

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



February 10, 2005

Advice Letter 2560-E

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: Revisions to Schedule E-NET, Net Energy Metering Service to provide eligible solar and wind customer-generators with net energy metering

Dear Ms de la Torre:

Advice Letter 2560-E is effective November 1, 2004. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "S. H. Gallagher".

Sean H. Gallagher, Director
Energy Division



**Pacific Gas and
Electric Company**

Brian K. Cherry
Director
Regulatory Relations

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San Francisco, CA 94105

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September 20, 2004

**Advice 2560-E
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

Subject: Revisions to Electric Rate Schedule *E-NET--Net Energy Metering Service* For Use By Pacific Gas and Electric Company To Provide Eligible Solar and Wind Customer-Generators With Net Energy Metering.

Pacific Gas and Electric Company (PG&E) 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 obtain CPUC approval for removing language at the request of the Energy Division relating to Public Goods Charges (PGC) (or Public Purpose Program Charges (PPP), as PG&E refers to them) on departed load on Rate Schedule *E-NET – Net Energy Metering Service* (Rate Schedule E-NET).

Background

On September 24, 2002, Governor Davis signed Assembly Bill (AB) 58 into law. It amended Section 2827 of the California Public Utilities Code (PUC) to keep in place the expanded eligibility for the net metering program otherwise set to expire on December 31, 2002. In addition, the new law added language regarding the payment of nonbypassable charges (public benefits charges and, depending on Commission action, Department of Water Resource (DWR) charges) on usage displaced by each customer's generator.

After review and comments from the Energy Division, PG&E on August 5, 2003, filed Advice Letter (AL) 2373-E-A, which superseded AL 2373-E. However, AL

2373-E-A did not include all the revisions requested by the Energy Division staff so PG&E filed AL 2373-E-B, on November 6, 2003 to include additional recommendations from the Energy Division.

At the same time that AL 2373-E-A was filed, PG&E also filed AL 2405-E, proposing a means to estimate a net metering customer's departing load for purposes of calculating the PPP on departed load.

Resolution E-3847, dated December 18, 2003, rejected PG&E AL 2405-E and clarified the PPP responsibility. But "placeholder language" remained in the proposed tariff language filed with AL 2373-E-A and subsequently, AL 2373-E-B stating that PPP would be estimated, "*at such time, and in such a manner, as may be approved by the Commission (CPUC).*"

After AL 2373-E-B was approved, the Energy Division contacted PG&E and requested that PG&E remove this placeholder language from the E-NET tariff to prevent customer confusion on this issue. The current filing change is being made only make sure there is no uncertainty regarding how PPP charges are calculated for E-NET customers.

PG&E is hereby submitting the revised tariffs.

Tariff Revisions

The attached electric Rate Schedule E-NET modifies the previously filed tariff by removing the language at the end of the Rates Section that states:

Except for those eligible customer-generators qualifying for Special Condition 4 below, customer-generators are responsible for Public Purpose Program (PPP) charges. Such charges shall be based on Departing Load (as defined in PG&E's Preliminary Statement BB), and retail usage in accordance with the eligible customer's otherwise-applicable rate schedule.

To determine nonbypassable PPP charges and any other charges the CPUC determines to be nonbypassable, a customer-generator's Departing Load shall be estimated by PG&E at such time, and in such a manner, as may be approved by the Commission (CPUC).

The remaining information on that tariff sheet is relocated onto the bottom of the previous tariff sheet 22300-E, which cancels both 20840-E and 20841-E.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other rate schedule or rule.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **October 10, 2004**, which is 20 days from 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, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov

Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Brian K. Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: RxDd@pge.com

Effective Date

PG&E requests that this advice filing become effective November 1, 2004, which is 40 days from the date of this filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this Advice Letter is being sent electronically and via U.S. mail to parties shown on

the attached list. Address changes should be directed to Rose De La Torre at (415) 973-4716. Advice Letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs>

Brian K. Cherry

Director - Regulatory Relations

Attachments

cc: Service List R. 04-03-017

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
22300-E	Schedule E-NET – Net Energy Metering Service	20840-E, 20841-E
22301-E	Table of Contents – Rate Schedules (Cont'd)	21814-E
22302-E	Table of Contents – Rate Schedules	21858-E



SCHEDULE E-NET—NET ENERGY METERING SERVICE

APPLICABILITY: This net energy-metering schedule is applicable to a residential, small commercial (as defined in subdivision (h) of Section 331 of the California Public Utilities Code (CPU Code)), commercial, industrial, or agricultural customer who uses a solar or wind turbine electrical generating facility, or a hybrid system of both, with a capacity of not more than 1,000 kilowatts that is located on the customer's owned, leased, or rented premises, is interconnected and operates in parallel with PG&E's transmission and distribution facilities, including wind energy co-metering customers as defined in CPU Code Section 2827.8, 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.

This service is not applicable to a Direct Access (DA) customer where the customer's ESP does not offer a net energy metering tariff. In addition, if an eligible customer-generator participates in direct transactions with an electric provider that does not provide distribution service for the direct transactions, the electric provider, and not PG&E, is obligated to provide net energy metering to the customer.

This rate schedule is available on a first-come, first-served basis until such time as the total rated generating capacity used by eligible customer-generators exceeds one-half of 1 percent of PG&E's aggregate customer peak demand.

TERRITORY: The entire territory served.

RATES: All rates charged under this schedule will be in accordance with the eligible customer-generator's otherwise-applicable metered rate schedule. An eligible customer-generator served under this schedule is responsible for all charges from its otherwise-applicable rate schedule including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges. The "Peak Rate Limiter" and "Average Rate Limiter" for general service otherwise-applicable-rate schedules, the "Demand Charge Limiter" for agricultural otherwise-applicable-rate schedules and all other demand charges will be based on the demand in kilowatts as measured only on the energy being consumed by the customer from PG&E. The power factor, when it applies on the otherwise-applicable-rate schedule, will be based on the average power factor over the past 12 billing months of operation prior to starting on E-NET. Customer-generators without 12 billing months of power factor history, will have their power factor estimated based on the nature of the connected facilities and their hours of operation. Power factor will be subsequently applied to the customer-generator's bill until the customer-generator demonstrates to PG&E's satisfaction that adequate correction had been provided. PG&E will continue to monitor and review the power factor and if warranted, change the power factor correction on the customer-generator's bills. 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.

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General Order 96-A, Section III(G)**

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