

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 15, 2022

Advice Letter 6710-E-A

Sidney Bob Dietz II
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street
San Francisco, California 94177
E-mail: PGETariffs@pge.com

SUBJECT: Information-Only Filing Regarding Net Energy Metering (NEM) Costs

Dear Mr. Dietz:

PG&E Advice Letter 6710-E-A is effective as of September 20, 2022.

Sincerely,

A handwritten signature in black ink that reads "Leuwam Tesfai".

Leuwam Tesfai
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division
California Public Utilities Commission

October 10, 2022

Advice 6710-E-A

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Supplemental – Information-Only Filing Regarding Net Energy Metering (NEM) Costs

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits, via an Information-only filing, a supplemental report on interconnection costs for all Net Energy Metering (NEM) customers in compliance with Decision (D.) 16-01-044¹. This filing covers the period of August 1, 2021 through July 31, 2022.

This supplemental advice letter replaces the previous advice letter in its entirety and provides additional data in Tables 1, 4, and 5 of its report that was not previously available when PG&E submitted its initial advice letter.

Background

D.16-01-044 authorized the investor-owned utilities (IOUs) to collect a one-time application fee for NEM successor tariff customers with systems smaller than 1 megawatt (MW), to allow the utility to recover the costs of providing the interconnection service from the customers benefitting from the interconnections². The fee for each IOU must be based on the interconnection costs shown in each IOU's June 2015 advice letter³, filed in accordance with D.14-05-033 and Resolution E-4610.

D.16-01-044 required each IOU to continue to report its interconnection costs in accordance with the directions in D.14-05-033 and Resolution E-4610. After discussion

¹ [D.16-01-044](#), p. 88, provides in pertinent part: "Because costs may change over time, each IOU must continue to report its interconnection costs in accordance with the directions in D.14-05-033 and Res. E-4610."

² D.16-01-044 at pp.87-88. Note that Single-family Affordable Solar Housing (SASH) customers are exempted from this interconnection fee.

³ PG&E filed Advice 4660-E on June 30, 2015 (approved December 31, 2015). PG&E filed a subsequent advice letter, Advice 4847-E, on May 25, 2016 (approved January 9, 2017) to correct costs that were inadvertently omitted.

with Energy Division, it was determined that the IOUs shall submit this report yearly on September 19⁴. This report contains data from August 1, 2021 through July 31, 2022. Next year's report will contain data from August 1, 2022 through July 31, 2023.

Advice Letter 6710-E⁵

On September 20, 2022, PG&E submitted Advice Letter (AL) 6710-E in compliance with D.16-01-044 to provide a report on interconnection costs for all NEM customers covering the period of August 1, 2021 through July 31, 2022.

However, PG&E noted in AL 6710-E that some order numbers relating to facility upgrades were prematurely closed, resulting in inaccurate data in Table 4 – Facility Upgrade Costs and Table 5 - NEM-Paired Storage Waived Fees and Costs (Distribution Upgrades section).⁶ Accordingly, PG&E committed to submitting a supplemental advice letter and report in 20 days to correct and update the data.

Net Energy Metering Interconnection Costs (This Supplemental AL and Report)

The supplemental report of interconnection costs for all NEM customers from August 1, 2021 through July 31, 2022 is attached to this Advice Letter, Attachment A.

This supplemental report includes corrected and updated data for Table 4 - Facility Upgrade Costs and Table 5 - NEM-Paired Storage Waived Fees and Costs (Distribution Upgrades section).

PG&E is also revising Table 1 – Processing/Administration Costs to correct accounting errors in the total cost value. After PG&E submitted its original AL 6710-E, the CPUC's Public Advocates Office submitted an inquiry about the total cost. While re-reviewing its records to respond to the PAO's question, PG&E detected certain accounting errors related to its accruals in which certain accruals were inadvertently not netted out. PG&E is remedying this issue by fixing the errors and adjusting our processes.

PG&E has denoted our changes to the report in red. For the remainder, PG&E believes the total NEM Applications, and interconnections, as well as Tables 2-3, and 6 to be accurate.

Additional various costs and fees associated with the interconnection process incurred by PG&E are not reflected under this report or recovered through the current NEM

⁴ Or the next business day, should September 19 fall on a weekend or holiday (Rule 1.15 Computation of Time California Public Utilities Commission Rules of Practice and Procedure).

⁵ [PG&E AL 6710-E](#) - *Information-Only Filing Regarding Net Energy Metering (NEM) Costs*, submitted September 20, 2022.

⁶ PG&E stated in its original AL 6710-E that it planned to correct Table 6. Upon further discussion, PG&E noticed that it needed to update Table 5 instead. PG&E regrets creating this confusion.



ADVICE LETTER SUMMARY

ENERGY UTILITY

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

Company name/CPUC Utility No.: Pacific Gas and Electric Company (U 39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: SHR8@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 6710-E-A

Tier Designation: info-only

Subject of AL: Supplemental – Information-Only Filing Regarding Net Energy Metering (NEM) Costs

Keywords (choose from CPUC listing): Compliance

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.16-01-044

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: N/A

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: 9/20/22

No. of tariff sheets: 0

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 proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

Attachment A
NEM Interconnection Costs

In response to the California Public Utilities Commission (CPUC) order stated in Decision (D) 16-01-044, PG&E has tracked the following interconnection costs (Tables 1-5) related to its Net Energy Metering tariffs for the period August 1, 2021 through July 31, 2022. PG&E's current available NEM tariffs include: Schedules NEM (including NEMA and NEMMT), NEMFC, NEMV, and NEMVMASH.

Note:

- The figures included in this report are based on historic interconnection records. They represent the cost of interconnection between the dates of August 1, 2021 through July 31, 2022 as a result of existing interconnection processes and requirements. As such, any attempts to use these figures to forecast future interconnection costs should account for changes to processes, requirements/ standards, and changes in capacity of interconnected distributed energy resources relative to the local integration capacity of the circuit.
- However, please note that additional various costs and fees associated with the interconnection process incurred by PG&E are not reflected on this report or recovered through the current NEM interconnection fee. These costs relate to electronic signature requests, online payments, online portal submittals, and other IT related expenditures and enhancements.
- PG&E submits this advice letter report in a format consistent with prior reports, and as established in AL 4446-E and Resolution E-4610 (as noted earlier). However, PG&E intends to submit a subsequent report in roughly a month's time that, in addition to the information included in this advice letter, will further delineate the information to identify: 1) interconnection costs paid by participants; 2) interconnection costs that are socialized; and 3) NGOM costs not incurred because small storage uses an estimation methodology.

Total NEM Applications	116,225
Total NEM Interconnections	108,525

Table 1 Processing/Administration Costs	
Total	\$15,269,769
Note: Includes Application Processing (e.g., validating 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).	

Table 2 Distribution Engineering Costs	
Total	\$2,148,828
Note: Includes technical analysis, studies, and screens consistent with Rule 21 (e.g., voltage rise, 15% Penetration, transformer loading)	

Table 3 Metering Installation/Inspection and Commissioning	
Total	\$184,147
Note: Includes residential and non-residential meter changes and remote meter programming, material, supplies, procurement costs, labor for installation, testing, engineering, and quality assurance necessary for interconnection	

Table 4 Facility Upgrade Costs**		
Type	Total	
Interconnection Facilities	\$3,300,892	
Distribution Upgrades	\$15,252,643	
Total	\$18,553,536	
** PG&E is planning to revisit these numbers. The See Advice cover letter page for more information.		

In response to the CPUC order stated in Decision (D) 16-01-044, PG&E has tracked the following waived fees and costs (Table 5) related to interconnection of NEM-Paired Storage for the period of August 1, 2020 through July 31, 2021.

Table 5 NEM-Paired Storage Waived Fees and Costs		
Category	Number of Projects	Total Cost
Application Fee	1,338	\$194,010
Supplemental Review Fee	5	\$12,500
Distribution Upgrades	123	\$1,146,165
Standby Charges	17,706	\$4,295,658
NGOM Metering	17,263	\$15,232,077
Notes:		
• Standby Charges calculated according to Schedule S for customers interconnected at distribution level. PG&E understands that there can be reactive demand impacts from inverter based customer-storage units without reactive power compensation; however since most of these customers do not have a meter capable of measuring VARs, the reactive demand charges will be tracked as \$0.00.		

In addition to reporting NEM interconnection costs and waived fees, PG&E proposed in Advice Letter 4446-E to track and report the interconnection costs refunded to customers who paid to interconnect qualifying NEM-Paired Storage systems prior to the issuance of Decision (D) 14-05-033.

Table 6 Refunded NEM-Paired Storage Interconnection Costs		
Category	Number of Projects	Total Cost
Refunded IC fees and Metering costs	0	\$0
Notes:		
• All relevant Interconnection costs for NEM-Paired Storage Projects are waived as per the the issuance of Decision (D) 14-05-033		

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

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blasing Smith Wynne, P.C.
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency
Financing

California Alternative Energy and
Advanced Transportation Financing
Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

East Bay Community Energy Ellison
Schneider & Harris LLP
Engineers and Scientists of California

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz &
Ritchie
Green Power Institute
Hanna & Morton
ICF
International Power Technology

Intertie

Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated
Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions
San Diego Gas & Electric Company

SPURR

San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy