

August 5, 2003

**Advice 2405-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 – To Estimate Public Purpose Program (PPP) Charges in Compliance with Assembly Bill 58

Pacific Gas and Electric Company (PG&E) hereby submits this filing for revisions to its electric tariffs. The affected tariff sheets are listed on the enclosed Attachment I.¹ This filing complements Advice 2373-E – Revisions to Electric Rate Schedule E-NET (E-NET) – Net Energy Metering, and supplemental filing Advice 2373-E-A, in compliance with Assembly Bill 58.

Purpose

The purpose of this filing is to comply with Assembly Bill (AB) 58, which replaces Sections 2827, 2827.7 and adds Section 2827.8 in the Public Utilities Code. This bill became effective January 1, 2003.

On April 17, 2003, PG&E submitted Advice 2373-E, which included modifications to Electric Rate Schedule E-NET to comply with AB 58. After consultation with the Commission's Energy Division, further modifications were included in Advice 2373-E-A, also filed today, with a proposed effective date of January 1, 2003. PG&E submits this filing to implement the collection of Public Purpose Program (PPP) charges for E-NET customers who are not grandfathered under the existing E-NET tariff. Unlike Advice 2373-E and 2373-E-A, after consultation with the Energy Division, PG&E is requesting that the new language calculating PPP charges become effective upon the Commission's approval of this advice letter.

¹ PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

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 expanded eligibility for the net metering program otherwise set to expire on December 31, 2002.² In addition the new law placed a “cap” on the total rated generating capacity that can be interconnected system wide under E-NET, set new time limits for processing E-NET interconnection application requests, and added language regarding the payment of non-bypassable charges (public benefits charges³ and, depending on Commission action, Department of Water Resource (DWR) charges⁴) on usage displaced by each customer’s generator.

Also, AB 58 modified PUC Section 2827.7 to “grandfather” E-NET applicants who obtain all local and/or state permits required to commence construction on or before December 31, 2002, and who complete construction on or before September 30, 2003, under the E-NET terms and conditions in effect on December 31, 2002.

Finally, AB 58 added PUC Section 2827.8 creating a new wind energy co-metering program for any E-NET customer with a wind generator larger than 50 kilowatts (kW), up to one megawatt (MW).

Tariff Revisions

PG&E revises the PPP charge calculation language in Schedule E-NET to:

- a) Implement a method for estimating departed load from which Public Purpose Program charges are calculated for customers based on Commission-approved capacity factors as applied to individual system capacities.
- b) Offer an option for customers with generators greater than 30kW to install a net generation output meter, at customer’s expense, that would be used for determining Departed Load, and thus PPP charges. This meter would be owned and operated by PG&E at the customer’s expense.

² Without AB 58, only residential and small commercial customers with solar and wind systems 10 kW or less would have been eligible to apply for Schedule E-NET starting January 1, 2003. With this new law, customers in all classes with solar or wind systems up to 1 MW continue to be eligible.

³ See PUC Section 2827(k).

⁴ See PUC Section 2827(l). On April 3, 2003 the Commission issued D. 03-04-030 exempting E-NET customers from DWR charges on departed load (i.e., on usage displaced by the customer’s generator).

PG&E notes that implementing the collection of PPP charges upon approval of this Advice is appropriate because it reduces burdens to both the customer and PG&E that would result if PPP charges were to be calculated retroactively to January 1, 2003, the requested effective date for Advice 2373-E and 2373-E-A.

Effective Date

In compliance with General Order 96-A, PG&E requests that this advice filing become effective **September 14, 2003**, which is 40 days from the date of filing.

Protest

Anyone wishing to protest this filing should do so by sending a letter via postal mail and facsimile by **August 25, 2003**, which is 20 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: jir@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.

Brian K. Cherry
Director, Regulatory Relations
Pacific Gas and Electric Company
P.O. Box 770000 Mail Code B10C
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.

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 R. 99-10-025. Address changes should be directed to Sandra Ciach (415) 973-7572. Advice letter filings can also be accessed electronically at:

http://www.pge.com/customer_services/business/tariffs/

Vice President - Regulatory Relations

Attachments

cc: Service List R. 99-10-025



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

RATES: (Cont'd.) Customer-generators eligible for service under this schedule are exempt from the requirements of Schedule S—Standby Service.

Except for those eligible customer-generators qualifying for Special Condition 4 below, customer-generators are responsible for: Public Purpose Program (PPP) charges. (T) (T)

To determine nonbypassable PPP charges, a customer-generator's Departing Load (as defined in Preliminary Statement BB) shall be estimated by PG&E at the end of each 12 month period (as described in Special Condition 2), using one of the two following methods: (N)

- i) PG&E shall estimate the generating facility's monthly output. Estimates shall be made by assuming the output to be equal to five hours times the rated Alternating Current capacity of the generating facility, as measured in kilowatts, times the days per month. The five hours shall be assumed to occur from 10 am to 3 pm each day.
- ii) Alternatively for a customer-generator with a generating facility not less than 30 kilowatts (kW), at the customer-generator's option, the generator output in kilowatt-hours (kWh) shall be measured monthly with Net Generation Metering meeting all PG&E tariff requirements including those in the customer-generator's otherwise-applicable rate schedule, and in Electric Rules 16 and 17. Any such metering shall be installed at the customer-generator's expense and must be owned, and capable of being read by PG&E.

At the end of the 12 month period, if the customer-generator is a net consumer (as described in Special Condition 2) or a Wind Energy Co-Metering consumer (as described in Special Condition 5), then Departing Load equals the total output of the generating facility, as determined in sections i) or ii) above.

At the end of the 12-month period, if the customer-generator is a net producer (as described in Special Condition 2) or a Wind Energy Co-Metering producer (as described in Special Condition 5), the Departing Load equals the total output of the generating facility, as determined in sections i) or ii) above minus the excess energy supplied to PG&E.

The PPP charge is equal to the PPP rate component of the customer-generator's otherwise applicable rate schedule times the customer-generator's Departing Load as calculated above. (N)

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