

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



March 1, 2012

**Advice Letter 3870-E**

Brian K. Cherry  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

**Subject: Revisions to Electric Schedules NEM – *Net Energy Metering and NEMVNMA – Virtual Net Energy Metering for Multifamily Affordable Housing (MASH/NSHP) With Solar Generator(s) in Compliance with Assembly Bill (AB) 920 and D.11-06-016***

Dear Mr. Cherry:

Advice Letter 3870-E is effective January 1, 2010 per Resolution E-4422.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director  
Energy Division

July 11, 2011

**Advice 3870-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Revisions to Electric Schedules NEM – Net Energy Metering and NEMVNMA – Virtual Net Energy Metering For Multifamily Affordable Housing (MASH/NSHP) With Solar Generator(s) in Compliance with Assembly Bill (AB) 920 and Decision (D) 11-06-016**

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

**Purpose**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to Electric Schedules NEM and NEMVNMA to allow customers on these schedules who are net surplus generators during a true-up period to be compensated, pursuant to D. 11-06-016<sup>1</sup>.

**Background**

On October 11, 2009, the Governor approved Assembly Bill (AB) 920, which amended Pub. Util. Code § 2827 and requires the Commission to establish a program to compensate solar and/or wind net energy metering customers for electricity produced in excess of on-site load at the end of a 12 month true-up period.

Specifically, the statute directs the Commission to adopt a net surplus compensation (NSC) valuation to compensate a net surplus customer generator for surplus kilowatt-hours produced over 12 months. The statute states, in pertinent part, that:

*The net surplus electricity compensation valuation shall be established so as to provide the net surplus customer-generator just and reasonable compensation for the value of net surplus electricity, while leaving other ratepayers unaffected.*

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<sup>1</sup> D.11-06-016 can be found at [http://docs.cpuc.ca.gov/PUBLISHED/FINAL\\_DECISION/137431.htm](http://docs.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/137431.htm)

*The ratemaking authority shall determine whether the compensation will include, where appropriate justification exists, either or both of the following components:*

- (i) The value of the electricity itself.*
- (ii) The value of the renewable attributes of the electricity.*

*In establishing the rate pursuant to subparagraph (A), the ratemaking authority shall ensure that the rate does not result in a shifting of costs between solar customer-generators and other bundled service customers.<sup>2</sup>*

*Customers may opt to receive either a payment for net surplus generation or to roll a credit for that generation into the next 12-month true-up period.<sup>3</sup>*

According to AB 920, the Commission shall establish an NSC rate by January 1, 2011.

On January 15, 2010, in an Assigned Commissioner Ruling (ACR), in Rulemaking 08 03 008 (January 15th ACR), President Peevey directed Pacific Gas and Electric Company (PG&E) along with the other utilities, to file applications proposing an NSC rate as well as other program implementation details pursuant to AB 920 no later than March 1. That ACR posed a series of questions regarding implementation of AB 920 and asked the utilities to respond to those questions.

On January 29, 2010 PG&E submitted Advice Letter (AL) 3605-E<sup>4</sup> to make changes to Electric Rate Schedules NEM, Net Energy Metering Schedule, and NEMVNMA, Virtual Net Energy Metering for Multifamily Affordable Housing (MASH/NSHP) with Solar Generator(s), so the tariffs would reflect that customers who still have an upcoming 2010 true-up may request an earlier true-up date so they may participate in the AB 920 compensation program at an earlier date in 2011.

On March 15, 2010, PG&E filed its application A. 10-03-012 to establish an NSC rate. Along with PG&E's application, four other IOU applications were consolidated into application A. 10-03-001 et. al. by Chief Administrative Law Judge (ALJ) Ruling on April 1. Responses to the five utility applications were filed by PG&E and various other parties. Protests to the applications were also filed.

On June 21, 2010, PG&E and various parties filed their proposals for NSC rates.

On July 9, 2010, a workshop to discuss the proposals was held. Following the workshop, comments and reply comments on the proposals were filed by PG&E and various parties.

On November 3, 2010, ALJ Duda issued "Proposed Decision Adopting Net Surplus Compensation Rate Request Pursuant to Assembly Bill 920". PG&E and other parties submitted Comments on November 23, 2010, and reply comments 5 days later.

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<sup>2</sup> P.U. Code Sections 2827 (h)(4)(A) and (B).

<sup>3</sup> P.U. Code Section 2827(h)(3).

<sup>4</sup> [http://www.pge.com/notes/rates/tariffs/tm2/pdf/ELEC\\_3605-E.pdf](http://www.pge.com/notes/rates/tariffs/tm2/pdf/ELEC_3605-E.pdf)

On April 5, 2011, President Peevey issued an Alternate Proposed Decision (APD). PG&E and other parties submitted comments on April 25, 2011, and reply comments 5 days later.

On June 9, 2011, the Commission approved ALJ Duda's proposed decision as D.11-06-016. This decision establishes an NSC rate and orders PG&E to implement the following:

1. Ordering Paragraph 1 requires that PG&E shall, *"use the simple rolling average of their default load aggregation point price from 7 a.m. to 5 p.m., corresponding to the customer's 12-month true-up period, as the value of the electricity portion of their individual net surplus compensation rates. The rolling average should be calculated on a monthly basis and be applied to all customers with a true-up period in the following month."*
2. Ordering Paragraph 2 requires that PG&E shall, *"include a renewable attribute adder to the net surplus compensation rate in Ordering Paragraph 1 above, after the California Energy Commission determines the eligibility of net energy metering customer facilities for the Renewable Portfolio Standard and an ownership verification and tracking system for Renewable Energy Credits created by net surplus generators. The renewable attribute adder shall be calculated using the most recent Western Electricity Coordinating Council average renewable premium, based on United States Department of Energy published data. The renewable attribute adder shall only be paid to those net surplus generators who provide Renewable Energy Credits to the utility."*
3. Ordering Paragraph 3 requires that, *"Within 30 days of the effective date of this decision, [PG&E shall] file a Tier 3 advice letter revising their net energy metering tariffs to include net surplus electricity compensation pursuant to Public Utilities Code Section 2827 and Ordering Paragraphs 1 and 2 above. The advice letter shall contain the initial calculations for a net surplus compensation rate based on [PG&E's] individual default load aggregation point prices and specify the process for monthly updates to the rate. The net surplus compensation rate for [PG&E] shall take effect upon Commission approval of [PG&E's] advice letter and may be used to compensate customers who chose net surplus compensation when notified in January 2010 or thereafter."*
4. Ordering Paragraph 7 requires that, *"Customers opting for net surplus compensation must notify the utility at the time they elect to receive a net surplus compensation payment or to apply their payment toward future usage that they are a qualifying facility exempt from certification filing at the Federal Energy Regulatory Commission."*
5. Ordering Paragraph 8 requires that PG&E, *"shall obtain certification of renewable energy credit ownership from a net energy metering customer prior to*

*compensating that customer for any renewable attributes or counting any renewable energy credits from net surplus generation toward Renewables Portfolio Standard annual procurement targets.”*

6. Ordering Paragraph 9 requires that, *“If the California Energy Commission (CEC) allows retroactive Renewable Portfolio Standard certification and renewable energy credit (REC) tracking for net surplus generation produced by net energy metering customers, [PG&E] may:*

*(a) retroactively count RECs associated with net surplus generation it purchased prior to CEC certification and REC tracking, provided that the RECs are transferred to [PG&E], and*

*(b) retroactively compensate net surplus generators for the renewable attributes of their net surplus generation using the renewable adder in Ordering Paragraph 2 and subject to the requirements in Ordering Paragraph 8.”*

7. Ordering Paragraph 10 requires that, *“If a customer chooses to rollover excess kilowatt hours of net surplus generation, the dollar amount of any net surplus compensation must be applied to the customer’s account directly rather than drafting a separate check. Once the excess kilowatt hours have been valued in dollars, the kilowatt hour values in all time periods should be reset to zero.”*
8. Ordering Paragraph 11 allows that PG&E *“may offer net surplus compensation to any net energy metering customer, including wind energy co-metering customers, virtual net metering customers, and multiple tariff treatment customers.”*
9. Ordering Paragraph 14 closes the consolidated Application 10-03-001.

### **Tariff Revisions**

1. To comply with D.11-06-016, Schedule NEM is modified as follows:
  - a. In Special Condition 2(f) *Energy True-Up*, in the third paragraph, removed language that requires that when the energy (kWh) generated exceeds the energy (kWh) consumed during the Relevant Period, no payment shall be made for the excess energy (kWh) delivered to PG&E’s grid;
  - b. In the same Special Condition, added a new fifth paragraph stating: *If any Eligible customer-generator has any credits calculated pursuant to this Section 2 remaining at the end of the Relevant Period, that credit will be set to zero. However, in the event the energy (kWh) generated exceeds the energy (kWh) consumed during the Relevant Period, compensation*

*shall be made for the excess energy (kWh) as described in Special Condition 7*

- c. In Special Condition 5, *Wind Energy Co-Metering*, at the end of the fifth paragraph, added language stating: *However, in the event the energy (kWh) generated exceeds the energy (kWh) consumed during the Relevant Period, compensation shall be made for the excess energy (kWh) as described in Special Condition 7.*
- d. Replaced the existing Special Condition 7 dealing with a one-time option allowing a customer to establish new a true-up date for Net Surplus Electricity Compensation with a New Special Condition titled *Net Surplus Electricity Compensation*.

The first paragraph describes the purpose of the program and in doing so defines *Net Surplus Electricity* (NSC) based on the definition in Public Utilities Code 2827(h) (4) (A), and then defines the term *Net Surplus Generator*.

Section (a) establishes that any customer on bundled service NEM is eligible to receive NSC; however, if they have a NEM multiple tariff arrangement as describe in Special Condition 6, only the generator(s) eligible for treatment under the NEM schedule may receive NSC. Section (a) also addresses unbundled customers.

Also D.11-06-016 sets the effective date for a customer to receive NSC as January 1, 2011. However, there are several reasons why certain customers would have expected to receive credits since they would have anticipated that their true-up would have taken place in January 2011, but due to the logistics of PG&E's billing and metering operations, their true-up occurred in December of 2010. To address this, PG&E's tariffs provides that customers in the following circumstances are eligible for NSC even if their true-up falls in December 2010:

- (i) the Net Surplus Generator customer was a change-of-party Customer or became a new NEM customer in January, 2010 and the meter read date for their twelfth billing month following enrollment in NEM falls in December of 2010; or
- (ii) a Net Surplus Generator's NEM meter was set to be read in January 2011 but due to PG&E's schedule of meter read dates, the read occurred on December 27, 2010, or later.

Section 7(b) defines the Net Surplus Compensation Rate, and specifies how it will be calculated. Specifically, the tariff states:

The NSC Rate is defined as the simple rolling average of PG&E's default load aggregation point (DLAP) price from 7 a.m. to 5 p.m., for a 12-month period. PG&E shall use the NSC Rate as the value of the electricity portion of its net surplus compensation rate.

PG&E will calculate the NSC Rate each month. It will be effective on the first day of that month and PG&E will use it in the NSC Calculation for any Net Surplus Generators with a Relevant Period completed in that month (True-Up Month).

The DLAP Cutoff Date will be defined as the twentieth (20th) day of the month prior to the True-Up Month.

PG&E will wait five (5) days after the DLAP Cutoff Date for the CAISO to have time to finalize the day-ahead PG&E DLAP prices. The NSC Rate will then be calculated as the simple average of the prices for all hours between 7 a.m. and 5 p.m. over a one (1) year period ending on the DLAP Cutoff Date.

Section 7(c) describes the Renewable Attribute Adder. In accordance with the decision, PG&E will modify this tariff to include a Renewable Attribute Adder (RAA) once the California Energy Commission (CEC) determines the implementation methodology.

Section 7(d) describes how the Net Surplus Calculation is based on the simple calculation of the Net Surplus Electricity times the Net Surplus Compensation Rate.

Section 7(e) discusses the customer's options for receiving their NSC, and how to elect to not receive NSC. It is anticipated that most customers will want their NSC applied to ongoing bill charges, so PG&E assumes this is the choice most customers will make. However, customers may request any remaining NSC be issued as a check (if the amount is over one (\$1) dollar), for any NSC in excess of account charges. Finally, if for some reason a customer does not want to receive NSC, PG&E has created a new form so they may elect to not receive NSC.

In addition to the tariff language, it is important to note that, if it is determined that information reporting is required under the Internal Revenue Code for any payment or credit to a customer, then PG&E will need to be allowed to obtain any information required under IRS rules and regulations prior to making any such payment or credit.

Section 7(f) addresses the requirement in Ordering Paragraph 7 that the customer certify that they are a Qualifying Facility. However, since all NEM customer-generators currently meet the requirements for a

Qualifying Facility exempt from certification filing at the Federal Energy Regulatory Commission (FERC), the tariff provides that no further documentation from customers will be required at this time.

Section 7(g) addresses Generator Size. Generator Sizing is discussed in Section 7.4 of D. 11-06-016. The Commission states there that, *"...nothing in AB 920 alters the existing NEM system sizing language and that to be eligible for NSC, a system must meet the definition of an eligible customer-generator within Section 2827(b)(4), including that it be intended primarily to offset part or all of the customer's own electrical requirements. Systems that are sized larger than the customer's electrical requirements would not be eligible for NEM and therefore, are not eligible for NSC either."* PG&E includes similar language based on this requirement in the tariff.

- e. In the Applicability section, PG&E removes language to clarify that a Community Choice Aggregator (CCA) does not have to have a net energy metering tariff for CCA customers to be eligible for NEM service. However, to be consistent with the Commission decision, the tariff provides that these customers, as well as Direct Access customers, are not eligible to receive NSC from PG&E.
2. Similarly, Schedule NEMVNMA includes the same modification as above with the following differences:
- a. Since NEMVNMA customers must be bundled customers (because of the complexity of administering an arrangement with a generator and both bundled and unbundled customers), no language was included in the opening part of Special Condition 4 (which corresponds to Special Condition 7 in the NEM tariff) about Net Surplus Generators who receive Direct Access (DA) Service from an ESP or who receive Community Choice Aggregation Service from a CCA.
  - b. The definition of Net Surplus Electricity in the opening section of Special Condition 4 is modified to reflect that only the electricity (kWh) that is *allocated to a customer with a Common Area account or a Residential Unit account* over a Relevant period is to be considered in determining if a customer is a Net Surplus Generator.
  - c. In the Special Condition 4(a), references to the NEM sub-schedules are not a part of NEMVNMA and were omitted.
  - d. In Special Condition 4(e), reference to NEM were changed to NEMVNM.

Also, as with the NEM tariff, in addition to the NEMVNMA tariff language, it is important to note that, if it is determined that information reporting is



required under the Internal Revenue Code for any payment or credit to a customer, then PG&E will need to be allowed to obtain any information required under IRS rules and regulations prior to making any such payment or credit.

- e. In Special Condition 4(f) regarding QF Status, since the Residential Unit and Common Area accounts do not have their own generator under NEMVNA, the reference is modified to refer to the Generator Account from which they receive their generation allocation as described in Special Condition 2(b).
  - f. In Special Condition 4(g) regarding Generator Sizing the following language was included in the NEMVNMA tariff, *"Nothing in this Special Condition alters the existing NEMVNMA system sizing requirement. Specifically, in order to be eligible for NSC, the Generator Account system must be intended primarily to offset part or all of the Residential Unit Account and Common Area Account customers' own electrical requirements. Systems that are sized larger than the electrical requirements are not eligible for VNMNEMA and therefore, are not eligible for NSC either."*
  - g. In Special Condition 2(g), the language stating, "In the event the Customer Load Account's allocation of energy (kWh) generated at the associated Generator Account and fed back to the electric grid exceeds the energy (kWh) consumed at the Customer Load Account during the Relevant Period, based on its OAS as set forth in 2.i below, no payment shall be made for the excess energy (kWh) delivered to PG&E's grid. " was modified to provide, "However, in the event the Customer Load Account's allocation of energy (kWh) generated at the associated Generator Account and fed back to the electric grid exceeds the energy (kWh) consumed during the Relevant Period, payment shall be made for the excess energy (kWh) as described in Special Condition 4."
- 3. Various minor grammatical errors were corrected in the NEM and NEMVNMA tariffs.
  - 4. A new form 79-1130 – *Customer Request Form not to Receive Net Surplus Compensation*, is created for use by customers on either NEM or NEMVNMA to opt out of receiving Net Surplus Compensation.
  - 5. Existing Form 79-1114 – *NEM 2010 Early True-up Request*, is deleted from PG&E's tariff book. This form was only valid through the end of 2010.

**Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **August 1, 2011**, which is 21 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division  
Tariff Files, Room 4005  
DMS Branch  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [ijnj@cpuc.ca.gov](mailto:ijnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Brian Cherry  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-6520  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

**Effective Date**

PG&E requests that this advice filing become effective on regular notice, January 1, 2010, (the effective date of AB 920) and upon Commission Approval.

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list **and the parties on the service list for DG OIR R. 10-05-004** and AB920 Joint Application A.10-03-001. Address changes to the General Order 96-B service list should be directed to PG&E at email address [PGETariffs@pge.com](mailto:PGETariffs@pge.com). For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at [ProcessOffice@cpuc.ca.gov](mailto:ProcessOffice@cpuc.ca.gov). Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>

A handwritten signature in black ink that reads "Brian Cherry /gcd". The signature is written in a cursive, flowing style.

Vice President, Regulation and Rates

**Attachments**

cc: Service Lists R.10-05-004 and A.10-03-001

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

☒ ELC

☒ GAS

☐ PLC

☐ HEAT

☐ WATER

Contact Person: Conor Doyle

Phone #: (415) 973-7817

E-mail: jcdt@pge.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas ☐

PLC = Pipeline

HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3870-E**

**Tier: 3**

Subject of AL: **Revisions to Electric Schedules NEM – Net Energy Metering and NEMVNMA – Virtual Net Energy Metering For Multifamily Affordable Housing (MASH/NSHP) With Solar Generator(s) in Compliance with Assembly Bill (AB) 920 and Decision (D) 11-06-016**

Keywords (choose from CPUC listing): **Metering, Forms**

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **D.11-06-016**

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: \_\_\_\_\_

Resolution Required? ☒ Yes ☐ No

Requested effective date: **January 1, 2010**

No. of tariff sheets: **19**

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: **Electric Schedules NEM and NEMVNMA, and Electric Form 79-1130**

Service affected and changes proposed:

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division**

**Tariff Files, Room 4005**

**DMS Branch**

**505 Van Ness Ave., San Francisco, CA 94102**

**jnj@cpuc.ca.gov and mas@cpuc.ca.gov**

**Pacific Gas and Electric Company**

**Attn: Brian Cherry, Vice President, Regulation and Rates**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: PGETariffs@pge.com**

**ATTACHMENT 1  
Advice 3870-E**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
30484-E	ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE Sheet 1	29689-E
30485-E	ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE Sheet 2	28573-E
30486-E	ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE Sheet 3	27237-E
30487-E	ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE Sheet 8	27242-E
30488-E	ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE Sheet 11	29691-E
30489-E	ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE Sheet 12	27245-E
30490-E	ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE Sheet 17	29692-E
30491-E	ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE Sheet 18	
30492-E	ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE Sheet 19	
30493-E	ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE Sheet 20	
30494-E	ELECTRIC SCHEDULE NEMVNMA VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING (MASH/NSHP) WITH SOLAR GENERATOR(S) Sheet 10	29607-E

**ATTACHMENT 1  
Advice 3870-E**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
30495-E	ELECTRIC SCHEDULE NEMVNMA VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING (MASH/NSHP) WITH SOLAR GENERATOR(S) Sheet 12	29741-E
30496-E	ELECTRIC SCHEDULE NEMVNMA VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING (MASH/NSHP) WITH SOLAR GENERATOR(S) Sheet 13	
30497-E	ELECTRIC SCHEDULE NEMVNMA VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING (MASH/NSHP) WITH SOLAR GENERATOR(S) Sheet 14	
30498-E	ELECTRIC SCHEDULE NEMVNMA VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING (MASH/NSHP) WITH SOLAR GENERATOR(S) Sheet 15	
30499-E	Electric Sample Form 79-1130 Customer Request Form not to Receive Net Surplus Compensation Sheet 1	
30500-E	ELECTRIC TABLE OF CONTENTS Sheet 1	30371-E
30501-E	ELECTRIC TABLE OF CONTENTS RATE SCHEDULES Sheet 6	30314-E
30502-E	ELECTRIC TABLE OF CONTENTS SAMPLE FORMS Sheet 27	29915-E



## ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE

Sheet 1

**APPLICABILITY:** This net energy-metering schedule is applicable to a 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 systems, including wind energy co-metering customers as defined in California Public Utilities 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 ESP that does not provide distribution service for the direct transactions, the ESP, and not PG&E, is obligated to provide net energy metering to the customer. (D)  
 (D)

This rate schedule is available on a first-come, first-served basis to customers that provide PG&E with: (a) a completed Net Energy Metering Application including all supporting documents and required payments; AND (b) a completed signed Net Energy Metering Interconnection Agreement; AND (c) evidence of the customer's final inspection clearance from the governmental authority having jurisdiction over the generating facility; until such time as the total rated generating capacity used by eligible customer-generators on Rate Schedule NEM and NEMVNMA exceeds five (5) percent of PG&E's aggregate customer peak demand.

The total rated generating capacity will be calculated as the sum of all of the following:

- 1) For each PV generating facility, PG&E will use the California Energy Commission's (CEC) AC rating; or where the CEC AC rating is not available, PG&E will multiply the inverter AC nameplate rating by 0.86.
- 2) For wind customer-generators, PG&E will use the AC nameplate rating of the wind generating facility.

PG&E's aggregate customer peak demand will be based on the highest, published peak demand shown in the Federal Energy Regulatory Commission (FERC) Form 1, Page 401b as reported by PG&E. Once the Cap has been reached, Schedule NEM will be closed to new customers.

Customers seeking generator interconnections in portions of San Francisco and Oakland where PG&E has a network grid must contact PG&E about generation export limitations.

(Continued)



## ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE

Sheet 2

**APPLICABILITY:**  
 (Cont'd.)

Schedule NEM applies also to specified net energy metering eligible (NEM-eligible) generators in a generating facility comprised of multiple NEM- and non-NEM-eligible generators, served through the same Point of Common Coupling (PCC), where the NEM-eligible generating capacity is not more than 1 MW. Such facilities will be referred to as Multiple Tariff Facilities, and any group of generators within such a facility that is subject to the same tariff provisions for billing and metering purposes will be referred to as a Constituent Generator Group. In order to be eligible for this rate schedule in a Multiple Tariff Facility, the customer-generator must meet all the requirements of Special Condition 6 for the schedule NEM-eligible generator, and must also meet any other applicable tariffs.

Due to the complexity of Multiple Tariff Facilities NEM generating facilities interconnecting under the provisions of Special Condition 6 may require additional review and/or interconnection facilities and other equipment, and may incur interconnection costs, as provided for in electric Rule 21.

A Customer who owns, rents or leases a premises that includes solar and/or wind turbine electrical generating facilities, or a hybrid of both with a capacity of 30kW or less, that were previously approved by PG&E for NEM interconnection prior to the Customer moving in and/or taking electric service with PG&E (Change of party Customer) will take service on this tariff as long as the requirements of this section are met. To be eligible, the Change of party Customer must: 1) ensure that the generating facility is compliant with all applicable safety and performance standards as delineated in PG&E's Electric Rule 21 and other applicable tariffs; 2) keep in force the amount of property, commercial general liability and/or personal liability insurance the Change of party Customer has in place at the time they initiate service on this tariff; 3) understand that PG&E may from time to time release to California Energy Commission and/or the California Public Utilities Commission, information regarding the Change of party Customer's facility, including Change of party Customer's name and Generating Facility location, capacity and operational characteristics.

Change of party Customers making any modification to previously approved PG&E NEM solar and/or wind turbine electrical generating facilities are not eligible for this provision and must complete the interconnection process in Special Condition 3 of this tariff.

Change of party Customers also must agree to comply with all rules and requirements of PG&E's Net Energy Metering tariffs.

When the builder/developer of a subdivision sells a new home during the NEM application process, after the builder/developer completes the Net Energy Metering Application and Interconnection Agreement for Customers with Solar and/or Wind Generating Facilities of 30kW or Less (Form #79-1101) and otherwise meets all of PG&E's requirements for the NEM project, but prior to PG&E providing final written approval for Parallel Operation on Schedule NEM, PG&E may treat the new home owner/Customer as a Change of-party Customer, as defined above.

(T)

**TERRITORY:** The entire territory served.

(Continued)





**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 3

**RATES:**

All rates charged under this schedule will be in accordance with the eligible customer-generator's PG&E otherwise-applicable metered rate schedule (OAS). An eligible customer-generator served under this schedule is responsible for all charges from its OAS including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges. The "Average Rate Limiter" for general service OAS's 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 OAS, will be based on the energy consumed by the customer-generator from PG&E and the average power factor over the past 12 billing months of operation prior to starting on NEM. 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 energy (kWh) supplied by PG&E, ESP or Community Choice Aggregator (CCA), as applicable, will be based on the net metered usage in accordance with Billing (Special Condition 2, below).

(T)

For PG&E customer-generators, the energy charges will be in accordance with the customer-generator's OAS. For ESP or CCA customer-generators, the ESP or CCA is responsible for providing the billing information regarding the applicable generation-related bill charges or credits to PG&E on a timely basis.

Customer-generators eligible for service under this schedule are exempt from the requirements of Schedule S—Standby Service except Multiple Tariff Facilities interconnected under the terms of Special Condition 6, may be subject to the requirements of Schedule S.

The charges and credits for Multiple Tariff Facilities taking service on this rate schedule under the provisions of Special Condition 6, will be calculated using the applicable OAS identified by the customer-generator in its application for interconnection and its interconnection agreement with PG&E or as subsequently changed by the customer-generator in accordance with PG&E's electric Rule 12.

Customer-generators with Multiple Tariff Facilities with existing NEM, NEMBIO and/or NEMFC eligible generators interconnecting additional generators, will receive a bill true-up prior to taking service under Special Condition 6. This ensures that all NEM accounts have the same Relevant Period, as defined in Special Condition 2, going forward.

(Continued)



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 8

SPECIAL  
CONDITIONS:  
(Cont'd.)

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

f. Energy True Up:

Net energy is defined as measuring the difference between the energy (kWh) supplied by PG&E, ESP or CCA, as applicable, through the electric grid to the eligible customer-generator and energy (kWh) generated by an eligible customer-generator and fed back into the electric grid over a Relevant Period. A true up is performed by PG&E and/or ESP or CCA, as applicable, at the end of each Relevant Period following the date the customer-generator was first eligible for Schedule NEM, or the date of PG&E's written approval to begin parallel operation of the generating facility for purposes of participating in NEM, whichever is later, and at each anniversary date thereafter. The eligible customer-generator shall be billed for energy (kWh) used during that period.

Where the residential minimum bill applies at the true up for a Bundled Service customer, no further amounts will be billed to the customer-generator as a result of the true up. Where the minimum bill applies at the true up for a customer generator that has taken DA, CCA Service or transitional bundled commodity cost service for all or part of the Relevant period, the customer-generator will be billed for all applicable energy-related components, provided no credit will be allowed for negative components unless the rate for such component is also negative.

If the customer-generator is taking service under DA or CCA Service, separate true-ups will be calculated for the applicable PG&E charges and credits and the ESP or CCA charges and credits. If PG&E is the electric commodity service provider, this condition may be modified where the customer has signed a contract to sell electricity to PG&E.

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(D)

For an DA or CCA Service customer-generator, Generation Rate Component credits, if any, do not reduce the charges owed to PG&E for energy supplied to the eligible customer-generator.

If any Eligible customer-generator has any credits calculated pursuant to this Section 2 remaining at the end of the Relevant Period, that credit will be set to zero. However, in the event the energy (kWh) generated exceeds the energy (kWh) consumed during the Relevant Period, compensation shall be made for the excess energy (kWh) as described in Special Condition 7.

(N)  
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(N)

Once the true-up is completed at the end of the Relevant Period, any overpayment for energy (kWh) from the true-up will be credited to future bill charges.

(Continued)



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 11

SPECIAL  
CONDITIONS:  
(Cont'd.)

3. INTERCONNECTION: (Cont'd.)

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.

4. EXEMPTIONS FROM CERTAIN CHARGES: Per Section 2827.7 of the California Public Utilities Code, eligible customer-generators who have all local and state permits required to commence construction of their generating facilities on or before December 31, 2002, and have completed construction on or before September 30, 2003, shall not be required to pay non-bypassable charges on Departing Load including Public Purpose Program charges and shall be entitled to the net energy metering terms in effect on the date the local and state permits were acquired, for the life of the generating facility, regardless of any change in customer or ownership of the generating facility.

(T)

(Continued)

Advice Letter No: 3870-E  
Decision No. D.11-06-016

Issued by  
**Brian Cherry**  
Vice President  
Regulation and Rates

Date Filed July 11, 2011  
Effective January 1, 2010  
Resolution No. E-4422



## ELECTRIC SCHEDULE NEM NET ENERGY METERING SERVICE

Sheet 12

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

5. WIND ENERGY CO-METERING: In accordance with Section 2827.8 of the California Public Utilities Code, any customer-generator with wind energy generating facilities greater than 50 kW but not exceeding 1,000 kW taking service under this tariff is required to do so pursuant to this section. An eligible customer-generator's hybrid system that includes a wind generating facility eligible under this schedule is considered a Multiple Tariff Facility and will be interconnected subject to Special Condition 6.

Wind Energy Co-Metering customer-generators are required to take service on a time-of-use (TOU) OAS. In addition, the customer-generator must utilize a TOU meter, or multiple TOU meters, capable of separately measuring the electricity in both directions, that is, the energy (kWh) supplied by PG&E, ESP or CCA, as applicable, to the customer and the energy (kWh) generated by the customer and fed back to the electric grid. If the customer's existing meter is not a TOU meter or is not capable of separately measuring the flow of electricity in both directions, the eligible customer-generator is responsible for all expenses involved in purchasing and installing a meter that is both TOU and able to separately measure electricity flow in both directions.

Under Bundled Service, subject to Special Condition 2, the generation of electricity provided to PG&E's grid by a Wind Energy Co-Metering customer-generator shall result in a credit to the eligible Bundled Service customer-generator priced in accordance with the generation component of the energy charge (kWh) of the eligible customer-generator's OAS. All electricity supplied to the Bundled Service Wind Energy Co-Metering customer-generator by PG&E shall be priced in accordance with the customer-generator's OAS.

Under DA or CCA Service, subject to Special Condition 2, the generation of electricity provided to PG&E's grid by a Wind Energy Co-Metering customer-generator shall result in a credit to the eligible customer-generator priced in accordance with the generation rate component of the eligible customer-generator specified by their ESP, or CCA, and PG&E's Direct Access or Community Choice Aggregation tariffs, as applicable. All electricity supplied to the DA or CCA Service Wind Energy Co-Metering customer-generator by the ESP, or CCA, shall be priced in accordance with the generation rate component of the eligible customer-generator specified by their ESP or CCA, and PG&E's Direct Access or Community Choice Aggregation tariffs, as applicable. All PG&E charges for electricity supplied to the DA or CCA Service Wind Energy Co-Metering customer-generator will be as specified in the customer-generator's OAS.

At the end of each Relevant Period (as described in Special Condition 2), if the energy (kWh) fed back to the electric grid by the eligible customer-generator exceeds the energy (kWh) supplied to the eligible customer-generator by PG&E, the eligible customer-generator is a Wind Energy Co-Metering producer; (otherwise the eligible customer-generator is a Wind Energy Co-Metering consumer). The Eligible Generation Credit for a Wind Energy Co-Metering consumer or Wind Energy Co-metering producer equals the lesser of: (1) all net generation charges for the 12-month period; or (2) the absolute value of all net generation credits for the 12-month period. However, in the event the energy (kWh) generated exceeds the energy (kWh) consumed during the Relevant Period, compensation shall be made for the excess energy (kWh) as described in Special Condition 7.

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 (N)

(Continued)

Advice Letter No: 3870-E  
 Decision No. D.11-06-016

Issued by  
**Brian Cherry**  
 Vice President  
 Regulation and Rates

Date Filed July 11, 2011  
 Effective January 1, 2010  
 Resolution No. E-4422



# **ELECTRIC SCHEDULE NEM** **NET ENERGY METERING SERVICE**

Sheet 17

SPECIAL  
CONDITIONS:  
(Cont'd.)

7. Net Surplus Electricity Compensation (NSC):

(N)

Pursuant to P.U. Code Sections 2827 (h)(4)(A), this Special Condition was established to provide a NEM customer having **Net Surplus Electricity**, (defined as all electricity generated by an eligible customer measured in kilowatt-hours over a Relevant Period – as defined in Special Condition 2(e) of this tariff – that exceeds the amount of electricity consumed by that eligible customer), with **Net Surplus Electricity Compensation (NSC)** for the Net Surplus Electricity, while leaving other ratepayers unaffected. A NEM customer who has Net Surplus Electricity will be known as a **Net Surplus Generator**.

(a) NSC Applicability – All bundled Net Surplus Generators that satisfy the conditions in the Applicability Section of this tariff and take service under this rate schedule are eligible to receive NSC if they have a true-up on, or following, the effective date below. This includes Net Surplus Generators on sub-schedules NEMS, NEMEXP, NEMEXPM and NEMW. A NEMMT Net Surplus Generator is also eligible to receive NSC but only for the one or more generators at the same metered account eligible for billing treatment under Special Condition 2 (a) though (f), or Special Condition 5 (NEMW) of this NEM schedule.

Net Surplus Generators who receive Direct Access (DA) Service from an ESP or who receive Community Choice Aggregation Service from a CCA are not eligible to receive NSC from PG&E but may contact their ESP or CCA Provider to see if they provide NSC.

The effective date for a Net Surplus Generator to begin to receive NSC will be no earlier than the end of their Relevant Period following January 1, 2011 unless (i) the Net Surplus Generator customer was a change-of-party Customer or became a new NEM customer in January 2010 and the meter read date for their twelfth billing month following enrollment in NEM falls in December of 2010; or (ii) a Net Surplus Generator's NEM meter was set to be read in January 2011 but due to PG&E's schedule of meter read dates, the read occurred on December 27, 2010 or later. Customers covered by subsections (i) or (ii) will be eligible to receive NSC for their Relevant Period ending in December 2010.

(N)

(Continued)



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 18 (N)

SPECIAL  
CONDITIONS:  
(Cont'd.)

7. Net Surplus Electricity Compensation (NSC) (Cont'd): (N)/(D)
- (b) **The NSC Rate** – The NSC Rate is defined as the simple rolling average of PG&E's default load aggregation point (DLAP) price from 7 a.m. to 5 p.m., for a 12-month period. PG&E shall use the NSC Rate as the value of the electricity portion of its net surplus compensation rate.
- PG&E will calculate the NSC Rate each month. It will be effective on the first day of that month and PG&E will use it in the NSC Calculation for any Net Surplus Generators with a Relevant Period completed in that month (True-Up Month).
- The **DLAP Cutoff Date** will be defined as the twentieth (20th) day of the month prior to the True-Up Month.
- PG&E will wait five (5) days after the DLAP Cutoff Date for the CAISO to have time to finalize the day-ahead PG&E DLAP prices. The NSC Rate will then be calculated as the simple average of the prices for all hours between 7 a.m. and 5 p.m. over a one (1) year period ending on the DLAP Cutoff Date.
- (c) Pursuant to D. 11-06-016, PG&E will modify this tariff to include a Renewable **Attribute Adder (RAA)** once the California Energy Commission (CEC) determines the implementation methodology.
- (d) **Calculation of the NSC** – NSC is calculated by multiplying any Net Surplus Electricity (kWh) by the NSC Rate in (b) above. (N)/(D)

(Continued)

Advice Letter No: 3870-E  
Decision No. D.11-06-016

Issued by  
**Brian Cherry**  
Vice President  
Regulation and Rates

Date Filed July 11, 2011  
Effective January 1, 2010  
Resolution No. E-4422



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 19 (N)

SPECIAL  
CONDITIONS:  
(Cont'd.)

7. Net Surplus Electricity Compensation (NSC) (Cont'd):

(N)

(e) Options for receiving NSC – A NEM customer with NSC will automatically have their NSC applied to any amounts owed to PG&E and then may choose to:

(1) take no action and roll any remaining NSC amounts forward to offset subsequent PG&E charges; or

(2) request that PG&E issue a check if the remaining NSC amount is greater than one dollar (\$1). A customer can select this option by calling PG&E. If the customer is closing all their accounts with PG&E, PG&E will automatically send a check.; or

(3) elect not to receive any NSC by completing and submitting form 79-1130 (*Customer Request Form not to Receive Net Surplus Compensation*) to PG&E to confirm that they do not want to participate. In this case PG&E will zero out any NSC the NEM customer may be otherwise eligible to receive.

(f) QF Status – Customers receiving net surplus compensation must first demonstrate to PG&E that they are Qualifying Facilities in order to receive NSC. Since all NEM customer-generators currently meet the requirements for a qualifying facility exempt from certification filing at the Federal Energy Regulatory Commission (FERC), no further documentation is required at this time.

(g) Generator Size – Nothing in this Special Condition alters the existing NEM system sizing requirement. Specifically, in order to be eligible for NSC, a system must be intended primarily to offset part or all of the customer's own electrical requirements. Systems that are sized larger than the customer's electrical requirements are not be eligible for NEM and therefore, are not eligible for NSC either.

(N)

(Continued)



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 20

SPECIAL  
CONDITIONS:  
(Cont'd.)

8. Pursuant to Public Utilities Code Section 2827(c)(2), any customer with an existing electrical generating facility and meter who enters into a new net energy metering contract (for example, Sample Form 79-978, *Interconnection Agreement for Net Energy Metering of Solar and Wind Electric Generating Facilities of 1,000 Kilowatts or Less, other than Facilities of 30 Kilowatts or Less*) shall complete and submit a copy of form 79-1125 – *NEM / NEMVNA Inspection Report* to PG&E, unless the electrical generating facility and meter have been installed or inspected within the previous three years. The *NEM Inspection Report* shall be prepared by a California licensed contractor who is not the owner or operator of the facility and meter. A California licensed electrician shall perform the inspection of the electrical portion of the facility and meter and sign the *NEM / NEMVNMA Inspection Report*. If an inspection is required, the customer shall submit the fully completed *NEM / NEMVNMA Inspection Report* to PG&E within 90 days of the customer becoming the customer of record at this account, or else the customer agrees to disconnect their Generating Facility and inform PG&E it no longer will take service on schedule NEM or NEMVNMA. By signing the interconnection agreement, the *NEM / NEMVNMA Inspection Report* shall be incorporated into it.
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Advice Letter No: 3870-E  
Decision No. D.11-06-016

Issued by  
**Brian Cherry**  
Vice President  
Regulation and Rates

Date Filed July 11, 2011  
Effective January 1, 2010  
Resolution No. E-4422





**ELECTRIC SCHEDULE NEMVNMA**  
 VIRTUAL NET ENERGY METERING FOR MULTIFAMILY  
 AFFORDABLE HOUSING (MASH/NSHP) WITH SOLAR GENERATOR(S)

Sheet 10

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

2. BILLING (Cont'd.):

g. Relevant Period True Up

A true up is performed by PG&E at the end of each Relevant Period for each Customer Load Account.

Where the residential minimum bill applies at the true up for a Bundled Service Customer Load Account, no further amounts will be billed to that Customer as a result of the true up.

If a Customer Load Account's Relevant Period ends under any of the circumstances described in 2.f above: (D)

- a) The Customer will pay all charges owed at that time;
- b) No payments shall be made for credits remaining after the true-up;

However, in the event the Customer Load Account's allocation of energy (kWh), generated at the associated Generator Account and fed back to the electric grid, exceeds the energy (kWh) consumed during the Relevant Period, compensation shall be made for the excess energy (kWh) as described in Special Condition 4. (N)  
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 (N)

h. Billing Information

PG&E shall provide each Customer Load Account with its net energy (kWh) consumption information with each regular bill. That information shall include the current monetary balance owed PG&E for the net energy (kWh) consumed since the start of the current Relevant Period.

i. OAS Payment Option

Eligible Small Customer (as defined in Rule 1) Customer Load Accounts will be required to pay monthly, unless they specifically request to pay annually, for the net energy (kWh) consumed. For commercial Common Area Accounts other than Small Commercial, the net balance of all moneys owed must be paid on each monthly billing cycle. When the customer is a net electricity producer over a monthly billing cycle, the value of any excess kilowatt-hours generated during the billing cycle shall be carried over to the following billing period and appear as a credit on the customer's account, until the end of the Relevant Period.

(Continued)



**ELECTRIC SCHEDULE NEMVNMA**  
**VIRTUAL NET ENERGY METERING FOR MULTIFAMILY**  
**AFFORDABLE HOUSING (MASH/NSHP) WITH SOLAR GENERATOR(S)**

Sheet 12

SPECIAL  
CONDITIONS:  
(Cont'd.)

4. NET SURPLUS ELECTRICITY COMPENSATION (NSC):

(D)

Pursuant to P.U. Code Section 2827 (h)(4)(A), this Special Condition was established to provide a NEMVNMA customer with a Common Area account or Residential Unit account with **Net Surplus Electricity**, (defined as all the electricity generated that is allocated by the Generating Account to an eligible customer measured in kilowatt-hours over a Relevant Period – as defined in Special Condition 2(g) of this tariff -- that exceeds the amount of electricity consumed by that eligible customer), with **Net Surplus Electricity Compensation (NSC)** Net Surplus Electricity, while leaving other ratepayers unaffected. A NEMVNMA customer who has Net Surplus Electricity will be known as a **Net Surplus Generator**.

(N)/(D)

(a) NSC Applicability – All bundled Net Surplus Generators that satisfy the conditions in the Applicability Section of this tariff and take service under this rate schedule are eligible to receive NSC if they have a true-up on, or following, the effective date below.

The effective date for a Net Surplus Generator to begin to receive NSC will be no earlier than the end of their Relevant Period following January 1, 2011 unless (i) the Net Surplus Generator customer was a change-of-party Customer or became a new NEMVNMA customer in January 2010 and the meter read date for their twelfth billing month following enrollment in NEMVNMA falls in December of 2010; or (ii) a Net Surplus Generator's NEMVNMA meter was set to be read in January 2011 but due to PG&E's schedule of meter read dates, the read occurred on December 27, 2010, or later. Customers covered by subsections (i) or (ii) will be eligible to receive NSC for their Relevant Period ending in December 2010.

(N)/(D)

(Continued)

Advice Letter No: 3870-E  
Decision No. D.11-06-016

Issued by  
**Brian Cherry**  
Vice President  
Regulation and Rates

Date Filed July 11, 2011  
Effective January 1, 2010  
Resolution No. E-4422



**ELECTRIC SCHEDULE NEMVNMA**  
**VIRTUAL NET ENERGY METERING FOR MULTIFAMILY**  
**AFFORDABLE HOUSING (MASH/NSHP) WITH SOLAR GENERATOR(S)**

Sheet 13 (N)

SPECIAL  
CONDITIONS:  
(Cont'd.)

4. Net Surplus Electricity Compensation (NSC) (Cont'd):

(N)

(b) **The NSC Rate** – The NSC Rate is defined as the simple rolling average of PG&E's default load aggregation point (DLAP) price from 7 a.m. to 5 p.m., for a 12-month period. PG&E shall use the NSC Rate as the value of the electricity portion of its net surplus compensation rate.

PG&E will calculate the NSC Rate each month. It will be effective on the first day of that month and PG&E will use it in the NSC Calculation for any Net Surplus Generators with a Relevant Period completed in that month (True-Up Month).

The **DLAP Cutoff Date** will be defined as the twentieth (20th) day of the month prior to the True-Up Month.

PG&E will wait five (5) days after the DLAP Cutoff Date for the CAISO to have time to finalize the day-ahead PG&E DLAP prices. The NSC Rate will then be calculated as the simple average of the prices for all hours between 7 a.m. and 5 p.m. over a one (1) year period ending on the DLAP Cutoff Date.

(c) Pursuant to D. 11-06-016, PG&E will modify this tariff to include a Renewable **Attribute Adder (RAA)** once the California Energy Commission (CEC) determines the implementation methodology.

(d) Calculation of the NSC – NSC is calculated by multiplying any Net Surplus Electricity (kWh) by the NSC Rate in (b) above.

(N)

(Continued)



**ELECTRIC SCHEDULE NEMVNMA**  
**VIRTUAL NET ENERGY METERING FOR MULTIFAMILY**  
**AFFORDABLE HOUSING (MASH/NSHP) WITH SOLAR GENERATOR(S)**

Sheet 14 (N)

SPECIAL  
CONDITIONS:  
(Cont'd.)

4. Net Surplus Electricity Compensation (NSC) (Cont'd):

(N)

(e) Options for receiving NSC – A NEMVNMA customer with NSC will automatically have their NSC applied to any amounts owed to PG&E and then may choose to:

(1) take no action and roll any remaining NSC amounts forward to offset subsequent PG&E charges; or

(2) request that PG&E issue a check if the NSC remaining amount is greater than one dollar (\$1). A customer can select this option by calling PG&E. If the customer is closing all their accounts with PG&E, PG&E will automatically send a check; or.

(3) elect not to receive any NSC by completing and submitting form 79-1130 (*Customer Request Form not to Receive Net Surplus Compensation*) to PG&E to confirm that they do not want to participate. In this case PG&E will zero out any NSC the NEMVNMA customer may be otherwise eligible to receive.

(f) QF Status – Customers receiving net surplus compensation must first demonstrate to PG&E that the Generator Account from which they receive their generation allocation as described in Special Condition 2(b) are Qualifying Facilities in order to receive NSC. Since the Generator Accounts serving all NEMVNMA customer-generators currently meet the requirements for a qualifying facility exempt from certification filing at the Federal Energy Regulatory Commission (FERC), no further documentation is required at this time.

(g) Generator Size – Nothing in this Special Condition alters the existing NEMVNMA system sizing requirement. Specifically, in order to be eligible for NSC, the Generator Account system must be intended primarily to offset part or all of the Residential Unit Account and Common Area Account customers' own electrical requirements. Systems that are sized larger than the electrical requirements are not eligible for VNMNEMA and therefore, are not eligible for NSC either.

(N)

(Continued)

Advice Letter No: 3870-E  
Decision No. D.11-06-016

Issued by  
**Brian Cherry**  
Vice President  
Regulation and Rates

Date Filed July 11, 2011  
Effective January 1, 2010  
Resolution No. E-4422



**ELECTRIC SCHEDULE NEMVNMA**  
**VIRTUAL NET ENERGY METERING FOR MULTIFAMILY**  
**AFFORDABLE HOUSING (MASH/NSHP) WITH SOLAR GENERATOR(S)**

Sheet 15 (N)

SPECIAL  
CONDITIONS:  
(Cont'd.)

5. RE-INSPECTION: Pursuant to Public Utilities Code Section 2827(c)(2), any customer with an existing electrical generating facility and meter who enters into a new net energy metering contract (for example, form 79-1109 Virtual Net Energy Metering Application and Interconnection Agreement For the Building Owner of Multifamily Affordable Building With a Solar Generating Facility of 1 Megawatt or Less ) shall complete and submit a copy of form 79-1125 – NEM / NEMVNA Inspection Report to PG&E, unless the electrical generating facility and meter have been installed or inspected within the previous three years. The NEM Inspection Report shall be prepared by a California licensed contractor who is not the owner or operator of the facility and meter. A California licensed electrician shall perform the inspection of the electrical portion of the facility and meter and sign the NEM / NEMVNMA Inspection Report. If an inspection is required, the customer shall submit the fully completed NEM / NEMVNMA Inspection Report to PG&E within 90 days of the customer becoming the customer of record at this account, or else the customer agrees to disconnect their Generating Facility and inform PG&E it no longer will take service on schedule NEM or NEMVNMA. By signing the interconnection agreement, the NEM / NEMVNMA Inspection Report shall be incorporated into it.
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**Pacific Gas and Electric Company**  
San Francisco, California  
U 39

Original  
Cancelling

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

30499-E

**Electric Sample Form 79-1130**  
Customer Request Form not to Receive Net Surplus Compensation

Sheet 1 (N)

Advice Letter No: 3870-E  
Decision No. D.11-06-016

Issued by  
**Brian Cherry**  
Vice President  
Regulation and Rates

Date Filed July 11, 2011  
Effective January 1, 2010  
Resolution No. E-4422

**Customer Request Form not to Receive Net Surplus Compensation – Form 79-1130**

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I hereby request to elect not to receive any payment for the surplus electricity (kWh) that my generating system produced through Net Energy Metering (NEM/NEMVNMA)<sup>1</sup>. I fully understand that the surplus electricity will be reset to zero and begin a new true-up cycle.

My PG&E Electric ten digit account ID is \_\_\_\_\_ (This can be found on the first page of your Net Energy Meter Statement)

Facility Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Contact Phone Number \_\_\_\_\_

Signature of PG&E NEM / NEMVNMA customer \_\_\_\_\_

Print Name of PG&E NEM / NEMVNMA customer \_\_\_\_\_

Date of Signature \_\_\_\_\_

PG&E Address for mailing the form:

Pacific Gas And Electric Company  
Attention: Billing / NSC Opt-out  
Mail Code B12C  
P.O. Box 770000  
San Francisco, California 94177

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<sup>1</sup> Net Surplus Electricity and Net Surplus Electricity Compensation (NSC) are defined in the NEM and NEMVNMA tariffs, which can be found at [http://www.pge.com/tariffs/tm2/pdf/ELEC\\_SCHS\\_NEM.pdf](http://www.pge.com/tariffs/tm2/pdf/ELEC_SCHS_NEM.pdf) and [http://www.pge.com/tariffs/tm2/pdf/ELEC\\_SCHS\\_NEMVNMA.pdf](http://www.pge.com/tariffs/tm2/pdf/ELEC_SCHS_NEMVNMA.pdf) respectively



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**PG&E Gas and Electric  
Advice Filing List  
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AT&T	Department of Water Resources	North Coast SolarResources
Alcantar & Kahl LLP	Dept of General Services	Northern California Power Association
Ameresco	Douglass & Liddell	Occidental Energy Marketing, Inc.
Anderson & Poole	Downey & Brand	OnGrid Solar
Arizona Public Service Company	Duke Energy	Praxair
BART	Economic Sciences Corporation	R. W. Beck & Associates
Barkovich & Yap, Inc.	Ellison Schneider & Harris LLP	RCS, Inc.
Bartle Wells Associates	Foster Farms	Recurrent Energy
Bloomberg	G. A. Krause & Assoc.	SCD Energy Solutions
Bloomberg New Energy Finance	GLJ Publications	SCE
Boston Properties	GenOn Energy, Inc.	SMUD
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
Brookfield Renewable Power	Green Power Institute	San Francisco Public Utilities Commission
CA Bldg Industry Association	Hanna & Morton	Seattle City Light
CLECA Law Office	Hitachi	Sempra Utilities
CSC Energy Services	In House Energy	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	International Power Technology	Silicon Valley Power
California Energy Commission	Intestate Gas Services, Inc.	Silo Energy LLC
California League of Food Processors	Lawrence Berkeley National Lab	Southern California Edison Company
California Public Utilities Commission	Los Angeles Dept of Water & Power	Spark Energy, L.P.
Calpine	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Cardinal Cogen	MAC Lighting Consulting	Sunshine Design
Casner, Steve	MBMC, Inc.	Sutherland, Asbill & Brennan
Chris, King	MRW & Associates	Tabors Caramanis & Associates
City of Palo Alto	Manatt Phelps Phillips	Tecogen, Inc.
City of Palo Alto Utilities	McKenzie & Associates	Tiger Natural Gas, Inc.
City of San Jose	Merced Irrigation District	TransCanada
Clean Energy Fuels	Modesto Irrigation District	Turlock Irrigation District
Coast Economic Consulting	Morgan Stanley	United Cogen
Commercial Energy	Morrison & Foerster	Utility Cost Management
Consumer Federation of California	NLine Energy, Inc.	Utility Specialists
Crossborder Energy	NRG West	Verizon
Davis Wright Tremaine LLP	Navigant Consulting	Wellhead Electric Company
Day Carter Murphy	Norris & Wong Associates	Western Manufactured Housing Communities Association (WMA)
Defense Energy Support Center	North America Power Partners	eMeter Corporation