October 28, 2014

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, NEMV MASH 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,

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.) 12-05-036\(^1\) and a subsequent clarifying Commission ruling\(^2\) (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&E\textsuperscript{4} 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 Ruling\textsuperscript{5} 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**

\textsuperscript{4} Along with Southern California Edison Company, and San Diego Gas and Electric Company.

\textsuperscript{5} See footnote 2.
PG&E calculation of the average is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Non-Coincident Load (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>47,845</td>
</tr>
<tr>
<td>2010</td>
<td>48,567</td>
</tr>
<tr>
<td>2011</td>
<td>46,129</td>
</tr>
<tr>
<td>2012</td>
<td>47,053</td>
</tr>
</tbody>
</table>

**Four Year Non-Coincident Peak Average for 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:

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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/
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
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  

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