

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 1, 2014

Advice Letter 4446-E

Brian Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

**SUBJECT: JOINT AL FILING OF SCE, PG&E, & SDG&E REGARDING NET ENERGY
METERING INTERCONNECTION COST CATEGORIES BEING TRACKED
PURSUANT TO RES. E-4610 & D.14-05-033**

Dear Mr. Cherry:

Advice Letter 4446-E is effective as of July 23, 2014.

Sincerely,

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

Edward Randolph
Director, Energy Division

June 23, 2014

ADVICE 3062-E
(Southern California Edison Company U 338-E)

ADVICE 4446-E
(Pacific Gas and Electric Company U 39-E)

ADVICE 2615-E
(San Diego Gas & Electric Company U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Joint Advice Filing of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company Regarding Net Energy Metering Interconnection Cost Categories Being Tracked Pursuant to Resolution E-4610 and Decision 14-05-033

PURPOSE

Southern California Edison Company (SCE), on behalf of itself, Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E), hereby submits this joint advice letter, in compliance with Ordering Paragraph (OP) 15 of Decision (D.) 14-05-033,¹ detailing the net energy metering (NEM) interconnection cost categories being tracked pursuant to Resolution E-4610.²

BACKGROUND

On September 20, 2013, the California Public Utilities Commission (Commission) issued Resolution E-4610, in which the Commission concluded that allowing eligible NEM customer-generators to aggregate their load from multiple meters would not result in an

¹ D.14-05-033, *Decision Regarding Net Energy Metering Interconnection Eligibility for Storage Devices Paired with Net Energy Metering Generation Facilities.*

² Resolution E-4610, *Commission determination authorizing investor owned utilities to implement net energy metering aggregation pursuant to Senate Bill 594 (Wolk, 2012).*

increase in the expected revenue obligations of customer who are not eligible customer-generators. The Commission based its conclusion on the NEM Cost Effectiveness Evaluation completed in 2010.³ To balance the interest of both participating and non-participating ratepayers, the Commission stated that more data inputs were needed to inform any future necessary policy changes related to the interconnection cost exemptions granted to NEM customers. As such, the Commission ordered the investor owned utilities (IOUs)⁴ to immediately begin tracking the interconnection cost data based on the actual interconnection costs for all NEM customers and report the information by September 19, 2014.⁵

On May 23, 2014, the Commission issued D.14-05-033 and allowed qualifying energy storage devices paired with NEM-eligible generation facilities (NEM-paired storage systems) to be exempt from interconnection application fees, supplemental review fees, distribution upgrade fees, and standby charges. Due to the limited data available on the costs and impacts of interconnecting energy storage or NEM-paired storage systems to the grid, the Commission ordered the IOUs to:

1. Record data on the interconnection application fee waivers, supplemental review waivers, distribution cost upgrade waivers, and standby charge waivers resulting from interconnecting NEM-paired storage systems beginning with the currently pending storage interconnection requests;⁶
2. Augment the reporting requirement directed by Resolution E-4610 with the fee waivers mentioned above;⁷
3. File a Tier 2 Advice Letter detailing the cost categories being tracked pursuant to Resolution E-4610;⁸ and
4. Submit the report to the Commission and serve the report on the service list of R.12-11-005 or its successor proceeding by September 19, 2014, and update the report by June 30, 2015.⁹

Thus, SCE, on behalf of itself, PG&E and SDG&E, provides a list of the cost categories currently being tracked related to the interconnection of eligible NEM generating facilities

³ The Commission hired Energy and Environmental Economics, Inc. (E3) to perform an analysis of the costs and benefits of NEM in compliance with Public Utilities Code Section 2827, which requires the CPUC to "...submit a report to the Governor and the Legislature on the costs and benefits of net energy metering..." The analysis follows the cost-benefit methodology for the evaluation of distributed generation adopted by the Commission in D.09-08-026. E3's analysis was based on the available photovoltaic installations participating in the NEM tariffs through 2008.

⁴ The IOUs include SCE, PG&E and SDG&E.

⁵ Because the Commission did not specify the interconnection cost tracking start date, the IOUs determined, after consulting with the Commission's Energy Division, that November 2013 was a reasonable time period to commence with tracking the actual interconnection costs related to NEM.

⁶ D.14-05-033, OP 14 at p. 41.

⁷ *Id.* OP 16 at p. 42.

⁸ *Id.* OP 15 at p. 41.

⁹ *Id.* OP 16 at p. 42.

under each IOU's NEM tariffs¹⁰ and the waived fees associated with interconnecting NEM-paired storage systems.

NEM INTERCONNECTION COSTS BEING TRACKED AND REPORTED PURSUANT TO RESOLUTION E-4610

The NEM "interconnection costs" being tracked represent various costs incurred under the NEM tariffs.¹¹ The NEM cost categories outlined below are consistent, in part, with the NEM cost categories provided by each IOU for the NEM Ratepayer Impact Evaluation published on October 28, 2013.¹² Moreover, on January 15, 2014, the IOUs sought guidance from the Commission's Energy Division and agreed to track these NEM cost categories dating back to November 2013.

1. Processing/Administration Costs

Includes application processing (e.g., validating and approving single line diagram, interconnection agreement, electrical inspection clearance from governmental agency having jurisdiction, and other required documents) and back office tasks (e.g., initial billing setup)

2. Distribution Engineering Costs

Includes technical analysis, studies, and screens consistent with Rule 21 (e.g., voltage rise, 15 percent penetration, transformer loading)

3. Metering Installation/Inspection and Commissioning

Includes residential and non-residential meter changes, remote meter programming, material, supplies, procurement costs, labor for installation, testing, engineering, and quality assurance necessary for interconnection

4. Facility Upgrade Costs

Includes interconnection facilities and distribution upgrades

INTERCONNECTION FEES BEING WAIVED AND REPORTED PURSUANT TO D.14-05-033

As ordered by the Commission in D.14-05-033, the IOUs will waive the fees (i.e., interconnection application fees, supplemental review fees, distribution upgrade fees and standby charges) associated with interconnecting qualifying NEM-paired storage

¹⁰ SCE's currently available NEM tariffs include: Schedules NEM, MASH-VNM, NEM-V, and FC-NEM. PG&E's current available NEM tariffs include: Schedules NEM (including NEMA and NEMMT), NEMFC, NEMV and NEMVMASH. SDG&E's currently available NEM tariffs include: Schedules NEM, NEM-FC, NEM-V, and VNM-A.

¹¹ The overall costs of NEM are not limited to the interconnection costs that the Commission ordered the IOUs to track and report. The overall costs of NEM also include ongoing billing services, customer contact center costs in responding to customer inquiries on NEM bills, and other administration costs necessary in offering NEM.

¹² The Commission contracted with E3 to provide an evaluation of the costs and benefits of the NEM program. The study fulfills the requirements of Assembly Bill 2514 (Bradford, 2012) and D.12-05-036, to evaluate "who benefits, and who bears the economic burden, if any, of the net energy metering program."

systems. The IOU began tracking the waived fees subsequent to the issuance of the decision on May 23, 2014.

REPORTING OF INTERCONNECTION COSTS TO BE REFUNDED TO CUSTOMERS PURSUANT TO D.14-05-033

In addition to reporting the NEM interconnection costs and waived fees discussed above, the IOUs propose to track and report the interconnection costs refunded to customers who paid to interconnect qualifying NEM-paired storage systems prior to the issuance of D.14-05-033.¹³ The inclusion of the refunded interconnection costs in the reporting requirement will provide the Commission with more information to evaluate the impact of interconnecting NEM-paired storage systems. The IOUs intend to use January 1, 2012, which was the effective date of Senate Bill 489 (Wolk, 2011),¹⁴ as the cut-off date for the refund eligibility.

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2 and D.14-05-033, this advice letter is submitted with a Tier 2 designation.

EFFECTIVE DATE

This advice filing will become effective on July 23, 2014, which is 30 calendar days after the date of its filing.

NOTICE

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received by the Energy Division and SCE no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: Edtariffunit@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address as above).

¹³ See D.14-05-033, Ordering Paragraph 2 at p. 39.

¹⁴ Senate Bill (SB) 489 signed by the Governor on October 8, 2011 in part amended Public Utilities Code Section 2827 to expand the number of technologies eligible for service under the NEM tariff to include the renewable sources listed in paragraph (1) of subdivision (a) of Section 25741 of the Public Resources (PR) Code. Those renewable sources are further defined in the California Energy Commission's Renewable Portfolio Standard Guidebook.

In addition, protests and all other correspondence regarding this advice letter should be sent by letter and transmitted via facsimile or electronically to the attention of:

For SCE:

Megan Scott-Kakures
Vice President, Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Leslie E. Starck
Senior Vice President, Regulatory Policy & Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
E-mail: Karyn.Gansecki@sce.com

For PG&E:

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

For SDG&E:

Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, CP32C
San Diego, California 92123-1548
Facsimile: (858) 654-1879
E-mail: MCaulson@semprautilities.com

No restrictions limit who may file a protest, but the protest must set forth specifically the grounds upon which it is based and must be received by the deadline shown above.

In accordance with Section 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and R.12-11-005 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-2930. For changes to all other

service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

For questions, contact Shiela Linao at (626) 302-4506 or shiela.linao@sce.com.

Southern California Edison Company

/s/ MEGAN SCOTT-KAKURES

Megan Scott-Kakures

MSK:sl:sq
Enclosures

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.: Southern California Edison Company (U 338-E)

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Darrah Morgan

Phone #: (626) 302-2086

E-mail: Darrah.Morgan@sce.com

E-mail Disposition Notice to: AdviceTariffManager@sce.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3062-E et al.

Tier Designation: 2

Subject of AL: Joint Advice Filing of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company Regarding Net Energy Metering Interconnection Cost Categories Being Tracked Pursuant to Resolution E-4610 and Decision 14-05-033

Keywords (choose from CPUC listing): Compliance, Self Generation, Metering

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.14-05-033

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: _____

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

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required? Yes No

Requested effective date: 7/23/14 No. of tariff sheets: -0-

Estimated system annual revenue effect: (%): _____

Estimated system average rate effect (%): _____

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: None

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: _____

¹ Discuss in AL if more space is needed.

Protests 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
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Megan Scott-Kakures
Vice President, Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Leslie E. Starck
Senior Vice President, Regulatory Policy & Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
E-mail: Karyn.Gansecki@sce.com

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, CP32C
San Diego, California 92123-1548
Facsimile: (858) 654-1879
E-mail: MCaulson@semprautilities.com

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

AT&T	Douglass & Liddell	Occidental Energy Marketing, Inc.
Alcantar & Kahl LLP	Downey & Brand	OnGrid Solar
Anderson & Poole	Ellison Schneider & Harris LLP	Pacific Gas and Electric Company
BART	G. A. Krause & Assoc.	Praxair
Barkovich & Yap, Inc.	GenOn Energy Inc.	Regulatory & Cogeneration Service, Inc.
Bartle Wells Associates	GenOn Energy, Inc.	SCD Energy Solutions
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SCE
CENERGY POWER	Green Power Institute	SDG&E and SoCalGas
California Cotton Ginners & Growers Assn	Hanna & Morton	SPURR
California Energy Commission	In House Energy	San Francisco Public Utilities Commission
California Public Utilities Commission	International Power Technology	Seattle City Light
California State Association of Counties	Intestate Gas Services, Inc.	Sempra Utilities
Calpine	K&L Gates LLP	SoCalGas
Casner, Steve	Kelly Group	Southern California Edison Company
Center for Biological Diversity	Linde	Spark Energy
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
City of San Jose	Los Angeles Dept of Water & Power	Sunshine Design
Clean Power	MRW & Associates	Tecogen, Inc.
Coast Economic Consulting	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
Commercial Energy	Marin Energy Authority	TransCanada
Cool Earth Solar, Inc.	McKenna Long & Aldridge LLP	Utility Cost Management
County of Tehama - Department of Public Works	McKenzie & Associates	Utility Power Solutions
Crossborder Energy	Modesto Irrigation District	Utility Specialists
Davis Wright Tremaine LLP	Morgan Stanley	Verizon
Day Carter Murphy	NLine Energy, Inc.	Water and Energy Consulting
Defense Energy Support Center	NRG Solar	Wellhead Electric Company
Dept of General Services	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Division of Ratepayer Advocates	North America Power Partners	