

PUBLIC UTILITIES COMMISSION

100 MARKET STREET  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



March 8, 2005

Advice Letter 2627-E

**RECEIVED**  
REGULATORY RELATIONS DEPARTMENT  
MAR 11 2005

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

Subject: Issuance of Advice Filing for Revisions to PG&E's Electric Rule 21 -  
Generating Facility Interconnections, Adjustment of Sunset Date

Dear Ms de la Torre:

Advice Letter 2627-E is effective January 1, 2005. A copy of the advice letter is sent herewith  
for your records.

Sincerely,

Sean H. Gallagher  
Director  
Energy Division

<b>REGULATORY RELATIONS</b>	
Tariffs Section	
M Brown	SShaw
R De la Torre (2)	ASmith
T Novak	STatal
	<i>Hickman</i>
MAR 11 2005	
Return to	Records
cc to	File



**Pacific Gas and  
Electric Company**

**Brian K. Cherry**  
Director  
Regulatory Relations

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**February 14, 2005**

**Advice 2627-E  
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

**Subject: Revisions to PG&E's Electric Rule 21 – Generating Facility Interconnections, Adjustment of Sunset Date**

Pacific Gas and Electric Company (PG&E) submits this supplemental advice letter seeking approval of certain changes to electric Rule 21 – *Generating Facility Interconnections*. The electric tariff sheets affected on identified on Attachment I.

## **I. Background**

The current version of Rule 21, Sections F.3 and F.5, address provisions for net generation metering and telemetering, respectively. The language in Section F.3, "Net Generation Metering", represents a mutually acceptable position amongst the parties when Rule 21 was initially drafted in the Distributed Generation (DG) Order Instituting Rulemaking (OIR) 99-10-025 and was intended to be a placeholder for net generation metering obligations while the California Energy Commission's (CEC) Rule 21 working group continued to work on the requirements. To date, the working group has not reached consensus on this issue. The CEC will be presenting issues to the California Public Utilities Commission (CPUC) in its Rule 21 Working Group Report to the CPUC DG OIR 04-03-017. Amongst those issues is the current position of the parties with recommended course of action to address the net generation metering requirement.

In the meantime, the interested parties continue to work amongst themselves to try to reach mutually acceptable proposals for net generation metering and telemetering.

### **Purpose**

PG&E is modifying electric Rule 21 to change the sunset date in section F.6 from December 31, 2004 to December 31, 2005. This new date will allow the interested parties more time to work on the issue and an extension supports continuity of the interim metering requirements.

This extension of the sunset date to December 31, 2005, has been agreed upon by the working group participants. Southern California Edison and San Diego Gas and Electric Company will also be filing similar requests.

As a ministerial matter, PG&E is also updating the service list from the closed DG OIR 99-10-025 to the current DG OIR 04-03-017.

In Advice Letter 2281-E-A, *Supplement to Revise Electric Rule 21- Generating Facility Interconnections*, the Commission approved PG&E's definition of Distributed Energy Resources (DER). PG&E is including this definition in Rule 1, as part of this filing.

### **Protest**

Anyone wishing to protest this filing should do so by sending a letter via postal mail and facsimile by **March 7, 2005**, which is 21 days after 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, California 94102  
Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov)

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: 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

The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest.

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

### **Effective Date**

PG&E requests that this advice letter become effective on **January 1, 2005**, which is the date after the day that the previous sunset date provision ended.

### **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, and the service list parties for Rulemaking (R.) 04-03-017. Address changes should be directed to Rose De La Torre (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

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
22891-E	Electric Rule 1- Definitions	20964-E
22892-E	Electric Rule 1- Definitions (Cont'd)	19760, 20964-E
22893-E	Electric Rule 21- Generating Facility Interconnections	19422-E
22894-E	Table of Contents—Rules	22475-E
22895-E	Table of Contents – Rate Schedules and Rules	22489-E



**RULE 1—DEFINITIONS**  
(Continued)

**DIRECT ACCESS SERVICE:** Defined in Rule 22.A.3. (T)

**DISTRIBUTED ENERGY RESOURCES (DER)** means any electric generation technology that meets all of the following criteria: (N)

- (a) Commences initial operation between May 1, 2001, and June 1, 2003, except that gas-fired distributed energy resources that are not operated in a combined heat and power application must commence operation no later than September 1, 2002.
- (b) Is located within a single facility.
- (c) Is five megawatts or smaller in aggregate capacity.
- (d) Serves onsite loads or over-the-fence transactions allowed under Sections 216 and 218.
- (e) Is powered by any fuel other than diesel.
- (f) Complies with emission standards and guidance adopted by the State Air Resources Board pursuant to Sections 41514.9 and 41514.10 of the Health and Safety Code. Prior to the adoption of those standards and guidance, for the purpose of this article, distributed energy resources shall meet emissions levels equivalent to nine parts per million oxides of nitrogen, or the equivalent standard taking into account efficiency as determined by the State Air Resources Board, averaged over a three-hour period, or best available control technology for the applicable air district, whichever is lower, except for distributed generation units that displace and therefore significantly reduce emissions from natural gas flares or reinjection compressors, as determined by the State Air Resources Control Board.

These units shall comply with the applicable best available control technology as determined by the air pollution control district or air quality management district in which they are located. This definition is obtained from Public Utilities Code (PUC) 353.1. The definition of DER may be modified as necessary to be consistent with any changes ordered by the appropriate jurisdiction. (N)

**DISTRIBUTION SERVICES:** The delivery of electrical supply and related services by PG&E to a customer over PG&E's Distribution System.

**DISTRIBUTION SYSTEM:** Those non-ISO transmission and distribution facilities owned, controlled, and operated by PG&E that are used to provide Distribution Service under these tariffs. (L)

(Continued)



**RULE 1—DEFINITIONS**  
(Continued)

**ELECTRONIC BILLING:** A billing method whereby at the mutual option of the Customer and PG&E, the Customer elects to receive, view, and pay bills electronically and to no longer receive paper bills.

(L)

**ELECTRONIC PRESENTMENT:** When made available or transmitted electronically to the Customer at an agreed upon location.

**ENERGY SUPPLY OR PROCUREMENT SERVICES:** Includes, but is not limited to, procurement of electric energy; all scheduling, settlement, and other interactions with Scheduling Coordinators, and the ISO; all ancillary services and congestion management.

**ENERGY SERVICE PROVIDER (ESP):** An entity who provides electric supply services to Direct Access Customers within PG&E's service territory. An ESP may also provide certain metering and billing services to its DA Customers as provided for within these tariffs.

(L)

**FEDERAL ENERGY REGULATORY COMMISSION (FERC):** Federal agency with jurisdictional responsibilities over electric transmission service and electric sales for resale.

**FIXED TRANSITION AMOUNT (FTA) CHARGE:** See Trust Transfer Amount Charge.

**GENERATION CUSTOMER:** Any PG&E (electric customer with electric generation facilities (including back-up generation in parallel with PG&E) on the customer's side of the interconnection point.

**HOURLY PRICING OPTION:** This option is suspended.

**INDEPENDENT SYSTEM OPERATOR (ISO):** The California Independent System Operator Corporation, a state-chartered, non-profit corporation that controls the transmission facilities of all participating transmission owners and dispatches certain generating units and loads. The ISO is responsible for the operation and control of the statewide transmission grid.

(Continued)



RULE 21—GENERATING FACILITY INTERCONNECTIONS

(Continued)

F. METERING, MONITORING AND TELEMETRY (Cont'd.)

6. SUNSET PROVISION

Sections F.3 and F.5 are interim provisions only. PG&E shall file permanent Metering requirements with the Commission on or by December 31, 2005. At that time, PG&E shall serve its application for approval of permanent Metering requirements on the service list in Order Instituting Rulemaking (OIR) 99-10-025.

(T)

7. LOCATION

Where PG&E-owned Metering is located on the Producer's premises, Producer shall provide, at no expense to PG&E, a suitable location for all such Metering Equipment.

8. COSTS OF METERING

The Producer will bear all costs of the Metering required by this Rule, including the incremental costs of operating and maintaining the Metering Equipment.

G. DISPUTE RESOLUTION PROCESS

The following procedures will apply for disputes arising from this Rule:

1. The Commission shall have initial jurisdiction to interpret, add, delete or modify any provision of this Rule or of any agreements entered into between PG&E and the Producer to implement this tariff ("The Implementing Agreements") and to resolve disputes regarding PG&E's performance of its obligations under its tariffs, the applicable agreements, and requirements related to the Interconnection of the Producer's Generating or Interconnection Facilities pursuant to this Rule.
2. Any dispute arising between PG&E and the Producer (individually "Party" and collectively "the Parties") regarding PG&E's performance of its obligations under its tariffs, the Implementing Agreements, and requirements related to the Interconnection of Producer's Facilities pursuant to this Rule shall be resolved according to the following procedures:

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**PG&E Electric Advice Filing List  
General Order 96-A, Section III(G)**

ABAG Power Pool  
Aglet Consumer Alliance  
Agnews Developmental Center  
Ahmed, Ali  
Alcantar & Elsesser  
Anderson Donovan & Poole P.C.  
Applied Power Technologies  
APS Energy Services Co Inc  
Arter & Hadden LLP  
Avista Corp  
Barkovich & Yap, Inc.  
BART  
Bartle Wells Associates  
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BP Energy Company  
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C & H Sugar Co.  
CA Bldg Industry Association  
CA Cotton Ginners & Growers Assoc.  
CA League of Food Processors  
CA Water Service Group  
California Energy Commission  
California Farm Bureau Federation  
California ISO  
Calpine  
Calpine Corp  
Calpine Gilroy Cogen  
Cambridge Energy Research Assoc  
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Hogan Manufacturing, Inc  
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Imperial Irrigation District  
Integrated Utility Consulting Group  
International Power Technology  
J. R. Wood, Inc  
JTM, Inc  
Kaiser Cement Corp  
Korea Elec Power Corp  
Marcus, David  
Masonite Corporation  
Matthew V. Brady & Associates  
Maynor, Donald H.  
McKenzie & Assoc  
McKenzie & Associates  
Meek, Daniel W.  
Mirant California, LLC  
Modesto Irrigation Dist  
Morrison & Foerster  
Morse Richard Weisenmiller & Assoc.  
New United Motor Mfg, Inc  
Norris & Wong Associates  
North Coast Solar Resources  
Northern California Power Agency  
PG&E National Energy Group  
Pinnacle CNG Company  
PITCO  
PPL EnergyPlus, LLC  
Praxair, Inc.  
Price, Roy  
Product Development Dept  
R. M. Hairston & Company  
R. W. Beck & Associates  
Recon Research  
Regional Cogeneration Service

RMC Lonestar  
Sacramento Municipal Utility District  
SCD Energy Solutions  
Seattle City Light  
Sempra  
Sempra Energy  
Sequoia Union HS Dist  
SESCO  
Sierra Pacific Power Company  
Silicon Valley Power  
Simpson Paper Company  
Smurfit Stone Container Corp  
Southern California Edison  
SPURR  
St. Paul Assoc  
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Sutherland, Asbill & Brennan  
Tabors Caramanis & Associates  
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TFS Energy  
Transwestern Pipeline Co  
Turlock Irrigation District  
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WMA