in two directions, the eligible customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions. An additional meter or meters, installed in a dual meter socket (“dual metering”), to monitor the flow of electricity in each direction may be installed with the consent of the eligible customer-generator, at the expense of PG&E, and the dual metering shall be used only to provide the information necessary to accurately bill or credit the customer according to the utility’s otherwise applicable tariff or to collect solar or wind, or a hybrid system of both, electric generating system performance information for research purposes. PG&E shall determine whether dual metering is required under this provision. If dual metering is installed, the net energy metering calculation (see below) shall yield a result identical to that of a single meter capable of measuring the flow of electricity in two directions.

(N)

(Continued)



SCHEDULE E-NET—NET ENERGY METERING SERVICE
(Continued)

(N)

SPECIAL
CONDITIONS
(Cont'd.):

If PG&E decides that dual metering is required for the purposes set forth herein, and the eligible customer-generator refuses consent for installation of dual metering. PG&E shall have the right to refuse interconnection.

2. **NET ENERGY METERING AND BILLING:** Net energy is defined as measuring the difference between the electricity supplied by PG&E through the electric grid to the eligible customer-generator and electricity generated by an eligible customer generator and fed back into the electric grid over a 12-month period. At the end of each 12-month period following the later of the effective date of this tariff, or the date of final interconnection, and at each anniversary date thereafter, the eligible customer-generator shall be billed for electricity used during that period. If an eligible customer-generator terminates service under this rate schedule, or experiences a change in electric service provider prior to the end of any 12-month period, PG&E shall reconcile the customer's consumption and production of electricity and bill the customer as described below, as if it were the end of the normal 12-month period.

In the event the energy generated exceeds the energy consumed during the 12-month period, based on the eligible customer-generator's otherwise-applicable rate schedule as set forth below, no payment shall be made for the excess energy delivered to PG&E's grid. If PG&E is the electric service provider, this condition may be modified where the customer has signed a contract to sell electricity to PG&E.

In the event that the electricity supplied by PG&E during the 12-month period exceeds the electricity generated by the eligible customer-generator during the same period, the eligible customer-generator is a net electricity consumer and PG&E shall bill the eligible customer-generator for the net consumption during the 12-month period based on the eligible customer-generator's otherwise-applicable rate schedule, as set forth below.

For customer-generators taking service on otherwise-applicable baseline rate schedules, any net monthly consumption or production shall be valued as follows:

a) Baseline Rates:

For eligible customer-generators taking service on otherwise-applicable baseline rate schedules, any net consumption or production shall be valued monthly as follows:

If the eligible customer-generator is a net consumer, the eligible customer-generator will be billed in accordance with the eligible customer-generator's otherwise-applicable rate schedule.

If the eligible customer-generator is a net generator, the net kWh generated shall be valued at the rate for the kWh up to the baseline (Tier 1) quantity, with any excess kWh generated, valued at the rate for kWh over the baseline quantity.

(N)

(Continued)



SCHEDULE E-NET—NET ENERGY METERING SERVICE
(Continued)

(N)

SPECIAL
CONDITIONS
(Cont'd.):

2. NET ENERGY METERING AND BILLING (Cont'd.)

b) Time of Use

For eligible customer-generators taking service on otherwise-applicable time-of-use rate schedules, any net consumption or production shall be valued monthly as follows:

If the eligible customer-generator is a net consumer during any discrete time-of-use period, the net kWh consumed shall be billed in accordance with that same time-of-use period in the eligible customer-generator's otherwise-applicable rate schedule.

If the eligible customer-generator is a net generator during any discrete time-of-use period, the net kWh produced shall be valued at the same price per kWh as the same time-of-use period in the eligible customer generator's otherwise-applicable rate schedule.

c) Annual and Monthly Billing

If PG&E supplies the eligible customer-generator with electricity, PG&E shall provide the eligible customer-generator with net electricity consumption information with each regular bill. That information shall include the current monetary balance owed PG&E for the net electricity consumed since the last 12-month period ended. Eligible customer-generators may pay monthly or annually for the net energy consumed.

d) ESP Charges

If PG&E provides direct access metering, UDC consolidated billing, or ESP dual or consolidated billing support services for DA customer generators served under this rate or their ESPs, PG&E may recover the incremental costs related to net energy metering from the customer's ESP as follows:

Metering services: \$104 Metering Service Base charge, plus \$73/hour for on-site work, plus materials.

Billing: \$85/hour plus materials.

3. INTERCONNECTION: Prior to interconnection, the customer-generator must execute and comply with the requirements of PG&E's Interconnection Agreement for Net Energy Metering for Residential or Small Commercial Solar or Wind Electric Generating Facilities of 10 kW or Less, (Form 79-854). The eligible customer-generator must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable rules of the California Public Utilities Commission regarding safety and reliability.

(N)



Pacific Gas and Electric Company
San Francisco, California

Canceling

Revised
Original

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

17360-E
13870-E

PACIFIC GAS AND ELECTRIC COMPANY
INTERCONNECTION AGREEMENT FOR NET ENERGY METERING
FOR RESIDENTIAL AND SMALL COMMERCIAL SOLAR OR WIND ELECTRIC
GENERATING FACILITIES OF 10 KILOWATTS OR LESS
FORM NO. 79-854 (1/01)
(ATTACHED)

(T)

Advice Letter No. 2053-G
Decision No.

Issued by
DeAnn Hapner
Vice President
Regulatory Relations

Date Filed November 7, 2000
Effective January 1, 2001
Resolution No. _____

43104



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