

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 28, 2014

Advice Letter 4509-E

Meredith Allen
Senior Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

SUBJECT: Calculation of the 2014 Net Energy Metering Cap for Electric Rate Schedules NEM, NEMVMASH and NEMV Pursuant to O.P. 3 of D.12-05-036

Dear Ms. Allen:

Advice Letter 4509-E is effective as of October 1, 2014.

Sincerely,

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

Edward Randolph
Director, Energy Division

October 1, 2014

Advice 4509-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Calculation of the 2014 Net Energy Metering Cap for Electric Rate Schedules NEM, NEMVMASH and NEMV pursuant to Ordering Paragraph 3 of Decision (D.) 12-05-036

Purpose

As required by Ordering Paragraph (OP) 3 of Decision (D.) 12-05-036¹ and a subsequent clarifying Commission ruling² (Ruling), Pacific Gas and Electric Company (PG&E) submits the 2014 calculations for its Net Energy Metering Cap delimiting the customer generating capacity that may take service under PG&E's Net Energy Metering Rate Schedules (i) NEM – *Net Energy Metering Service*, (ii) NEMVMASH – *Virtual Net Energy Metering For Multifamily Affordable Housing (MASH/NSHP) With Solar Generator(s)* and (iii) NEMV – *Virtual Net Energy Metering For A Multi-Tenant or Multi-Meter Property Served At The Same Service Delivery Point*.

Background

The Net Energy Metering Cap is currently set at 5% of aggregate customer peak demand.³ On May 24, 2012, the California Public Utilities Commission (Commission or CPUC) issued D.12-05-036 clarifying that aggregate customer peak demand means the aggregation, or sum of individual customers' peak demand, referred to as the non-coincident peak demand.

¹ D. 12-05-036

http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/167591.PDF

² Assigned Commissioner's Ruling Providing Instructions on Calculation of Non-Coincident Aggregate Customer Peak Demand Pursuant to Ordering Paragraph 3 of Decision 12-05-036
<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M027/K113/27113341.PDF>

³ AB 510 signed by the Governor on February 26, 2010, and effective January 1, 2011, adopted the 5% cap. (http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab_0501-050/ab_510_bill_20100226_chaptered.html). PG&E modified its NEM tariff in AL 3778-E to include the new 5% cap.

D.12-05-036 also required PG&E⁴ to file an advice letter with revised net energy metering tariffs to conform to OP 1 and to the instructions by the assigned Commissioner on the methodology for calculating non-coincident aggregate customer peak demand in OP 3. As required by that decision, the Energy Division held a workshop to discuss methods for estimating non-coincident aggregate customer peak demand. On September 4, 2012, Commissioner Michael Peevey issued a Ruling⁵ instructing the utilities on the methodology to be used for calculating the non-coincident aggregate customer peak demand. PG&E submitted Advice Letter (AL) 4122-E on October 4, 2012, and it became effective November 3, 2012 establishing the 2012 Net Energy Metering Cap.

This Advice Letter repeats the calculation from AL 4122-E using the data for determining the 2014 Net Energy Metering Cap.

Methodology for Calculating Non-Coincident Aggregate Customer Peak Demand

Based on the Ruling, when calculating the non-coincident aggregate peak demand, PG&E is required to:

- Use load research data to calculate non-coincident aggregate peak demand;
- Use a four-year moving average based on annual load research data;
- Update the Net Energy Metering Cap calculation annually by October 1. However, if the non-coincident aggregate peak demand decreases in a given year, the Net Energy Metering Cap will remain at the previously determined level and may not decrease below the most recent level determined;
- Use 15- or 30-minute interval data for calculating the non-coincident aggregate customer peak demand when incorporating data prior to 2013 into the four-year moving average. Use 15-minute interval data for load research data when including 2013 and subsequent year's data in the four-year moving average.
- Beginning October 1, 2013, and every year thereafter, PG&E is to file an advice letter to calculate its Net Energy Metering Cap based on the four year average of the most recently available annual non-coincident peak load data, which for 2014 will consist of 2009-2012 non-coincident peak demand data.

Calculation of the 2014 Net Energy Metering Cap

A. Calculation of the 4-year Moving Average Non-coincident Aggregate Peak Demand

⁴ Along with Southern California Edison Company, and San Diego Gas and Electric Company.

⁵ See footnote 2.

PG&E calculation of the average is as follows:

**Four Year Non-Coincident Peak Average for
2009-2012**

Year	Annual Non-Coincident Load (MW)
2009	47,845
2010	48,567
2011	46,129
2012	47,053
2009-2012 Average	47,399

B. The Non-coincident Aggregate Peak Demand Decreased in 2014

This year's non-coincident aggregate peak demand of 47,399 MW decreased since last year's 48,749 MWs. Per the guidance in Ordering Paragraph 3 of D.12-05-036, the Net Energy Metering Cap will remain at 5% of last year's determined MW level and will not be decreased.

C. PG&E's NEM, NEMV and NEMVMASH Interconnected Customer Generating Capacity as of August 31, 2014

This figure is **1,166 MWs**.

D. The Current Progress of PG&E Towards the Net Energy Metering Cap

This results in a NEM Cap calculation (using last year's demand) of $1,166 / 48,177 = 2.42\%$, which reflects the progress toward the 5% cap of aggregate customers non-coincident aggregate customer peak demand.⁶

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 October 21, 2014, which is 20 days after the date of this filing. Protests should be mailed to:

⁶ PG&E will continue to make available on its website monthly updates to the NEM Cap to reflect additional customer capacity participating in the program.
See: <http://www.pge.com/myhome/saveenergymoney/solarenergy/nemtracking/>

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@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 shall also be sent to PG&E either via E-mail, or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission

Meredith Allen
Senior Director, 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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter. (General Order 96-B, Rule 7.4.) The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Rule 3.11).

Effective Date

PG&E requests that this Tier 1 advice filing become effective upon date of filing.

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 Service List R.12-11-005. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to

PGETariffs@pge.com. Advice letter filings can also be accessed electronically at:
<http://www.pge.com/tariffs>

Meredith Allen /KHC

Senior Director, Regulatory Relations

Attachments

cc: Service List Service List R.12-11-005

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 E)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Kingsley Cheng

Phone #: (415) 973-5265

E-mail: k2c0@pge.com and PGETariffs@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) #: **4509-E**

Tier: **1**

Subject of AL: **Calculation of the 2014 Net Energy Metering Cap for Electric Rate Schedules NEM, NEMVMASH and NEMV pursuant to Ordering Paragraph 3 of Decision (D.) 12-05-036**

Keywords (choose from CPUC listing): Compliance

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.12-05-036

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: **October 1, 2014**

No. of tariff sheets: N/A

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: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

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:

California Public Utilities Commission
Energy Division
EDTariffUnit
505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company
Attn: Meredith Allen
Senior Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.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	