

PUBLIC UTILITIES COMMISSION

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April 13, 2023

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Subject: Energy Division Approval of the Pacific Gas and Electric Advice Letter 6847-E/6847-E-A, Southern California Edison Advice Letter 4963-E/4963-E-A, and San Diego Gas & Electric Advice Letter 4154-E/4154-E-A – Modifications to Existing Tariffs as Directed by Decision 22-12-056

Dear Sidney Dietz, Tara Kaushik, and Greg Anderson,

This disposition letter approves Pacific Gas and Electric (PG&E) Advice Letter (AL) 6847-E (with modifications made by PG&E AL 6847 E-A), Southern California Edison (SCE) AL 4963-E (with modifications made by SCE AL 4963-E-A), and San Diego Gas & Electric (SDG&E) AL 4154-E (with modifications made by SDG&E AL 4154-E-A as well as substitute sheets submitted on April 5, 2023 and April 10, 2023), effective March 1, 2023.

California Public Utilities Commission (CPUC) Decision (D.)22-12-056 was approved on December 15, 2023. The decision established the framework for the net billing tariff, a successor to Net Energy Metering 2.0 (NEM 2.0). Ordering Paragraph 12 of the decision directs PG&E, SCE, and SDG&E (collectively “the utilities”) to file tier 2 advice letters no later than 45 days after the adoption date of D.22-12-056. The utilities timely submitted their advice letters on January 30, 2023.

On February 21, 2023, the California Solar and Storage Association (CALSSA), the Solar Energy Industries Association (SEIA), the County of Santa Clara, and the City of Fresno submitted protests to PG&E AL 6847-E. The same day, CALSSA and SEIA also submitted protests to SCE AL 4963-E and SDG&E AL 4154-E. On February 22, 2023, the Oakland Unified School District (OUSD) late submitted a protest to PG&E AL 6847-E. On February 24, 2023, Energy Division elected to accept OUSD’s late submitted protest under authority granted by CPUC General Order 96-B Rule 7.4.4.

On March 1, 2023, PG&E, SCE, and SDG&E submitted replies to all protests. In those replies, the utilities indicated their intention to file supplemental advice letters at a later date to address protests.

On March 17, 2023, PG&E submitted supplemental advice letter 6847-E-A. On March 27, 2023, SCE submitted supplemental advice letter 4963-E-A. On March 31, 2023, SDG&E submitted supplemental advice letter 4154-E-A, on April 5, 2023, SDG&E submitted substitute sheets to SDG&E AL 4154-E-A, and on April 10, 2023 SDG&E submitted additional substitute sheets to SDG&E AL 4154-E-A.

Energy Division finds that PG&E AL 6847-E (with modifications made by PG&E AL 6847 E-A), SCE AL 4963-E (with modifications made by SCE AL 4963-E-A), and SDG&E AL 4154-E (with modifications made by SDG&E AL 4154-E-A as well as substitute sheets submitted on April 5, 2023 and April 10, 2023) comply with D.22-12-056 and are approved with an effective date of March 1, 2023. Attachment 1 contains a detailed discussion of the background, protests, reply, supplemental and staff's determination.

Please direct any questions regarding Energy Division's findings in this disposition to Chris Westling (christopher.westling@cpuc.ca.gov).

Sincerely,

Handwritten signature of Leuwam Tesfai in black ink, followed by the word "FOR" in a simple, sans-serif font.

Leuwam Tesfai
Deputy Executive Director for Energy and Climate Policy /
Director of Energy Division

cc:

Tadashi Nakadegawa, Deputy Chief of Facilities Planning and Management, Oakland Unified School District
James R. Williams, County Counsel, County of Santa Clara
Ann D. Kloose, Sustainability Division Manager, City of Fresno
Jeanne B Armstrong, Senior Regulatory Attorney, Solar Energy Industries Association
Brad Heavner, Policy Director, California Solar and Storage Association

Attachment 1

Background

Pursuant to California Public Utilities Code Section 2827.1, Decision (D.)22-12-056 was adopted on December 15, 2023. The decision adopted the net billing tariff (NBT) – a successor to the net energy metering successor tariff (NEM 2.0). The new tariff addressed the guiding principles adopted in D.21-02-011 as well as the requirements of the Public Utilities Code. The NBT was established to balance the multiple requirements of the Public Utilities Code and the needs of the electric grid, the environment, participating ratepayers, as well as all other ratepayers.

Ordering Paragraph 12(f) of D.22-12-056 directed a series of implementation procedures, including directing PG&E, SCE, and SDG&E (collectively “the utilities”) to file advice letters 45 days after the decision was adopted to update current NEM tariffs and establish the future NBT tariffs. On January 30, 2023, the utilities each submitted three separate advice letters. PG&E AL 6847-E, SCE AL 4963-E, and SDG&E AL 4154-E (the ALs subject to this disposition) were submitted to make modifications to the utilities’ existing tariffs.

PG&E AL 6847-E, SCE AL 4963-E, and SDG&E AL 4154-E all make nearly identical changes to the net energy metering tariff (NEM 1.0) and the net energy metering successor tariff (NEM 2.0). A summary of the changes is presented below:

- For the NEM 1.0 tariff, the ALs clarify that the transition of NEM 1.0 customers whose 20-year legacy period has expired would be paused during 2023. During the 2023 transition period, rather than migrating to NEM 2.0 at the end of their legacy period, these customers would be moved directly to the net billing tariff (NBT) once NBT billing system updates become operational.
- For the NEM 2.0 tariff:
 - The utilities propose that the NEM 2.0 tariffs be modified to note that the tariff would be closed to new customers after the NEM 2.0 sunset date ordered in D.22-12-056 (120 days after the adoption of the decision, or April 14, 2023).
 - Customers submitting interconnection applications on or after April 15, 2023 would be served on the NEM 2.0 tariff on an interim basis and would transition to NBT at the end of their first Relevant Period (also known as the customer’s 12-month true-up period) once billing systems for the NBT become operational. As foreseen by the transition process established in D.22-12-056, should the advice letters establishing the NBT fail to be disposed of by April 14, 2023, the language proposed by the utilities would still allow for customers to take interim service on NEM 2.0 until the new tariff is approved and operational.
 - All customers who have applied for interconnection under NEM 2.0 on or before April 14, 2023 (including customers who applied prior to December 15, 2023) would have three years to complete construction and permitting.
- Net energy metering aggregation (NEMA):
 - The NEM 2.0 subtariff, net energy metering aggregation or NEMA, would remain open. Applications submitted on April 15, 2023 or later would a) be required to have had two or

more meters installed on the premises as of December 15, 2022 and b) would receive a nine year legacy period in accordance to the Decision.

Additionally, SDG&E AL 4154-E proposes modifying SDG&E's EV-TOU-5 tariff to expand eligibility to NBT customers.

Protests and Responses

Protests to the advice letters were submitted by the City of Fresno, the County of Santa Clara, the California Solar and Storage Association, the Solar Energy Industries Association, and the Oakland School District.

On February 15, 2023, February 16, 2023, and February 22, 2023,¹ the City of Fresno, the County of Santa Clara, and the Oakland Unified School District (OUSD), respectfully, submitted protests to PG&E AL 6847-E. These protests posit that the three-year build deadline should only apply to projects submitting applications during the sunset period (applications submitted between December 15, 2022, to April 14, 2023).

On February 21, 2023, the Solar Energy Industries Association (SEIA) and the California Solar and Storage Association (CALSSA) submitted protests of PG&E AL 6847-E, SCE AL 4963-E, and SDG&E AL 4154-E. Their protests also addressed the three-year build deadline as well as a range of other issues, discussed below.

On February 28, 2023, the utilities submitted nearly identical replies to the aforementioned protests.

The Three-year Deadline

In protests, the City of Fresno, County of Santa Clara, CALSSA, SEIA, and OUSD argued that the three-year build deadline should only apply to projects submitting applications during the sunset period (applications submitted between December 15, 2022 to April 14, 2023).

In their replies, the utilities argue that Ordering Paragraph 12 of D.22-12-056 does not explicitly address whether these time limits apply to applications submitted *before* the adoption date of the decision. However they argue that a establishing a cutoff date for these projects is consistent with the intent of the decision “to prevent applications ‘that linger in the interconnection system.’”² The utilities’ replies signaled their intent to file supplemental advice letters that would modify the NEM 2.0 tariffs so that all pending NEM 2.0 applications (regardless of application date) would have until April 14, 2026 (three years from April 14, 2023) to complete construction, submit final building permit sign off, and obtain electrical clearing by the authority having jurisdiction. The replies argue that this is reasonably consistent with the decision’s intent.

¹ On February 24, 2023, Energy Division elected to accept OUSD’s late filed protest under authority granted by CPUC General Order 96-B Rule 7.4.4.

² Southern California Edison’s “Reply to Solar Energy Industries Association and the California Solar & Storage Association Protests of Southern California Edison Company’s Advice 4963-E” at p.2

Required Document List

In protests, CALSSA and SEIA argue that the ALs should modify the list of documents required for NEM 2.0 eligibility during the sunset period to match the language in the decision.

In their replies, the utilities note that some portions of CALSSA and SEIA's protests do not comport with the decision. For example, "supplemental forms" are not listed in the decision among the items required for NEM 2.0 eligibility during the sunset period. The utilities' replies note an intent to provide additional information in their interconnection portals and websites to clarify the documents required. They also note that utilities would propose augmented tariff language via a supplemental advice letter that adds an "Authorization to Act on the Customer's Behalf" document for non-residential customers.

Discretion for Utility-caused Delays

In protests, CALSSA and SEIA argue that the ALs should grant the utilities discretion to assign NEM 2.0 eligibility to customers who are delayed in meeting the three-year construction and permitting deadline if the delays are the fault of the utility.

In their replies, the utilities state that they agree with the protests and note an intent to file supplemental advice letters accordingly. The supplemental advice letter would clarify that 1) the utilities have discretion to provide NEM 2.0 eligibility to a customer if a delay in meeting the NEM 2.0 sunset date is caused by the utility and 2) the utilities have discretion to grant NEM 2.0 eligibility to a customer who fails to submit necessary permitting documentation by April 14, 2026 if the delay is caused by the utility.

Treatment of "Hybrid" Systems

In protests, CALSSA and SEIA argue that the ALs should clarify how they "hybrid" systems³ on both NEM 2.0 and NBT will be treated and should explicitly allow NEM 2.0 customers who expand their system to retain NEM 2.0 status for the original system if they separately meter the additional capacity and take service on NBT for the new expanded capacity.

In their replies, the utilities state that the only tariff option that would allow for the allocation of the correct amount of NEM 2.0 credits would be the Rule 21 non-export tariff for the new portion of the system. The replies note that "it is infeasible for the utilities to bill two separate systems connected behind the same meter with these very different crediting mechanisms" and that they intend to clarify these limitations in a supplemental advice letter.⁴

³ Customers with NEM 2.0 projects that are expanded more than 10% of their original capacity or by more than 1 kW (whichever is less) must either bifurcate their system through NEM-Multi-Tariff or move the entire system to the currently available tariff (e.g. NBT)

⁴ "Pacific Gas and Electric Company's Reply to the Protests from the City of Fresno, County of Santa Clara, Oakland Unified School District, California Solar & Storage Association (CALSSA) and Solar Energy Industries Association (SEIA) to Advice 6847-E – Modifications to Electric Schedule NEM2- Net Energy Metering Service Per Decision (D.) 22-12-056, Ordering Paragraphs 11,12d and 12P" at p.5

PG&E's Proposed Land Review of NEMA Applications

In protests, CALSSA and SEIA argue that PG&E should not delay review of NEMA tariff applications by conducting a land review of the parcels before further examining the NEMA application.

In their replies, the utilities state that there is a need to maintain the integrity of the Rule 21 interconnection process. However, the utilities note they will attempt to resolve SEIA and CALSSA's concerns by adopting the language that SEIA proposed to address this issue in a supplemental advice letter.

System Size Calculation

In its protests, CALSSA argues that the ALs should modify the system size calculation to conform to Rule 21.

In their replies, the utilities disagree that this change is needed. They note that the language that CALSSA takes issue with already exists in the tariff, is not proposed to be modified through these advice letters, and is not addressed in the decision. Further, the utilities note that the language in Rule 21 is related to system modifications while the language in the NEM 2.0 tariff is not. The utilities state that by changing the language now, it could "introduce unnecessary gaming for cost-responsibility."⁵

Addition of Storage

In protests, CALSSA argues that the NEM 2.0 tariffs should be clear that customers can add storage without impacting their current legacy period.

In their replies, the utilities state that they agree with the protest and note their intention to propose the necessary changes to the tariff language via a supplemental advice letter.

Updates to Rule 21

In protests, CALSSA argues that PG&E and SDG&E should include changes to Rule 21 to match the Rule 21 changes proposed by SCE.

In their responses, the utilities agree and note their intent to propose necessary changes through a supplemental advice letter.

Supplementals

On March 17, 2023, PG&E submitted supplemental advice letter 6847-E-A. On March 27, 2023, SCE submitted supplemental advice letter 4963-E-A. On March 31, 2023, SDG&E submitted supplemental advice letter 4154-E-A and on April 5, 2023, submitted substitute sheets to SDG&E AL 4154-E-A.

⁵ "Pacific Gas and Electric Company's Reply to the Protests from the City of Fresno, County of Santa Clara, Oakland Unified School District, California Solar & Storage Association (CALSSA) and Solar Energy Industries Association (SEIA) to Advice 6847-E – Modifications to Electric Schedule NEM2- Net Energy Metering Service Per Decision (D.) 22-12-056, Ordering Paragraphs 11,12d and 12P" at p.6

In the supplemental advice letters, changes proposed by SEIA were made to add language to ensure that for NEMA applications the utilities will review the application for major deficiencies before beginning a land review. Changes were made by all utilities to clarify that the construction and permitting submission deadline for all applications (both prior to December 15, 2022 and after December 15, 2022) will have until April 14, 2026 to submit all documents. The utilities also propose language providing utility discretion to grant NEM 2.0 eligibility if the customer fails to submit documentation on time due to a utility-caused delay. Further modifications were made to clarify that the addition of battery storage does not impact a customer's current NEM 1.0 or NEM 2.0 tariff legacy period. And finally, changes were made to note that customers who expand their NEM 2.0 system more than 10% or 1 kW will have the option to separately meter that additional new capacity under the Rule 21 non-export tariff. Alternatively, the customer may elect to move the entire system to NBT, in which case they will be eligible for the same benefits as a new NBT customer would be (applicable ACC Plus adder, 9 year export credit lock-in, 9 year legacy period) if the customer applies prior to January 1, 2028 (the end of the glidepath).

Discussion

On many of the protested issues there appear to be broad or partial consensus between the protestors and the utilities. These issues include granting the utilities discretion to extend deadlines for specific customers if the utility is the cause of the delay, modifications of the NEMA application approval process to notify customers of deficient applications as soon as possible, modifications to the tariffs to make it clear that the addition of storage does not force customers to change tariffs, and the adoption of SCE's proposed changes to Rule 21 by PG&E and SDG&E.

On several issues, the utilities and protestors are not in complete agreement, but Energy Division finds the proposed changes that the utilities have made to accommodate the protestor's concerns are reasonable. These issues include the inclusion of a list of documents required for NEM 2.0 status during the sunset period within the tariff language, and the issue of system size calculation within Rule 21 and NEM 2.0.

The primary issue about which all protestors expressed concern was the three-year construction and permitting deadline applying to projects which applied for interconnection prior to December 15, 2022. While the decision is not explicit in how these applications should be handled, it is reasonable for both interconnection logistics and reduction of the NEM 2.0 cost shift that there be a final deadline for NEM 2.0 applications. There are several avenues that this deadline could be established: a) the original application date could be used, even if it is prior to December 15, 2022, b) all applications submitted prior to December 15, 2022 could be assigned December 15, 2022 as the de facto application date, thus granting customers until December 15, 2025 to complete their projects, or c) all customers (who applied both before and after December 15, 2022) could be assigned the latest possible date, April 14, 2023, as their de facto application date, thus granting all customers until April 14, 2026.

Energy Division finds that the first option (a) could jeopardize projects currently under construction and put undue burden on the customer. While the second option (b) provides more flexibility for customers, it would create incentives for early NEM 2.0 applicants to withdraw their applications and resubmit them on April 14, 2023. This could cause a surge of unnecessary paperwork for the utilities and subsequent delays in the processing of interconnection applications for all customers. The final option (c) is the most reasonable – it provides the most flexibility to customers while maintaining the intent of the decision that applications

not “linger in the interconnection system” indefinitely.⁶ We find the changes proposed by the utilities in their supplemental advice letters to be reasonable and in conformance with D.22-12-056.

Finally, CALSSA and SEIA expressed concern over the treatment of “hybrid” systems (e.g. a NEM 2.0 system that is expanded beyond the allowable limits) once the NBT is in effect. The utilities raise valid concerns about the inability to calculate and allocate credits for each “portion” of such a system. In light of those challenges, the utilities propose a reasonable compromise whereby a customer can either separately meter the additional new capacity on a Rule 21 non-export tariff or the customer may elect to move the entire system (the original and expanded components) to the NBT. In the latter option, the utilities propose that the customer would then be eligible for the new customer benefits of the NBT if interconnected prior to January 1, 2028. Energy Division acknowledges this arrangement would impose an additional near-term cost shift burden on non-participating ratepayers and could negatively impact equity and decarbonization goals. However, Energy Division ultimately finds this proposal to be a reasonable compromise, because it may encourage NEM 2.0 customers to move to the NBT – an outcome that ultimately benefits all ratepayers over time.

In summary, all protests of PG&E AL 6847-E, SCE AL 4963-E, and SDG&E AL 4154-E are dismissed or resolved by the submission of PG&E AL 6847-E-A, SCE AL 4963-E-A, and SDG&E AL 4154-E-A. Therefore, Energy Division approves PG&E AL 6847-E-A, SCE AL 4963-E-A, and SDG&E AL 4154-E-A, effective March 1, 2023.

⁶ D.22-12-056 at pp.199-200

January 30, 2023

Advice 6847-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Modifications to Electric Schedule NEM2- Net Energy Metering Service Per Decision (D.) 22-12-056, Revising Net Energy Metering Tariff and Sub-tariffs, Ordering Paragraphs 11,12d and 12f

Purpose

Pursuant to Ordering Paragraphs (OP) 11,12d, and 12f of Decision (D.) 22-12-056, Pacific Gas and Electric Company (PG&E) submits this Tier 2 advice letter to modify Electric Schedule NEM2-Net Energy Metering Service to: (1) allow load aggregation customers to interconnect on Electric Schedule NEM2 under the NEM2A rate option after April 14, 2023 (NEM2 Sunset Date), provided the customer had two or more meters as of December 15, 2022, and with a reduced legacy period of nine years to align with customers of the Net Billing Tariff; (2) address Customers applying to NEM2 on or after April 15, 2023, who will be served on NEM2 on an interim basis with no Legacy Period on the NEM2 tariff and transition to the Net Billing Tariff (NBT) once it is operational; (3) specify interconnection application requirements to take service under NEM2 for applications submitted before April 15, 2023, (4) pause the transition of NEM customers to NEM2, and (5) specify PG&E's discretion to grant NEM2 eligibility to customers that otherwise would be ineligible due to utility-caused delays.

Background

Senate Bill (SB) 656 (Alquist, Stats. 1995, ch. 369), codified at Section 2827 to the Public Utilities Code, established net energy metering (NEM) in California. The statute directed every electric utility in California to develop a standard contract or tariff to allow eligible customer-generators (customers who own and operate an electrical generating facility to offset part or all their own electrical requirements) to receive a financial credit on their electric bills for energy fed back to the utility's grid. The statute was subsequently amended several times, including among other changes, to add a new "option" to the

NEM program to allow customers to aggregate load from multiple meters (“load aggregation,” also referred to as “net energy metering aggregation”).¹

In 2013, Assembly Bill (AB) 327 (Perea, Stats. 2013, ch. 611) added Section 2827.1 to the Public Utilities Code and mandated that the Commission adopt a successor to the existing NEM tariff. Subsequently, the Commission approved Decision (D.) 16-01-044, which adopted a revised NEM tariff, now referred to as NEM2.

On August 27, 2020, the Commission initiated a rulemaking to revisit the NEM tariffs adopted by D.16-01-044. Subsequently, on December 15, 2022, the Commission adopted D.22-12-056, adopting a successor to the current NEM2 tariff. Specific to this advice letter, D.22-12-056 orders the following changes:

OP 11 :

“The Net Energy Metering Aggregation (NEMA) subtariff shall remain unchanged pending further review in this proceeding with the following modifications: (i) for customers applying to interconnect to NEMA after the NEM 2.0 Sunset Date, this decision reduces the legacy period to nine years to align with customers of the net billing tariff; and (ii) for customers applying to NEMA after the NEM 2.0 sunset date, NEMA eligibility is restricted to customers who already had two or more meters.

OP 12d :

“(d) Step 4. No later than 120 days after the effective date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company will implement a tariff sunset on the prior net energy metering tariff, known as NEM 2.0, after which time, no additional customers will be permitted to take service under the NEM 2.0 tariff. Customers with an interconnection application date after this Sunset Date will take service and be billed on the NEM 2.0 tariff on an interim basis and transition to the net billing tariff, once it is operational. These customers shall take service on the retail import rates available to NEM 2.0 tariff customers during this interim period and then be moved to retail import electrification rates adopted in this decision when fully transitioned to the net billing tariff. The NEM 2.0 tariff legacy period is not applicable in this case. The interconnection application date for residential customers is defined as the submission date of an application that is free of major deficiencies and includes a complete application, a signed contract, a single-line diagram, a complete California Contractors State License Board Solar Energy System Disclosure Document, a signed California Solar Consumer Protection Guide, and an oversizing attestation (if applicable). The interconnection application date for nonresidential customers is defined as the submission date of an application that is free of major deficiencies and includes a complete application, a signed

¹ SB 594 (Wolk, 2012) codified at Public Utilities Code Section 2827 (h)(4)(D).

Authorization to Act on a Customer's Behalf, the selection of a single-line diagram, and an oversizing attestation (if applicable.) Joint Utilities are granted the discretion to give NEM 2.0 tariff eligibility to a customer if a delay in meeting the Sunset Date is caused by the utility. Joint Utilities shall work collaboratively to address challenging situations in deeming applications complete. Joint Utilities are directed to pause transition of NEM 1.0 customers to NEM 2.0 until the commencement of Step 5."

OP 12f:

"Three years from the application submission, all customers seeking to interconnect to the NEM 2.0 tariff shall submit final building permit sign off and electrical clearing by the authority having jurisdiction. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company have the discretion to apply NEM 2.0 eligibility to customers who fail to meet this deadline due to utility-caused delays."

PG&E submits the tariff revisions described below in compliance with these requirements.

Tariff Revisions

This advice letter modifies Electric Schedule NEM2 to address customers applying to this tariff on or after April 15, 2023. Modifications are made to the Applicability section, Special Condition 6 (load Aggregation, NEM2A) and Special Condition 8 (legacy period) in accordance with the directives of D.22-12-056. This Advice letter also modifies Special Condition 3, Interconnection, to specify the requirements for customers who have submitted interconnection applications before April 15, 2023, to maintain NEM2 eligibility. In addition, a new special condition, Special Condition 11, is added to address customers submitting interconnection applications after the NEM2 Sunset Date but before the successor tariff is operational.

The specific tariff revisions are as follows:

- **Applicability:** This section is modified to specify that the tariff is closed to new customer applications after the NEM2 sunset Date (April 14, 2023), unless the customer is applying for NEM2 load aggregation (NEM2A). This section further specifies that new customer applications submitted on or after April 15, 2023, that are not applying under NEM2A are subject to the terms detailed in Special Condition 11 (discussed below) and specifies that new NEM2A customers are subject to the terms detailed in Special Condition 6 (discussed below).
- **NEM2A (Special Condition 6):** This section is modified to require customers applying for NEM2A after April 14, 2023, to have had two or more existing meters as of December 15, 2022, and specifies that such customers subject to only a nine-year legacy period.

- Legacy Provisions (Special Condition 8): This section is updated to reduce the legacy period from twenty years to nine years for NEM2A customers applying after April 14, 2023. This section also specifies that the 20-year NEM2 legacy period does not apply to customers applying after April 14, 2023. References to NEM2V and NEM2VMSH, as the legacy period applicable to those tariffs will be addressed in those tariffs.
- New Special Condition 11: This new special condition addresses customers who submit interconnection applications after April 14, 2023, before the successor tariff is available for service, specifying that they will be served on NEM2 on an interim basis and will transition to the successor tariff at the end of the first Relevant Period when the billing for NBT is operational.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than February 21, 2023, which is 22 days² after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 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 and 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, Section 3.11).

² The 20-day protest period concludes on a weekend and a holiday; therefore, PG&E is moving this date to the following business day.

Effective Date

Pursuant to General Order (GO) 96-B, Rule 5.2, and OP 11 of D.22-12-056, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice letter submittal become effective on regular notice, March 1, 2023, which is 30 calendar days after the date of submittal.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for R.20-08-020 and R.14-07-002/A.16-07-015. 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 submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Sidney Bob Dietz II
Director, Regulatory Relations

Attachments:

Attachment 1: Final Tariffs
Attachment 2: Redline Tariff Revisions

cc: Service List R.20-08-020, R.14-07-002/A.16-07-015



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 (ID U39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@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) #: 6847-E

Tier Designation: 2

Subject of AL: Modifications to Electric Schedule NEM2- Net Energy Metering Service Per Decision (D.) 22-12-056, Revising Net Energy Metering Tariff and Sub-tariffs, Ordering Paragraphs 11,12d and 12f

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.22-12-056

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:

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: 3/1/23

No. of tariff sheets: 33

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: See Attachment 1

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: 6395-E,6682-E-A, 6778-E

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:
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

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
55405-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 1	50613-E
55406-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 13	53874-E
55407-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 14	55082-E
55408-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 15	54473-E
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55410-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 17	37810-E
55411-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 18	42939-E
55412-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 19	38161-E
55413-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 20	38162-E
55414-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 21	42940-E
55415-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 22	47176-E
55416-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 23	37816-E
55417-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 24	46795-E
55418-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 25	38165-E

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
55419-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 26	52981-E
55420-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 27	50614-E
55421-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 28	50615-E
55422-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 29	55083-E
55423-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 30	55084-E
55424-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 31	55085-E
55425-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 32	55086-E
55426-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 33	55087-E
55427-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 34	55088-E
55428-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 35	55089-E
55429-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 36	55090-E
55430-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 37	55091-E
55431-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 38	55092-E
55432-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 39	55093-E

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
55433-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 40	55094-E
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55435-E	ELECTRIC SCHEDULE NEM2 NET ENERGY METERING SERVICE Sheet 42	
55436-E	ELECTRIC TABLE OF CONTENTS Sheet 1	54809-E
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**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 1

APPLICABILITY: Pursuant to Decision (D.) 22-12-056, this Schedule is closed to new customers with applications submitted after April 14, 2023, or when NBT Schedule is approved, whichever is later, unless the customer is applying for Load Aggregation (NEM2A), as detailed in Special Condition 6. Customers applying before April 15, 2023, are subject to the application requirements specified in Special Condition 3 (Interconnection) to maintain eligibility on NEM2. Customers applying on or after April 15, 2023, except for customers applying for Load Aggregation, are subject to the terms specified in Special Condition 11. (N)

This net energy-metering schedule pursuant to Decision (D.) 16-01-044 is applicable to a customer who takes service on an applicable time-of-use (TOU) rate schedule^{1,2} and who uses a Renewable Electrical Generation Facility (REGF) as defined below that is located on the customer's owned, leased, or rented premises, is interconnected and operates in parallel with PG&E's transmission and distribution systems, and is intended primarily to offset part or all of the customer's own electrical requirements (hereinafter "eligible customer-generator" or "customer"). For a NEM REGF paired with storage, see Special Condition 9.

Notwithstanding the definition of "eligible customer-generator" above, eligible customer generator also includes (i) the California Department of Corrections and Rehabilitation (CDCR) pursuant to Special Condition 7 of this tariff.

Subject to the requirements of Special Condition 6, Load Aggregation to determine the customer's own electrical requirements is permitted. Certain incremental billing and metering costs set forth in this schedule that are related to net energy metering are applicable to Electric Service Providers (ESPs) serving eligible customer-generators.

This service is not applicable to a Direct Access (DA) customer where the customer's ESP does not offer a net energy metering tariff. In addition, if the tariffs for the customer's ESP do not permit Load Aggregation, as described in Special Condition 6, this option is not available to the DA customer. In addition, if an eligible customer-generator participates in direct transactions with an ESP that does not provide distribution service for the direct transactions, the ESP, and not PG&E, is obligated to provide net energy metering to the customer.

This rate schedule is available to customers that provide PG&E with:

- (a) a completed, signed Net Energy Metering Application and Interconnection Agreement as described in Special Condition 3 including all supporting documents and required payments; AND
- (b) evidence of the customer's final inspection clearance from the governmental authority having jurisdiction over the REGF,

See Special Condition 8 for NEM2 Legacy Provisions.

¹ Customers on Schedules such as ET, ES, and ESR, which have no corresponding TOU Rate, are not required to switch to TOU rates, unless and until such a rate becomes available.

² Customers, including those on Load Accounts on NEMA as described in Special Condition 6, switching from Schedule NEM to this NEM2 tariff are required to take any applicable TOU rate, beginning at the time the customer switches to the NEM2 tariff, pursuant to D.14-03-041 and D. 16-01-044. (T)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 13

SPECIAL
CONDITIONS:
(Cont'd.)

3. INTERCONNECTION: Prior to receiving approval for Parallel Operation, the customer-generator must submit a completed PG&E application form and interconnection agreement as follows:

Rate Option	Application	Interconnection Agreement	
NEM2S	For Solar and/or Wind Electric Generating Facilities of 30 Kilowatts or Less: <i>Application - Net Energy Metering (NEM2) Interconnection for Solar and/or Wind Electric Generating Facilities of 30 Kilowatts or Less (Form 79-1151B-03)⁴</i>	<i>Agreement and Customer Authorization – Net Energy Metering (NEM2) Interconnection for Solar and/or Wind Electric Generating Facilities of 30 Kilowatts or Less (Form 79-1151A-02)⁴</i>	(T)
NEM2EXP NEM2EXPM	For Solar and/or Wind Net Energy Metering (NEM2) Generating Facilities of 1,000 Kilowatts or Less, other than Facilities of 30 Kilowatts or Less: <i>Generating Facility Interconnection Application, (Form 79-1174-03)</i>	<i>Interconnection Agreement for Net Energy Metering (NEM2) of Solar or Wind Electric Generating Facilities of 1,000 Kilowatts or Less, other than Facilities of 30 Kilowatts or Less (Form 79-1220)</i>	(T)
	For Net Energy Metering (NEM2) non-Solar and/or Wind Generating Facilities of any size, and Solar and/or Wind Generating Facilities greater than 1,000 kW: <i>Generating Facility Interconnection Application, (Form 79-1174-03)</i>	<i>Interconnection Agreement For Net Energy Metering (NEM2) non-Solar and/or Wind Generating Facilities of any size, and Solar and/or Wind Generating Facilities greater than 1,000 kW (Form 79-1198-02)</i>	(T)

⁴ Both the Agreement and Customer Authorization (79-1151A-02) and Application (79-1151B-03) forms must have been submitted before PG&E will issue the Permission to Operation (PTO) letter. Information in the Application can be submitted by the Company or Customer in an electronic format, subject to approval by PG&E. (T)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 14

SPECIAL
CONDITIONS:
(Cont'd.)

3. INTERCONNECTION: (Cont'd.)

Rate Option	Application	Interconnection Agreement	
NEMPS	For NEMPS (Special Condition 9) for projects that meet NEM Integrity requirements		
	<i>Generating Facility Interconnection Application, (Form 79 1174-03)</i>	79-1193-02- AGREEMENT AND CUSTOMER AUTHORIZATION Net Energy Metering (NEM2) Interconnection For Solar And/Or Wind Electric Generating Facilities Of 30 Kilowatts Or Less with Energy Storage of 10 Kilowatts Or Less or Energy Storage with Power Control System Certification	(T)
NEM2, NEM2EXP, NEM2A ,or NEM2MT > 1,000 kW	<i>Generating Facility Interconnection Application (Form 79-1174-03)</i>	Rule 21 Generator Interconnection Agreement for New Energy Metering (NEM-2) Generating Facilities Greater than 1,000 Kilowatts Interconnecting Under the Fast Track Process (Form 79-1198-02)	(T)
		Rule 21 Generator Interconnection Agreement (GIA) for Net Energy Metering (NEM2) Generating Facilities Greater than 1,000 Kilowatts Interconnecting Under the Independent Study, Distribution Study, or Transmission Cluster Process (Form 79-1198-02)	
NEM2MT	For customer-generators ≤ 1 MW taking service as a Multiple Tariff Facility under Special Condition 4 of this tariff:		
	<i>Generating Facility Interconnection Application (Form 79-1174-03)</i>	Generating Facility Interconnection Agreement (NEM2MT - Multiple Tariff) (Form 79-1069-02)	(T)
NEM2A	NEM2 Load Aggregation ≤ 1 MW		
	Along with the applicable interconnection form above, also submit:		
	<i>NEM2 Load Aggregation Appendix (Form 79-1202)</i>		
NEM2CDCR	See Special Condition 7		

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 15

SPECIAL
CONDITIONS:
(Cont'd.)

3. INTERCONNECTION: (Cont'd.)

For Customers to receive service on this NEM2 schedule, their interconnection application must be submitted on or before April 14, 2023 (NEM2 Sunset Date), and must comply with the following:

- (i) The interconnection application date is defined as the submission date of an application that is free of major deficiencies and includes a complete application, a single-line diagram, a complete California Contractors State License Board Solar Energy System Disclosure Document (if applicable), a signed California Solar Consumer Protection Guide (if applicable) and for standard NEM, a signed Agreement and Customer Authorization.
- (ii) All customers seeking to interconnect on this NEM2 schedule shall submit final building permit sign off and electrical clearing by the authority having jurisdiction by no later than three years from the application submission date.

PG&E is granted the discretion to give NEM2 tariff eligibility to a customer if a delay in meeting the NEM2 Sunset Date (April 14, 2023) is caused by the utility. Similarly, PG&E has the discretion to apply NEM2 eligibility to customers who fail to submit the final building permit sign off and other necessary documentation within three years from the application submission if such failure is due to utility-caused delays.

For Load Aggregation, a completed and signed "NEM Load Aggregation Appendix" (Form 79-1202) must be submitted together with the appropriate NEM interconnection agreement listed above.

The eligible customer-generator must meet all applicable safety, and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the California Public Utilities Commission regarding safety and reliability.

In order to promote the safety and reliability of the customer REGF, the applicant is required to verify as a part of each interconnection request for this tariff, that all major solar system components are on the verified equipment list maintained by the California Energy Commission and other equipment, as determined by PG&E, should be verified by the customer as having safety certification from a nationally recognized testing laboratory.

(N)

(N)

(L)

(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 16

SPECIAL
CONDITIONS:
(Cont'd.)

3. INTERCONNECTION: (Cont'd.)

(L)

Applicant is required to verify as a part of each interconnection request for this tariff, that (i) a warranty of at least 10 years, or (ii) a 10-year service warranty or executed "agreement" ensuring proper maintenance and continued system performance has been provided on all equipment and on its installation.

For Load Aggregation Arrangements Requesting an additional service for Generator – Subject to all other applicable rules, an additional service may be allowed for the Generating Account if it has no load other than that associated directly with the REGF. However, a customer may not subsequently add load to that additional service, and if the REGF is removed, the additional service, may not be converted to a load account.

Customers on this tariff must pay for the interconnection of their REGF as provided in Electric Rule 21, including an application fee. This application fee must be paid through PG&E's online application portal in order to complete the application, unless otherwise directed by PG&E. For application fees for Customers impacted by a Natural or Human-Made Disasters⁵, see Special Condition 10.

For the purposes of the NEM2, NEM2V, and NEM2VMSH tariffs, the rating of the generating facility, for the purposes of comparing its size relative to the 1 megawatt (MW) limit, will be determined based on:

- (a) For each PV generator, the California Energy Commission's (CEC) AC rating;
- (b) For each inverter based generator, the gross nameplate rating of the inverter; or
- (c) For each non-inverter based generator, the generator gross nameplate.

⁵ Natural or human-made disasters includes such events as a fire, earthquake, flood, or severe storms.

(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 17

SPECIAL
CONDITIONS:
(Cont'd.)

4. MULTIPLE TARIFF FACILITIES:

(L)

Multiple Tariff Facilities have the following additional provisions:

- a. When Net Generation Output Metering (NGOM) is required, such NGOM must conform to the requirements set forth in Electric Rule 21, Section J.
- b. A NEM2-eligible Constituent Generator Group is defined as a constituent generator group that is eligible for service under the provisions of either schedule NEM, NEM2, NEMBIO or NEMFC or their sub-schedules.
- c. A non-NEM2-eligible Constituent Generator Group is defined as a constituent generator group that does not take service under the provisions of schedule NEM, NEM2, NEMBIO or NEMFC, but interconnects under the non-NEM2 provisions of Electric Rule 21.
- d. All metering for Multiple Tariff Facilities called for in this Special Condition must meet the requirements needed to bill under the customer-generator's OAS. All metering, equipment and Non Export relays necessary to implement the provisions in this section will be provided at the Customer-Generator's expense.
- e. Any generators eligible for tariffs NEMA, NEM2, NEMFCA or NEMBIOA (accounts with the loads from eligible accounts aggregated on the main NEM, NEM2, NEMFC or NEMBIO account pursuant as allowed under this Special Condition 4 of this NEM2 tariff) will be treated as a separate Constituent Generator Group. However at this time NEM2A may not be combined with NEMA, NEMFCA or NEMBIOA under this Special Condition.

(L)

(Continued)

Advice 6847-E
Decision D.22-12-056

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Meredith Allen
Vice President, Regulatory Affairs

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January 30, 2023



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 18

SPECIAL
CONDITIONS:
(Cont'd.)

4. MULTIPLE TARIFF FACILITIES: (Cont'd.)

(L)

f. Except for Load Aggregation Arrangements, where multiple NEM - eligible Constituent Generator Groups are present and energy (kWh) is exported to the grid at the PCC, the billing credit will be based upon the proportional contribution of the energy production (kWh) of each NEM-eligible Constituent Generator Group over the billing period as follows:

- 1) Sum all NEM-eligible Constituent Generator Groups' NGOM readings. For NEM Paired Storage, follow the provisions in Special Condition 9.
- 2) Determine the proportion of energy (kWh) attributable to each NEM-eligible Constituent Generator Group by dividing the NGOM reading of each by the sum from (1) above.
- 3) NEM-eligible Export is the lesser of either all exported energy (kWh) as measured at the PCC or the sum of the energy (kWh) per (1) above.
- 4) Take the NEM-eligible Export and assign it to each NEM-eligible Constituent Generator Group based on its respective proportion of NGOM reading.
- 5) Determine the bill credit for the customer-generator as provided under the customer-generator's OAS in combination with the net energy metering tariff billing treatment type for each NEM-eligible Constituent Generator Group.
- 6) If interval metering is chosen per Special Condition 4.g(2)(c) of this special condition, this allocation of bill credit will be done on the aggregated intervals over a billing period. If the OAS is a time-of-use (TOU) rate schedule, the allocation will be performed for each aggregated TOU period separately.
- 7) Generating Facilities including only multiple NEM2 REGFs are not Multiple Tariff Facilities and the customer-generator will be billed as provided in Special Condition 2 of this tariff.

(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 19

SPECIAL
CONDITIONS:
(Cont'd.)

4. MULTIPLE TARIFF FACILITIES: (Cont'd.)

(L)

g. Multiple Tariff Facility Configurations and Metering.

1) Except for Load Aggregation Arrangements, for two or more types of NEM-eligible Constituent Generator Groups, the customer-generator must select one of the following options:

a) Install NGOM on each Constituent Generator Group. In addition, metering is required at the PCC capable of separately registering the flow of energy (kWh) in two directions. Billing credit will be calculated as provided for in Special Condition 4.f. Generation Rate Component charges are the charges for energy (kWh) used based on the generation rate component of the energy charge under the customer-generator's rate schedule(s). Billing credit will be applied consistent with the appropriate net metering tariff as follows:

- i. First, apply NEMBIO credits (if any) to Generation Rate Component charges on any aggregated accounts, and then to Generation Rate Component charges on the account served by the generating facility (Host Account).
- ii. Second, apply NEMFC credits (if any) to Generation Rate Component charges on the account served by the generating facility.
- iii. Third, apply NEM2 credits (if any) as appropriate to the remainder of energy charges except for NBC charges for usage supplied by the grid on the account served by the generating facility.
- iv. Fourth, apply NEM credits (if any) as appropriate to the remainder of energy charges on the account served by the generating facility.
- v. No credits shall offset NBC charges calculated on all usage supplied from the grid.

b) If the customer-generator has Constituent Generator Group(s) eligible for Schedule NEMBIO or NEMFC, and has a Constituent Generator Group eligible for Schedule NEM2 and/or NEM consisting of one or more Renewable Electrical Generation Facilities, the customer-generator may elect to take service for such under either Schedule NEMBIO or NEMFC, as appropriate, for all of the Constituent Generator Group(s). Likewise, if the customer-generator has Constituent Generator Group(s) eligible for NEM and NEM2, the customer-generator may elect to take service for both under NEM2.

(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 21

SPECIAL
CONDITIONS:
(Cont'd.)

5. NET SURPLUS ELECTRICITY COMPENSATION (NSC):

(L)

Pursuant to P.U. Code Sections 2827 (h)(4)(A), this Special Condition was established to provide a NEM customer having **Net Surplus Electricity**, (defined as all electricity generated by an eligible customer measured in kilowatt-hours over a Relevant Period – as defined in Special Condition 2.h of this tariff – that exceeds the amount of electricity consumed by that eligible customer), with **Net Surplus Electricity Compensation (NSC)** for the Net Surplus Electricity, while leaving other ratepayers unaffected. A NEM2 customer who has Net Surplus Electricity will be known as a **Net Surplus Generator**.

- a. NSC Applicability – All bundled Net Surplus Generators that satisfy the conditions in the Applicability Section of this tariff and take service under this rate schedule are eligible to receive NSC at the time of their true-up. This includes Net Surplus Generators on sub-schedules NEM2S, NEM2EXP, and NEM2EXPM. A NEM2MT Net Surplus Generator is also eligible to receive NSC but only for the one or more generators at the same metered account eligible for billing treatment under Special Condition 2.a through 2.f of this NEM2 schedule, or the applicable tariff for the non-NEM2 generator.

Net Surplus Generators who receive Direct Access (DA) Service from an ESP or who receive Community Choice Aggregation Service from a CCA are not eligible to receive NSC from PG&E but may contact their ESP or CCA Provider to see if they provide NSC.

If an eligible customer-generator elects Load Aggregation as described in Special Condition 6, the Generating Account shall be permanently ineligible to receive net surplus electricity compensation, and PG&E shall retain any kilowatt-hours and zero out any credits remaining on each account in the Load Aggregation Arrangement at the end of the Relevant Period. However, if an Aggregated Account that is not a Generating Account is separated from the Arrangement, and subsequently qualifies for NEM2, it is also eligible for NSC.

(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 22

SPECIAL
CONDITIONS:
(Cont'd.)

- 5. NET SURPLUS ELECTRICITY COMPENSATION (NSC): (Cont'd.)
- b. The NSC Rate – The NSC Rate is defined as the simple rolling average of PG&E’s default load aggregation point (DLAP) price from 7 a.m. to 5 p.m., for a 12-month period. PG&E shall use the NSC Rate as the value of the electricity portion of its net surplus compensation rate.

PG&E will calculate the NSC Rate each month. It will be effective on the first day of that month and PG&E will use it in the NSC Calculation for any Net Surplus Generators with a Relevant Period completed in that month (True-Up Month).

The DLAP Cutoff Date will be defined as the twentieth (20th) day of the month prior to the True-Up Month.

PG&E will wait five (5) days after the DLAP Cutoff Date for the CAISO to have time to finalize the day-ahead PG&E DLAP prices. The NSC Rate will then be calculated as the simple average of the prices for all hours between 7 a.m. and 5 p.m. over a one (1) year period ending on the DLAP Cutoff Date.

- c. Pursuant to D. 11-06-016, PG&E includes a Renewable Attribute Adder (RAA) based on the California Energy Commission (CEC) implementation methodology.

Under the CEC’s Renewables Portfolio Standard (RPS) Eligibility Guidebook⁶, an ownership verification and tracking process is set forth for Renewable Energy Credits (RECs) created by Net Surplus Generators.

PG&E will pay a RAA for Net Surplus Electricity if the Net Surplus Generator completes Form 79-1155-02 - *Schedules NEM2, NEM2V, NEMV2MSH, Net Surplus Electricity (NSE) Renewable Energy Credits Compensation Form* which requires that each true-up a Net Surplus Generator confirm it or its REC aggregator has:

- 1) certified ownership of Net Surplus Electricity Renewable Energy Credits associated with their Net Surplus Electricity;
- 2) obtained certification for the Renewable Portfolio Standards (RPS) eligibility of the Electrical Generation Facility from the CEC and provide evidence of this certification to PG&E; and
- 3) transferred the ownership of the WREGIS Certificates to PG&E.

The RAA will be calculated using the most recent Western Electricity Coordinating Council (WECC) average renewable premium, based on United States Department of Energy (DOE) published data as submitted via advice letter annually in compliance with Resolution E-4475 and Decision 11-12-018.

⁶ The CEC RPS Eligibility Guidebook is available at: <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard>

(Continued)

(L)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 23

SPECIAL
CONDITIONS:
(Cont'd.)

- 5. NET SURPLUS ELECTRICITY COMPENSATION (NSC): (Cont'd.) (L)
- d. Calculation of the NSC – NSC is calculated by multiplying any Net Surplus Electricity (kWh) by the NSC Rate in (b) and (c) above.
- e. Options for receiving NSC – A NEM2 customer with NSC will automatically have their NSC applied to any amounts owed to PG&E and then may choose to:
 - 1) take no action and roll any remaining NSC amounts forward to offset subsequent PG&E charges; or
 - 2) request that PG&E issue a check if the remaining NSC amount is greater than one dollar (\$1). A customer can select this option by calling PG&E. If the customer is closing all their accounts with PG&E, PG&E will automatically send a check; or
 - 3) elect not to receive any NSC by completing and submitting Form 79-1130 (Customer Request Form not to Receive Net Surplus Compensation) to PG&E to confirm that they do not want to participate. In this case PG&E will zero out any NSC the NEM2 customer may be otherwise eligible to receive.
- f. Qualifying Facility Status – Customers must comply with the appropriate conditions below to first demonstrate to PG&E that they are Qualifying Facilities (QFs) in order to receive NSC.
 - 1) No documentation of QF status is required of any NEM2 customer-generators with a net power production capacity of one megawatt or less, consistent with Federal Energy Regulatory Commission (FERC) regulations 18 C.F.R. §292.203.
 - 2) NEM2 customer-generators with a net power production capacity greater than one megawatt shall self-certify QF status by submitting FERC Form 556 to FERC pursuant to 18 C.F. R. §292.207(a). Notice to PG&E as the utility with which the facility will interconnect and/or transact shall be provided in accordance with FERC Form 556 instructions. Filing Form No. 556 is not a requirement for interconnection under this provision.
- g. Generator Size – Nothing in this Special Condition alters the existing NEM2 system sizing requirement. Specifically, in order to be eligible for NSC, a system must be intended primarily to offset part or all of the customer’s own electrical requirements. Systems that are sized larger than the customer’s electrical requirements are not eligible for NEM2 and therefore, are not eligible for NSC either. (L)

(Continued)

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Vice President, Regulatory Affairs

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Resolution



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 24

SPECIAL
CONDITIONS:
(Cont'd.)

6. LOAD AGGREGATION – NEM2A:

a. Load Aggregation is available to an eligible customer-generator, that has load served by multiple meters (“Aggregated Accounts”) located on the property where the REGF (“Generating Account”) is located and on property adjacent or contiguous to the property on which the REGF is located, only if those properties are solely owned, leased, or rented by the eligible customer-generator, subject to the terms of this Special Condition and elsewhere in this tariff. All of the Aggregated Accounts, including a single Generating Account, that are billed together under this Special Condition are referred to as an Arrangement. Customer-generators are eligible to participate in Load Aggregation provided that all meters in a Load Aggregation Arrangement are located (i) on the property where the REGF is located, or (ii) are located within an unbroken chain of contiguous parcels that are all solely owned, leased or rented by the customer-generator. For purposes of Load Aggregation, parcels that are divided by a street, highway, or public thoroughfare are considered contiguous, provided they are within an unbroken chain of otherwise contiguous parcels that are all solely owned leased or rented by the customer-generator, as verified in Form 79-1202. For purposes of determining parcel contiguity under this provision, “public thoroughfare” will include a canal, railroad track or transmission right-of-way, when these features are isolated on third party owned property. When a third party owned easement is located on a NEM2A customer-generator’s property, there is no impairment to parcel contiguity. In addition, an irrevocable easement granting sole use and control to the NEM2 customer-generator for an entire parcel can be used to establish contiguity. Otherwise, a customer-generator’s easement on a third party owned parcel will not be sufficient to establish parcel contiguity for NEM2A.

b. Customers applying for Load Aggregation on or after April 15, 2023, may interconnect under NEM2A provided such customers have two or more existing meters as of December 15, 2022, and with a reduced legacy period of nine years to align with customers interconnecting on the NBT Schedule.

(L)

(L)

(N)

(N)

(Continued)

Advice 6847-E
Decision D.22-12-056

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Vice President, Regulatory Affairs

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January 30, 2023



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 25

SPECIAL
CONDITIONS:
(Cont'd.)

6. LOAD AGGREGATION – NEM2A: (Cont'd.)

(L)

- b. Example of NEM2A – Assume there are five parcels (A, B, C, D, E, and F) that form a cluster of contiguous parcels and D and E are separated from A, B, C and F by a street, highway, or public thoroughfare. For the purposes of participating in Load Aggregation, all five parcels are considered contiguous, provided they are otherwise contiguous and all are solely owned, leased or rented by the customer-generator. Refer to Diagram 1 (for illustrative purposes only).

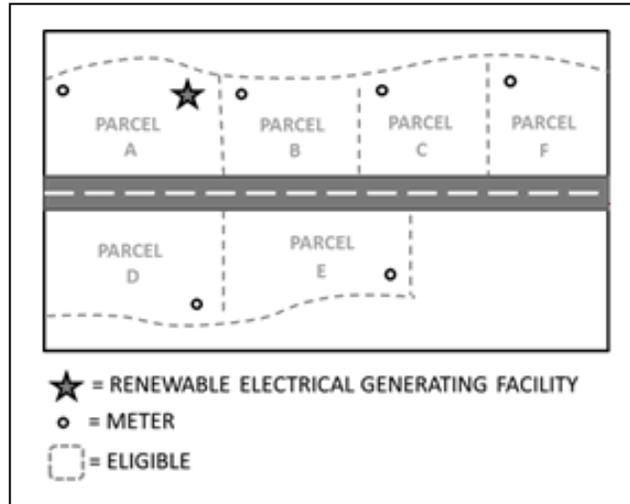


Diagram 1

Two parcels that are separated by a parcel that is only a stream or river or slough owned by a third party are considered contiguous if:

- 1A. The two parcels are otherwise eligible for NEM2A, and
- 1B. The third party is a public entity, and
- 1C. The third-party owned parcel containing the stream or river or slough is no wider than one thousand feet across as measured at the narrowest point between the two parcels, and
- 1D. Customer provides documentation that they meet these criteria if requested by PG&E.

(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 26

SPECIAL
CONDITIONS:
(Cont'd.)

- 6. LOAD AGGREGATION – NEM2A: (Cont'd.) (L)

 - c. Billing Service Charges – An eligible customer-generator electing Load Aggregation shall remit service charges for the cost of providing billing services as follows. These charges shall include:
 - 1) One-Time Setup Charge of \$25.00 per Aggregated Account and for the Generating Account, as defined in this Special Condition, and cumulatively, shall be limited to no more than \$500 per Load Aggregation Arrangement. Any change to the number of accounts included in a NEM2A arrangement is subject to this one-time fee. This Setup Charge shall be assessed without regard to the \$500 limit for accounts added after the PTO date.

Plus,

 - 2) Monthly Charge of \$5 Per Aggregated Account and for the Generating Account as defined in this Special Condition.

- 7. CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR) (L)

“Eligible customer-generator” includes the Department of Corrections and Rehabilitation using a renewable electrical generation technology, or a combination of renewable electrical generation technologies, with a total capacity of not more than eight megawatts, that is located on the department’s owned, leased, or rented premises, and is interconnected and operates in parallel with the electrical grid, and is intended primarily to offset part or all of the facility’s own electrical requirements.

The amount of any wind generation exported to the electrical grid shall not exceed 1.35 megawatt at any time. CDCR Eligible Customer Generators are subject to Network and/or Distribution upgrade costs in accordance with Rule 21 Section D.13.e. (L)

CDCR shall use Interconnection Application Form 79-1174-03 to apply under this Special Condition. In addition to submitting the application form, CDCR will notify PG&E at Rule21gen@pge.com of the Generating Facility’s size, and if applicable, any allocation between NEM2 and non-NEM2 generation. (T)/(L)
(L)
(L)

(Continued)

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**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 27

SPECIAL
CONDITIONS:
(Cont'd.)

8. NEM2 Legacy Provisions

1. As of April 15, 2023, NEM customers who have completed their 20 years on Electric Schedule NEM and must be transitioned to the NEM2 rate schedule will remain on Electric Schedule NEM until NBT is operational (for residential customers, billing must be operational 12 months after December, 15, 2022 and for non-residential customers 18 months after December, 15, 2022), at which time these customers will transition to NBT at the end of their Relevant Period and will take service on the applicable OAS rates, eligible for NBT. (N)

This Special Condition is applicable to all Customers receiving service on this NEM2 Schedule who have submitted all documentation necessary to receive service on this schedule by no later than April 14, 2023, as detailed in Special Condition 3. This Special Condition 8 does not apply to customers who have applied to interconnect under this schedule on or after April 15, 2023. Customers interconnecting under NEM2A on or after April 15, 2023, are subject to a 9-year legacy period as specified in Special Condition 6. (L)
(T)/(L)
(T)/(L)
(N)

a. 20-Year Transition Period. Pursuant to D.16-01-044, Customers who are receiving service on this NEM2 Schedule, or who have submitted all documentation necessary to receive service on this NEM2 Schedule, are eligible to continue receiving service on this NEM2 Schedule for a period of 20 years from the original year in which their Generating Facility was interconnected to PG&E's grid, indicated by and measured from the date on which the Customer originally received Permission To Operate (PTO) the Generating Facility from PG&E and ending at the conclusion of the Customer's applicable Relevant Period that ends immediately on or after the 20th anniversary of the original PTO date. For example, if a Customer initially received PTO on April 1, 2018, the Customer is eligible to continue receiving service on this Schedule through the conclusion of the Relevant Period ending immediately on or after March 31, 2038. (L)
(T)/(L)
(T)/(L)
(L)
(L)
(T)
(L)
(L)

Customers served on Schedule NEM who elect to make a one-time switch (this voluntary switch should happen before the closure of NEM2) to the NEM2 Schedule prior to the conclusion of their Schedule NEM 20-year transition period can continue service under the NEM2 Schedule from the date of their original Schedule NEM PTO date; these Customers may not restart their 20-year transition period by electing to move to this Schedule. Customers electing to switch to the NEM2 Schedule prior to the conclusion of their Schedule NEM 20-year transition period permanently forfeit any of their Generating Facility's remaining transition period eligibility on Schedule NEM and may not later change back to receiving service under Schedule NEM. Customers who finished their 20-year on NEM and are transitioned to NEM2 will be transitioning to the successor tariff at the time when available. (T)/(L)
(T)/(L)
(L)
(L)
(T)/(L)
(T)/(L)
(L)
(T)/(L)
(N)
(N)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 28

SPECIAL
CONDITIONS:
(Cont'd.)

- 8. NEM2 Legacy Provision (Cont'd.)
 - b. Modifications⁷. REGFs eligible for the 20-year transition period outlined above that are modified and/or repaired shall remain eligible for the remainder of their 20-year transition period as long as the modifications and/or repairs do not increase the REGF by more than the greater of:
 - 1) 10 percent of the REGF's nameplate rating capacity, as established when the REGF was originally interconnected, or
 - 2) 1 kW;
 and provided the modifications and/or repairs do not result in the REGF exceeding the Customer's annual onsite load.
 - c. Transferability. REGF eligible for the 20-year transition period shall not lose their eligibility if transferred to a new owner, operator, or PG&E account, provided the REGF remains at its original location.⁸

(L)

⁷ Customers making modifications and/or additions to their REGF that exceed the 10 percent or 1 kW limit referenced above have the option of either metering the additions and/or modifications separately under another eligible tariff or other authorized process, or having the entire REGF served under another eligible tariff, subject to the terms and conditions contained therein. This requirement will only be enforced upon the approval of Net Billing Tariff (NBT), and when the NBT billing is operational, pursuant to D.22-12-056.

(L)
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(T)/(L)

⁸ The transfer of an existing REGF to a new location is considered a new installation requiring a new Interconnection Agreement that is subject to the applicable tariffs in place at the time the new Interconnection Request is completed.

(L)
(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 29

SPECIAL
CONDITIONS:
(Cont'd.)

9. NEM Paired Storage

(L)

a. Definitions:

NEM Paired Storage:

NEM Paired Storage is defined as qualifying energy storage devices ("storage system") paired with a REGF that either:

(i) meets the Renewables Portfolio Standard (RPS) Guidebook⁹ requirements as an "addition or enhancement" as described in Section c. below, or

(ii) is eligible to received certain benefits as is described this Special Condition by virtue of the fact that it is paired with a REGF although it is not exclusively renewable charged, pursuant to California Public Utilities Commission (CPUC) Decision (D.) 14-05-033 and D.19-01-030.

NEM Paired Storage is considered "Small NEM Paired Storage" when the storage device is ≤10kW and "Large NEM Paired Storage" when the storage device >10kW.

AC-Coupled:

The REGF has its own inverter or set of inverters; and separately, the storage system has its own inverter or set of inverters, pursuant to CPUC D.19-01-030.

In AC-coupled NEM-eligible GFs paired with storage devices, storage device capacity is determined as the (AC) maximum discharge capacity. The size of the storage system in AC-coupled REGF plus storage systems is the inverter's (or inverters') nameplate capacity (nameplate capacities summed).

DC-Coupled:

The REGF and the storage share the same inverter, or set of inverters, pursuant to CPUC D.19-01-030.

The size of the storage system is the lesser of the shared inverter's (or inverters') nameplate capacity (capacities summed) and the storage device's (devices') maximum continuous discharge capacity (capacities summed) listed on the device's (devices') technical specifications sheets. A storage device's maximum continuous discharge capacity may be listed on technical specification sheets using different terminology; PG&E will use common sense to determine whether a device's technical specification sheet includes the appropriate metric for purposes of determining system size, regardless of the terminology used. If that metric is not included, PG&E will rely on the inverter's nameplate rating.

⁹ The RPS Guidebooks can be found at: <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard>

(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 30

SPECIAL
CONDITIONS:
(Cont'd.)

9. NEM Paired Storage

(L)

a. Definitions: (Cont'd.)

NEM Integrity

The requirement that a customer only receives credits for renewably generated exports from NEM-eligible REGF.

Certified Power Control System (Certified PCS)

A storage system that has received UL1741 CRD* or utility approved later certification for Power Control systems (PCS) that will comply with either No Grid Charging or No Storage Export as defined below. These systems do not require a NGOM as the PCS is certified to preserve NEM Integrity, as defined above.

No Grid Charging:

A storage system that uses a Certified PCS, as defined above, to ensure that the storage system cannot be charged from the PG&E grid⁹. A PG&E approved physical non-import relay or a functionally equivalent non-import configuration to prevent grid power from flowing to the storage device is also permitted. Inadvertent but minor instances of grid import are permitted. Such inadvertent grid imports must not exceed durations of ten seconds.

No Storage Export:

A storage system that uses a Certified PCS, as defined above, to ensure that the storage system cannot export to PG&E's grid and therefore will not result in additional credits. A PG&E approved physical non-export relay or a functionally equivalent non-export configuration to prevent storage device export is also permitted. Inadvertent but minor instances of storage export are permitted. Such inadvertent grid exports must not exceed durations of ten seconds.

* CRD refers to an Underwriters Laboratories (UL) Certification Requirement Decision, in this case the one issued on 3/8/2019.
⁹ In the event of an expected PSPS (Public Safety Power Shutoff) outage, as evidenced by a 48-hour notice from PG&E to the expected outage start, a storage system defined as "No Grid Charging" and designed for resiliency, meaning it is capable of providing back-up power safely and in compliance with all relevant tariffs, electric rules, other requirements, and is qualified by PG&E to participate, will be temporarily permitted to charge from the grid in order to prepare for the PSPS outage. The notification must specify an impact to the customer generator location. This temporary permission will begin at the publication of the 48-hour notification and will end 24 hours after the end of the PSPS event, as marked by the restoration of power at the site. If power is not shutoff, the temporary permission will end 72 hours after the original 48-hour notice. At the end of the temporary permission period as described above, the storage system will need to revert to "No Grid Charging" operation mode in order to maintain compliance with the NEM tariff, notwithstanding additional PSPS Alerts. At no point during the temporary permission period will the system be permitted to violate the interconnection agreement. Specifically, the storage system must not increase the host facility's historical peak demand.

(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 31

SPECIAL
CONDITIONS:
(Cont'd.)

9. NEM Paired Storage

(L)

b. Interconnection

NEM Paired Storage will have the same interconnection cost responsibility as the NEM generator that it is paired with, including charges or fees related to the interconnection application, Rule 21 engineering study/review, and/or any associated distribution upgrades.

See Section c.5. below for additional information

c. Types of NEM Paired Storage

The Renewables Portfolio Standard (RPS) Guidebook⁸ establishes two categories of energy storage that may be considered an addition or enhancement to a renewable electrical generation facility: "integrated" and "directly connected" storage.

1) Integrated Storage:

Integrated Energy Storage is defined in the RPS guidelines as methods of storing energy from a renewable energy resource that are integrated into the REGF as part of the generation process.

(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 32

SPECIAL
CONDITIONS:
(Cont'd.)

9. NEM Paired Storage

c. Types of NEM Paired Storage

1) Integrated Storage: (Cont'd.)

Note that, for battery-based storage, the storage device must **only** be capable of storing energy from the REGF to be considered Integrated Storage.

INTEGRATED STORAGE (By definition the storage device must only be capable of storing energy from the REGF)			
SCENARIO	Billed As	Interconnection Agreements	Interconnection Costs (Section 9.c.)
AC Coupled NEM Paired Storage Or DC Coupled NEM Paired Storage	billed as if storage and REGF were all one generator (e.g. NEMS, NEMEXP)	≤ 1 MW apply with 79-1174-03 and Interconnection agreement 79-1193-02	Per 5.i
		> 1 MW apply with 79-1174-03 and Interconnection agreement 79-1198-02	Per 5.ii or iii

2) Directly Connected:

Directly Connected NEM Paired Storage is defined in the RPS guidelines as meeting the following requirements:

(i) The storage device is directly connected to the REGF via an internal power line (i.e., power may not be transmitted from the renewable facility to the energy storage via an external distribution line) and

(ii) The storage device must be operated as part of the NEM eligible facility.

Note that the storage device is **not** required to be exclusively charged by the REGF.

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**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 34

SPECIAL
CONDITIONS:
(Cont'd.)

9. NEM Paired Storage

c. Types of NEM Paired Storage

2) Directly Connected: (Cont'd.)

(iii) Large (>10kW) AC-Coupled NEM Paired Storage system
(Cont'd.):

Large NEM Paired Storage Systems must apply with 79-1174-03, either complete interconnection agreement Form 79-1193-02 (solar and/or wind electric facilities of 30 kW or less) or Form 79-1069-02 (all other REGF with a storage system configurations). Customers will be billed as described in Section 3.)(iii) of this special condition unless operating using a Certified PCS, in which case, they will be billed as described in Section 3.)(i).

(iv) Small (≤10kW) AC-Coupled storage systems:

Small AC-Coupled NEM storage device is not required to be sized to the customer's demand or the NEM generator. Small NEM Paired Storage have the option to install metering as required for Large NEM Paired Storage, or use a "Certified Power Control System (PCS)", as defined above, to be billed as described in Section 3.)(i) of this special condition. Otherwise, it will be billed using the estimation methodology describe in Section 3.)(ii) of this special condition.

Small NEM Paired Storage systems eligible must apply with the 79-1174-03 (NEM2) and complete the 79-1193-02 (NEM2) when the NEM-Eligible GF is sized 30 kW or less or apply with the 79-1174-03 (NEM2) and complete the 79-1069-02 (NEM2) when the NEM-eligible GF exceeds 30 kW.

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(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

SPECIAL
CONDITIONS:
(Cont'd.)

- 9. NEM Paired Storage
 - c. Types of NEM Paired Storage

DIRECTLY CONNECTED - Table 11.2 (This table covers storage that is NOT required to be 100% REGF charged) For Both DC and AC Coupled NEM Paired Storage						
May Include ▶ No-Grid Charged storage (if other nonrenewable generation present)						
▶ Non Storage Export (if other nonrenewable generation present)						
Includes All ▶ Grid Charged Storage And Storage Exports						
All apply with Application 79-1174-03						
Includes ▶ Non-Storage Export with either NGOM or non-export relay equivalent (if no other nonrenewable generation present)						
All apply with Application 79-1174-03						
	PV/Wind < 30 kw	Non- PV/Wind REGF ≤1MW >30kW PV/Wind ≤1MW	REGF >1Mw	Bill as	IC costs (Section 9.c)	NEM Integrity Requirements
DC Coupled or AC Coupled NEM Paired Storage with a PCS	Small (≤10kW) 79- 1093-02 Large (>10kW) 79- 1069-02	79-1069-02	79-1078-02	§3i	Per 5.i	Certified PCS, as defined above, required
DC Coupled or AC Coupled Small NEM Paired Storage with no PCS (≤ 10kW)	79-1093-02	79-1069-02	79-1078-02	§3ii	Per 5.i	Billed using Estimation Methodology
DC Coupled or AC Coupled Large NEM Paired Storage with no PCS sized > 10kW And ≤ 150% ¹⁰	79-1069-02	79-1069-02	79-1078-02	§3iii	Per 5.ii or iii	NGOM, No Storage Expert, or additional metering required, as described above
DC Coupled or AC Coupled Large NEM Paired Storage with no PCS sized > 10kW And > 150% ¹⁰	Set up and bill as NEMMT (not under NEM-Paired Storage section)					

¹⁰ the storage system shall have a maximum output power no larger than 150% of the NEM-eligible generator's maximum output capacity. Pursuant to Decision 20-06-017 the maximum output capacity limit shall not apply for a period of 3 years starting on August 16, 2020.

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(L)
(L)

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**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 36

SPECIAL
CONDITIONS:
(Cont'd.)

9. NEM Paired Storage

c. Types of NEM Paired Storage

3) Billing for NEM Paired Storage

(i) Large or Small NEM Paired Storage with Certified PCS

Large or Small NEM Paired Storage operating with a Certified PCS to ensure NEM Integrity, as defined above, can be billed as if storage and REGF were all one generator (e.g. NEMS, NEMEXP).

(ii) Estimation Methodology For Small NEM Paired Storage (≤10kW)

Small NEM Paired Storage without metering installed (as required for Large NEM Paired Storage) and not using a Certified PCS will be billed using an estimation methodology, which caps maximum allowable NEM bill credits based on a monthly output profile.

- a. California Solar Initiative Expected Performance-Based Buydown (CSI EPBB) calculator, PG&E will establish a maximum cap for NEM-eligible exports for each monthly billing period based on the EPBB production estimate for the customer's NEM-eligible generator.

The monthly output estimation should align with a customer's billing period (e.g., if the customer's billing date is January 15, the maximum allowed NEM export should be based on a January output estimation.)

- b. Any export exceeding this limit would not be eligible for NEM credit and would be forfeited. Peak period exports would be reduced first, followed by partial peak and then off peak as necessary.

For example, if there was an export to the grid of 150 kWh and the EPBB-based limit for the month was set at 100 kWh, then the excess 50 kWh would be deducted from the actual exports recorded, beginning with exports that occurred during peak periods.

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**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 37

SPECIAL
CONDITIONS:
(Cont'd.)

9. NEM Paired Storage

(L)

c. Types of NEM Paired Storage

3) Billing for NEM Paired Storage (Cont'd)

(ii) Estimation Methodology For Small NEM Paired Storage (≤10kW) (Cont'd)

c. In the event the Small NEM-eligible GF is combined with other generation facilities pursuant to Special Condition 4, the billing provision of Special Condition 4 will apply, not this billing estimation methodology.

Should a customer decide to opt-out of using this estimation methodology, the customer must install one of the metering requirements described in the Large NEM Paired Storage section, or a Certified PCS, as described above. The customer may only switch at the start of a new NEM Relevant Period.

(iii) Large NEM Paired Storage systems without a Certified PCS are billed consistent with Special Condition 4 with the storage treated as a non-NEM eligible generator.

4) NEM Paired Storage Output Metering Costs

PG&E will install standard metering equipment whenever possible while interconnecting NEM Paired Storage systems. Standard metering equipment for this purpose comprises a single meter which is a self-contained, single phase, SmartMeter. The fee for installation of standard metering equipment is no more than \$600.00.

However, this fee cap does not apply to NEM Paired Storage requiring complex metering solutions. Complex metering solutions include any configuration other than the standard equipment described above. The cost for complex metering varies and is based on actual costs which will be described in the customer's invoice.

(L)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 38

SPECIAL
CONDITIONS:
(Cont'd.)

9. NEM Paired Storage (Cont'd.)

(L)

c. Types of NEM Paired Storage

5) NEM Paired Storage Interconnection Cost Responsibility

For the purpose of determining if a NEM Paired Storage REGF exceeds 1 MW criterion, refer to the sizing definition included in the AC-Coupled and DC-Coupled definition at the beginning of this Special Condition.

- (i) NEM Paired Storage REGF < 1 MW - The storage will have the same interconnection cost responsibility as the NEM-eligible GF that it is paired with for a REGF less than or equal to 1 MW.
- (ii) NEM Paired Storage REGF > 1 MW - The storage will have the same interconnection cost responsibility as the NEM generator that it is paired with for a REGF greater than 1 MW
- (iii) In the event the storage is added at a later date after the permission to operate of the NEM-eligible GF it is subsequently paired with, the storage applicant will be required to pay the same interconnection fees and costs that the NEM-eligible GF would be required to pay, as provided in Electric Rule 21.

d. Storage Size Dependent Requirements

Requirements differ depending on the size of the NEM Paired Storage and whether it is paired with a solar generator or not. The storage device size is determined by the inverter alternating current nameplate rating.

(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 39

SPECIAL
CONDITIONS:
(Cont'd.)

9. NEM Paired Storage (Cont'd.)

(L)

- e. Requirements for Large NEM Paired Storage (i.e., All NEM Paired Storage Devices except Solar NEM paired with Storage Sized 10 kW and Smaller)

For NEM-paired storage systems with storage devices larger than 10 kW, the NEM Paired Storage shall have a maximum output power no larger than 150% of the NEM-eligible generator's maximum output capacity. Pursuant to Decision 20-06-017 the maximum output capacity limit shall not apply for a period of 3 years starting on August 16, 2020.

Large NEM Paired Storage systems are required to either:

- 1) install a non-export relay on the storage device(s);
- 2) install an interval meter for the NEM-eligible generation, meter the load, and meter total energy flows at the point of common coupling;
- 3) install an interval meter directly to the NEM-eligible generator(s);
or
- 4) Operate using a Certified PCS.

- f. Requirements for Small NEM Paired Storage (i.e., Solar NEM Paired with Storage Devices Sized 10 KW or Smaller)

Small NEM Paired Storage is not required to be sized to the customer demand or the NEM generator. Customers with Small NEM Paired Storage have the option to install metering as required for Large NEM Paired Storage or use a Certified PCS to ensure NEM Integrity, otherwise they will be billed using the estimation methodology described in Section 3.(ii) of this special condition.

(L)

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 40

SPECIAL
CONDITIONS:
(Cont'd.)

10. Natural or Human-Made Disasters

(L)

Pursuant to Special Condition 8, all Customers receiving service on Schedule NEM2 who impacted by a natural or human-made disaster may request service on this tariff from (i) the date of the issuance of their original pre-natural-or- human-made disaster "permission to operate" (PTO) letter until (ii) the date of the customer's first Energy True Up in the twenty first (21st) year.

Impacted Customers must:

- (i) reapply for interconnection with a replacement system sized to generate no more than the 12 months of historic, or estimated, usage (kWh), and
- (ii) when reapplying for interconnection, submit proof of destruction of the renewable generator, if requested by PG&E.

If the generator needs to be replaced due to a natural or human-made disaster PG&E will true-up the NEM account(s) pursuant to Special Condition 2.h., and Net Surplus Compensation will be issued, if any, pursuant to Special Condition 5, up to the date of the natural or human-made disaster, unless the Customer requests that PG&E continue to bill the Customer on NEM2 through the Customer's the next regular true-up date.

(L)

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**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 41

SPECIAL
CONDITIONS:
(Cont'd.)

10. Natural or Human-Made Disasters (Cont'd)

(L)

The intervening period from destruction of the generator to PTO of the replacement generator must be no longer than two years, unless reasonable documentation acceptable to PG&E is provided showing that the new interconnection is in process. The interconnection application must be completed by the same NEM2 customer who was taking service on NEM2 prior to the Natural or Human-Made Disaster. If the generator is not replaced by the same NEM2 Customer, but the property is sold to a new owner after the destruction of the generator, this provision does not extend to the new owner. The new owner must apply and take service under the NEM tariff in effect at the time and is subject to all the requirements of a new customer seeking interconnection for that NEM tariff.

Customers impacted by Natural or Human-Made Disasters who meet the requirements included in this Special Condition and whose replacement system is sized¹² no greater than 1 megawatt (MW) are exempt from the interconnection application fee when reapplying.

Customers impacted by Natural or Human-Made Disasters must comply with all requirements associated with the installation of Smart Inverter technology, as defined in Electric Rule 21.

(L)

(Continued)

Advice 6847-E
Decision D.22-12-056

Issued by
Meredith Allen
Vice President, Regulatory Affairs

Submitted January 30, 2023
Effective _____
Resolution _____



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 42

SPECIAL
CONDITIONS:
(Cont'd.)

- 11. Customers submitting their application after the NEM2 Sunset Date (April 14, 2023)

Pursuant to Decision 22-12-056, Customers with an interconnection application date after the NEM2 Sunset Date (April 14, 2023) will take service and be billed on this NEM2 Schedule on an interim basis, and transition to the Net Billing Tariff (NBT) once it is operational. These customers will interconnect using NEM2 interconnection forms, or once available, NBT interconnection forms. The Customer's NBT 9-year Legacy period begins to run as of customer's interconnection date; customer has no legacy period on this NEM2 Schedule. Such Customers will transition to NBT at the end of the first Relevant Period in which the NBT billing is operational, and at which time the Customer is required to take service on an OAS in accordance with the requirements of the NBT.

Until the NBT tariff is approved this Special Condition will govern the rules for customers who submit interconnection applications, either using NEM2 or NBT interconnection forms, after the NEM2 Sunset Date.

(N)

(N)



ELECTRIC TABLE OF CONTENTS

Sheet 6

Table with columns: SCHEDULE, TITLE OF SHEET, and CAL P.U.C. SHEET NO. Includes entries for BEV, S, SB, E-BioMAT, E-CHP, E-CHPS, E-CHPSA, E-DCG, E-DEPART, E-DRP, E-ECR, E-GT, E-NMDL, E-NWDL, E-LORMS, E-SDL, E-STORE, E-TMDL, NEM, NEM2, NEMFC, NEMBIO, NEMCCSF, NEMV.

(Continued)

Attachment 2

Redline Tariff Revisions



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 1

APPLICABILITY: Pursuant to Decision (D.) 22-12-056, this Schedule is closed to new customers with applications submitted after April 14, 2023, or when NBT Schedule is approved, whichever is later, unless the customer is applying for Load Aggregation (NEM2A), as detailed in Special Condition 6. Customers applying before April 15, 2023, are subject to the application requirements specified in Special Condition 3 (Interconnection) to maintain eligibility on NEM2. Customers applying on or after April 15, 2023, except for customers applying for Load Aggregation, are subject to the terms specified in Special Condition 11.

This net energy-metering schedule pursuant to Decision (D.) 16-01-044 is applicable to a customer who takes service on an applicable time-of-use (TOU) rate schedule^{1,2} and who uses a Renewable Electrical Generation Facility (REGF) as defined below that is located on the customer's owned, leased, or rented premises, is interconnected and operates in parallel with PG&E's transmission and distribution systems, and is intended primarily to offset part or all of the customer's own electrical requirements (hereinafter "eligible customer-generator" or "customer"). For a NEM REGF paired with storage, see Special Condition 9.

Notwithstanding the definition of "eligible customer-generator" above, eligible customer generator also includes (i) the California Department of Corrections and Rehabilitation (CDCR) pursuant to Special Condition 7 of this tariff.

Subject to the requirements of Special Condition 6, Load Aggregation to determine the customer's own electrical requirements is permitted. Certain incremental billing and metering costs set forth in this schedule that are related to net energy metering are applicable to Electric Service Providers (ESPs) serving eligible customer-generators.

This service is not applicable to a Direct Access (DA) customer where the customer's ESP does not offer a net energy metering tariff. In addition, if the tariffs for the customer's ESP do not permit Load Aggregation, as described in Special Condition 6, this option is not available to the DA customer. In addition, if an eligible customer-generator participates in direct transactions with an ESP that does not provide distribution service for the direct transactions, the ESP, and not PG&E, is obligated to provide net energy metering to the customer.

This rate schedule is available to customers that provide PG&E with:

- (a) a completed, signed Net Energy Metering Application and Interconnection Agreement as described in Special Condition 3 including all supporting documents and required payments; AND
- (b) evidence of the customer's final inspection clearance from the governmental authority having jurisdiction over the REGF,

See Special Condition 8 for NEM2 Legacy Provisions.

¹ Customers on Schedules such as ET, ES, and ESR, which have no corresponding TOU Rate, are not required to switch to TOU rates, unless and until such a rate becomes available.

² Customers, including those on Load Accounts on NEMA as described in Special Condition 6, switching from Schedule NEM to this NEM2 ~~successor~~ tariff are required to take any applicable TOU rate, beginning at the time the customer switches to the NEM2 ~~successor~~ tariff, pursuant to D.14-03-041 and D. 16-01-044.

(Continued)

Advice Decision	6242-E	Issued by Robert S. Kenney Vice President, Regulatory Affairs	Submitted Effective Resolution	July 8, 2021 July 8, 2021
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**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 13

SPECIAL
CONDITIONS:
(Cont'd.)

3. INTERCONNECTION: Prior to receiving approval for Parallel Operation, the customer-generator must submit a completed PG&E application form and interconnection agreement as follows:

Rate Option	Application	Interconnection Agreement
NEM2S	For Solar and/or Wind Electric Generating Facilities of 30 Kilowatts or Less: <i>Application - Net Energy Metering (NEM2) Interconnection for Solar and/or Wind Electric Generating Facilities of 30 Kilowatts or Less (Form 79-1151B-032)⁴</i>	<i>Agreement and Customer Authorization – Net Energy Metering (NEM2) Interconnection for Solar and/or Wind Electric Generating Facilities of 30 Kilowatts or Less (Form 79-1151A-02)⁴</i>
NEM2EXP NEM2EXPM	For Solar and/or Wind Net Energy Metering (NEM2) Generating Facilities of 1,000 Kilowatts or Less, other than Facilities of 30 Kilowatts or Less: <i>Generating Facility Interconnection Application, (Form 79-1174-032)</i>	<i>Interconnection Agreement for Net Energy Metering (NEM2) of Solar or Wind Electric Generating Facilities of 1,000 Kilowatts or Less, other than Facilities of 30 Kilowatts or Less (Form 79-1220)</i>
	For Net Energy Metering (NEM2) non-Solar and/or Wind Generating Facilities of any size, and Solar and/or Wind Generating Facilities greater than 1,000 kW: <i>Generating Facility Interconnection Application, (Form 79-1174-032)</i>	<i>Interconnection Agreement For Net Energy Metering (NEM2) non-Solar and/or Wind Generating Facilities of any size, and Solar and/or Wind Generating Facilities greater than 1,000 kW (Form 79-1198-02)</i>

⁴ Both the Agreement and Customer Authorization (79-1151A-02) and Application (79-1151B-032) forms must have been submitted before PG&E will issue the Permission to Operation (PTO) letter. Information in the Application can be submitted by the Company or Customer in an electronic format, subject to approval by PG&E.

(Continued)

Advice Decision 6668-E

Issued by
Meredith Allen
Vice President, Regulatory Affairs

Submitted Effective Resolution

August 2, 2022
August 22, 2022



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 14

SPECIAL
CONDITIONS:
(Cont'd.)

3. INTERCONNECTION: (Cont'd.)

Rate Option	Application	Interconnection Agreement
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NEMPS	For NEMPS (Special Condition 9) for projects that meet NEM Integrity requirements	
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NEM2, NEM2EXP, NEM2A ,or NEM2MT > 1,000 kW	<i>Generating Facility Interconnection Application, (Form 79-1174-032)</i>	79-1193-02- AGREEMENT AND CUSTOMER AUTHORIZATION Net Energy Metering (NEM2) Interconnection For Solar And/Or Wind Electric Generating Facilities Of 30 Kilowatts Or Less with Energy Storage of 10 Kilowatts Or Less or Energy Storage with Power Control System Certification
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NEM2MT	For customer-generators ≤ 1 MW taking service as a Multiple Tariff Facility under Special Condition 4 of this tariff:	<i>Rule 21 Generator Interconnection Agreement for New Energy Metering (NEM-2) Generating Facilities Greater than 1,000 Kilowatts Interconnecting Under the Fast Track Process (Form 79-1198-02)</i>
--------	---	--

NEM2MT	For customer-generators ≤ 1 MW taking service as a Multiple Tariff Facility under Special Condition 4 of this tariff:	<i>Rule 21 Generator Interconnection Agreement (GIA) for Net Energy Metering (NEM2) Generating Facilities Greater than 1,000 Kilowatts Interconnecting Under the Independent Study, Distribution Study, or Transmission Cluster Process (Form 79-1198-02)</i>
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NEM2A	NEM2 Load Aggregation ≤ 1 MW	
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NEM2A	Along with the applicable interconnection form above, also submit:	
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NEM2A	Along with the applicable interconnection form above, also submit:	<i>NEM2 Load Aggregation Appendix (Form 79-1202)</i>
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NEM2CDCR	See Special Condition 7	
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(Continued)

Advice Decision 6815-E

Issued by
Meredith Allen
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

January 6, 2023
January 6, 2023



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 15

SPECIAL
CONDITIONS:
(Cont'd.)

3. INTERCONNECTION: (Cont'd.)

For Customers to receive service on this NEM2 schedule, their interconnection application must be submitted on or before April 14, 2023 (NEM2 Sunset Date), and must comply with the following:

(i) The interconnection application date is defined as the submission date of an application that is free of major deficiencies and includes a complete application, a single-line diagram, a complete California Contractors State License Board Solar Energy System Disclosure Document (if applicable), a signed California Solar Consumer Protection Guide (if applicable) and for standard NEM, a signed Agreement and Customer Authorization.

(ii) All customers seeking to interconnect on this NEM2 schedule shall submit final building permit sign off and electrical clearing by the authority having jurisdiction by no later than three years from the application submission date.

PG&E is granted the discretion to give NEM2 tariff eligibility to a customer if a delay in meeting the NEM2 Sunset Date (April 14, 2023) is caused by the utility. Similarly, PG&E has the discretion to apply NEM2 eligibility to customers who fail to submit the final building permit sign off and other necessary documentation within three years from the application submission if such failure is due to utility-caused delays.

For Load Aggregation, a completed and signed "NEM Load Aggregation Appendix" (Form 79-1202) must be submitted together with the appropriate NEM interconnection agreement listed above.

The eligible customer-generator must meet all applicable safety, and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the California Public Utilities Commission regarding safety and reliability.

In order to promote the safety and reliability of the customer REGF, the applicant is required to verify as a part of each interconnection request for this tariff, that all major solar system components are on the verified equipment list maintained by the California Energy Commission and other equipment, as determined by PG&E, should be verified by the customer as having safety certification from a nationally recognized testing laboratory.

(Continued)

Advice 6735-E
Decision

Issued by
Meredith Allen
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

October 12, 2022
November 11, 2022



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 15

SPECIAL
CONDITIONS:
(Cont'd.)

3. INTERCONNECTION: (Cont'd.)

Applicant is required to verify as a part of each interconnection request for this tariff, that (i) a warranty of at least 10 years, or (ii) a 10-year service warranty or executed "agreement" ensuring proper maintenance and continued system performance has been provided on all equipment and on its installation.

For Load Aggregation Arrangements Requesting an additional service for Generator – Subject to all other applicable rules, an additional service may be allowed for the Generating Account if it has no load other than that associated directly with the REGF. However, a customer may not subsequently add load to that additional service, and if the REGF is removed, the additional service, may not be converted to a load account.

Customers on this tariff must pay for the interconnection of their REGF as provided in Electric Rule 21, including an application fee. This application fee must be paid through PG&E's online application portal in order to complete the application, unless otherwise directed by PG&E. For application fees for Customers impacted by a Natural or Human-Made Disasters⁵, see Special Condition 10.

For the purposes of the NEM2, NEM2V, and NEM2VMSH tariffs, the rating of the generating facility, for the purposes of comparing its size relative to the 1 megawatt (MW) limit, will be determined based on:

- (a) For each PV generator, the California Energy Commission's (CEC) AC rating;
- (b) For each inverter based generator, the gross nameplate rating of the inverter; or
- (c) For each non-inverter based generator, the generator gross nameplate.

(L)

(L)

⁵ Natural or human-made disasters includes such events as a fire, earthquake, flood, or severe storms.

(Continued)

Advice Decision 6735-E

Issued by
Meredith Allen
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

October 12, 2022
November 11, 2022



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 23

SPECIAL
CONDITIONS:
(Cont'd.)

6. LOAD AGGREGATION – NEM2A:

a. Load Aggregation is available to an eligible customer-generator, that has load served by multiple meters (“Aggregated Accounts”) located on the property where the REGF (“Generating Account”) is located and on property adjacent or contiguous to the property on which the REGF is located, only if those properties are solely owned, leased, or rented by the eligible customer-generator, subject to the terms of this Special Condition and elsewhere in this tariff. All of the Aggregated Accounts, including a single Generating Account, that are billed together under this Special Condition are referred to as an Arrangement. Customer-generators are eligible to participate in Load Aggregation provided that all meters in a Load Aggregation Arrangement are located (i) on the property where the REGF is located, or (ii) are located within an unbroken chain of contiguous parcels that are all solely owned, leased or rented by the customer-generator. For purposes of Load Aggregation, parcels that are divided by a street, highway, or public thoroughfare are considered contiguous, provided they are within an unbroken chain of otherwise contiguous parcels that are all solely owned leased or rented by the customer-generator, as verified in Form 79-1202. For purposes of determining parcel contiguity under this provision, “public thoroughfare” will include a canal, railroad track or transmission right-of-way, when these features are isolated on third party owned property. When a third party owned easement is located on a NEM2A customer-generator’s property, there is no impairment to parcel contiguity. In addition, an irrevocable easement granting sole use and control to the NEM2 customer-generator for an entire parcel can be used to establish contiguity. Otherwise, a customer-generator’s easement on a third party owned parcel will not be sufficient to establish parcel contiguity for NEM2A.

b. Customers applying for Load Aggregation on or after April 15, 2023, may interconnect under NEM2A provided such customers have two or more existing meters as of December 15, 2022, and with a reduced legacy period of nine years to align with customers interconnecting on the NBT Schedule.

(Continued)

Advice 5634-E-A
Decision

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted	July 10, 2020
Effective	August 17, 2020
Resolution	



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 25

SPECIAL
CONDITIONS:
(Cont'd.)

- 6. LOAD AGGREGATION – NEM2A: (Cont'd.)
 - c. Billing Service Charges – An eligible customer-generator electing Load Aggregation shall remit service charges for the cost of providing billing services as follows. These charges shall include:
 - 1) One-Time Setup Charge of \$25.00 per Aggregated Account and for the Generating Account, as defined in this Special Condition, and cumulatively, shall be limited to no more than \$500 per Load Aggregation Arrangement. Any change to the number of accounts included in a NEM2A arrangement is subject to this one-time fee. This Setup Charge shall be assessed without regard to the \$500 limit for accounts added after the PTO date.
- Plus,
- 2) Monthly Charge of \$5 Per Aggregated Account and for the Generating Account as defined in this Special Condition.

7. CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR)

“Eligible customer-generator” includes the Department of Corrections and Rehabilitation using a renewable electrical generation technology, or a combination of renewable electrical generation technologies, with a total capacity of not more than eight megawatts, that is located on the department’s owned, leased, or rented premises, and is interconnected and operates in parallel with the electrical grid, and is intended primarily to offset part or all of the facility’s own electrical requirements.

The amount of any wind generation exported to the electrical grid shall not exceed 1.35 megawatt at any time. CDCR Eligible Customer Generators are subject to Network and/or Distribution upgrade costs in accordance with Rule 21 Section D.13.e.

CDCR shall use Interconnection Application Form 79-1174-032 to apply under this Special Condition. In addition to submitting the application form, CDCR will notify PG&E at Rule21gen@pge.com of the Generating Facility’s size, and if applicable, any allocation between NEM2 and non-NEM2 generation.

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 26

SPECIAL
CONDITIONS:
(Cont'd.)

8. NEM2 Legacy Provisions

1. As of April 15, 2023, NEM customers who have completed their 20 years on Electric Schedule NEM and must be transitioned to the NEM2 rate schedule will remain on Electric Schedule NEM until NBT is operational (for residential customers, billing must be operational 12 months after December, 15, 2022 and for non-residential customers 18 months after December, 15, 2022), at which time these customers will transition to NBT at the end of their Relevant Period and will take service on the applicable OAS rates, eligible for NBT.

This Special Condition is applicable to all Customers receiving service on ~~this NEM2 Schedules NEM2, NEM2V, and NEM2VMASH ("the NEM-2 Schedules")~~ and who have submitted all documentation necessary to receive service on ~~the NEM-2~~ this schedule, by no later than April 14, 2023, as detailed in Special Condition 3. This Special Condition 8 does not apply to customers who have applied to interconnect under this schedule on or after April 15, 2023. Customers interconnecting under NEM2A on or after April 15, 2023, are subject to a 9-year legacy period as specified in Special Condition 6.

- a. 20-Year Transition Period. Pursuant to D.16-01-044, Customers who are receiving service on ~~the this NEM-2~~ NEM2 Schedules, or who have submitted all documentation necessary to receive service on ~~this a NEM-2~~ NEM2 Schedule, are eligible to continue receiving service on ~~this that NEM-2 s~~ Schedule for a period of 20 years from the original year in which their Generating Facility was interconnected to PG&E's grid, indicated by and measured from the date on which the Customer originally received ~~p~~ Permission t ~~o e~~ Operate (PTO) the Generating Facility from PG&E and ending at the conclusion of the Customer's applicable Relevant Period that ends immediately on or after the 20th anniversary of the original PTO date. For example, if a Customer initially received PTO on April 1, 2018, the Customer is eligible to continue receiving service on this Schedule through the conclusion of the Relevant Period ending immediately on or after March 31, 2038.

Customers served on Schedule NEM, ~~NEMV, or NEMVMASH~~ who elect to make a one-time switch (this voluntary switch should happen before the closure of NEM2) to the corresponding NEM-2 NEM2 Schedule prior to the conclusion of their Schedule NEM, ~~NEMV or NEMVMASH~~ 20-year transition period can continue service under the corresponding NEM-2 NEM2 Schedule from the date of their original Schedule NEM, ~~NEMV or NEMVMASH~~ PTO date; these Customers may not restart their 20-year transition period by electing to move to this Schedule. Customers electing to switch to the corresponding NEM-2 NEM2 Schedule prior to the conclusion of their Schedule NEM, ~~NEMV or NEMVMASH~~ 20-year transition period permanently forfeit any of their Generating Facility's remaining transition period eligibility on Schedule NEM, ~~NEMV or NEMVMASH~~ and may not later change back to receiving service under Schedule NEM, ~~NEMV or NEMVMASH~~. Customers who finished their 20-year on NEM and are transitioned to NEM2 will be transitioning to the successor tariff at the time when available.

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 27

SPECIAL
CONDITIONS:
(Cont'd.)

- 8. NEM2 Legacy Provision (Cont'd.)
 - b. Modifications⁷. REGFs eligible for the 20-year transition period outlined above that are modified and/or repaired shall remain eligible for the remainder of their 20-year transition period as long as the modifications and/or repairs do not increase the REGF by more than the greater of:
 - 1) 10 percent of the REGF's nameplate rating capacity, as established when the REGF was originally interconnected, or
 - 2) 1 kW;
 and provided the modifications and/or repairs do not result in the REGF exceeding the Customer's annual onsite load.
 - c. Transferability. REGF eligible for the 20-year transition period shall not lose their eligibility if transferred to a new owner, operator, or PG&E account, provided the REGF remains at its original location.⁸

⁷ Customers making modifications and/or additions to their REGF that exceed the 10 percent or 1 kW limit referenced above have the option of either metering the additions and/or modifications separately under another eligible tariff or other authorized process, or having the entire REGF served under another eligible tariff, subject to the terms and conditions contained therein. This requirement will ~~only~~ be enforced upon the approval of Net Billing Tariff (NBT), and when the NBT billing is operational, pursuant to D.22-12-056, development of a new NEM Successor Tariff that supersedes D.16-01-044, or by the direction of the CPUC.

⁸ The transfer of an existing REGF to a new location is considered a new installation requiring a new Interconnection Agreement that is subject to the applicable tariffs in place at the time the new Interconnection Request is completed.

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

SPECIAL
CONDITIONS:
(Cont'd.)

- 9. NEM Paired Storage
 - c. Types of NEM Paired Storage
 - 1) Integrated Storage: (Cont'd.)

Note that, for battery-based storage, the storage device must **only** be capable of storing energy from the REGF to be considered Integrated Storage.

INTEGRATED STORAGE (By definition the storage device must only be capable of storing energy from the REGF)			
SCENARIO	Billed As	Interconnection Agreements	Interconnection Costs (Section 9.c.)
AC Coupled NEM Paired Storage Or DC Coupled NEM Paired Storage	billed as if storage and REGF were all one generator (e.g. NEMS, NEMEXP)	≤ 1 MW apply with 79-1174-032 and Interconnection agreement 79-1193-02	Per 5.i
		> 1 MW apply with 79-1174-032 and Interconnection agreement 79-1198-02	Per 5.ii or iii

2) Directly Connected:

Directly Connected NEM Paired Storage is defined in the RPS guidelines as meeting the following requirements:

- (i) The storage device is directly connected to the REGF via an internal power line (i.e., power may not be transmitted from the renewable facility to the energy storage via an external distribution line) and
- (ii) The storage device must be operated as part of the NEM eligible facility.

Note that the storage device is **not** required to be exclusively charged by the REGF.

(Continued)



ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE

Sheet 32

SPECIAL
CONDITIONS:
(Cont'd.)

- 9. NEM Paired Storage
 - c. Types of NEM Paired Storage
 - 2) Directly Connected: (Cont'd.)

Directly Connected Cases:

- (i) Small (≤ 10 kW) DC-Coupled NEM Paired Storage system:

Small DC-Coupled storage systems are not required to meet either the "No Grid Charging" or "No Storage Export" requirements, Customers must apply with 79-1174-032, and either complete interconnection agreement Form 79-1193-02 (solar and/or wind electric facilities of 30 kW or less) or Form 79-1069-02 (all other REGF with a storage system configurations fulling the requirements of "No Grid Charging"). All configurations will be billed using the estimation methodology as described in Section 3.(ii) of this special condition unless; additional metering is installed as described in "Large NEM Paired Storage" below, or the system is operating with a Certified PCS.

- (ii) Large (> 10 kW) DC-Coupled NEM Paired Storage system:

Large DC-Coupled storage systems must satisfy the definition of "No Storage Export." Customers must apply with 79-1174-032, complete Form 79-1069-02. Customers will be billed as described for Large NEM Paired Storage in Section 3.(iii) of this special condition, unless using a Certified PCS, in which case they will be billed as described in Section 3.(i).

For this case, there are no restrictions on the maximum storage system size (kW).

- (iii) Large (> 10 kW) AC-Coupled NEM Paired Storage system:

Large AC-Coupled NEM Paired Storage systems shall have a maximum output power no larger than 150% of the NEM-eligible generator's maximum output capacity. Pursuant to Decision 20-06-017 the maximum output capacity limit shall not apply for a period of 3 years starting on August 16, 2020.

Large NEM-eligible GFs are required to select one of the following:

- a) install a non-export relay on the storage device(s);
- b) install an interval meter for the NEM-eligible generation, meter the load, and meter total energy flows at the point of common coupling;
- c) install an interval meter directly to the NEM-eligible generator(s); or
- d) or operate using a Certified PCS.

(Continued)



ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE

Sheet 33

SPECIAL
CONDITIONS:
(Cont'd.)

9. NEM Paired Storage

c. Types of NEM Paired Storage

2) Directly Connected: (Cont'd.)

(iii) Large (>10kW) AC-Coupled NEM Paired Storage system
(Cont'd.):

Large NEM Paired Storage Systems must apply with 79-1174-032, either complete interconnection agreement Form 79-1193-02 (solar and/or wind electric facilities of 30 kW or less) or Form 79-1069-02 (all other REGF with a storage system configurations). Customers will be billed as described in Section 3.)(iii) of this special condition unless operating using a Certified PCS, in which case, they will be billed as described in Section 3.)(i).

(iv) Small (≤10kW) AC-Coupled storage systems:

Small AC-Coupled NEM storage device is not required to be sized to the customer's demand or the NEM generator. Small NEM Paired Storage have the option to install metering as required for Large NEM Paired Storage, or use a "Certified Power Control System (PCS)", as defined above, to be billed as described in Section 3.)(i) of this special condition. Otherwise, it will be billed using the estimation methodology describe in Section 3.)(ii) of this special condition.

Small NEM Paired Storage systems eligible must apply with the 79-1174-032 (NEM2) and complete the 79-1193-02 (NEM2) when the NEM-Eligible GF is sized 30 kW or less or apply with the 79-1174-032 (NEM2) and complete the 79-1069-02 (NEM2) when the NEM-eligible GF exceeds 30 kW.

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

SPECIAL
CONDITIONS:
(Cont'd.)

9. NEM Paired Storage
c. Types of NEM Paired Storage

DIRECTLY CONNECTED - Table 11.2 (This table covers storage that is NOT required to be 100% REGF charged) For Both DC and AC Coupled NEM Paired Storage						
May Include ▶ No-Grid Charged storage (if other nonrenewable generation present) ▶ Non Storage Export (if other nonrenewable generation present) Includes All ▶ Grid Charged Storage And Storage Exports All apply with Application 79-1174-032						
Includes ▶ Non-Storage Export with either NGOM or non-export relay equivalent (if no other nonrenewable generation present) All apply with Application 79-1174-032						
	PV/Wind < 30 kw	Non- PV/Wind REGF ≤1MW >30kW PV/Wind ≤1MW	REGF >1Mw	Bill as	IC costs (Section 9.c)	NEM Integrity Requirements
DC Coupled or AC Coupled NEM Paired Storage with a PCS	Small (≤10kW) 79- 1093-02 Large (>10kW) 79- 1069-02	79-1069-02	79-1078-02	§3i	Per 5.i	Certified PCS, as defined above, required
DC Coupled or AC Coupled Small NEM Paired Storage with no PCS (≤ 10kW)	79-1093-02	79-1069-02	79-1078-02	§3ii	Per 5.i	Billed using Estimation Methodology
DC Coupled or AC Coupled Large NEM Paired Storage with no PCS sized > 10kW And ≤ 150% ¹⁰	79-1069-02	79-1069-02	79-1078-02	§3iii	Per 5.ii or iii	NGOM, No Storage Expert, or additional metering required, as described above
DC Coupled or AC Coupled Large NEM Paired Storage with no PCS sized > 10kW And > 150% ¹⁰	Set up and bill as NEMMT (not under NEM-Paired Storage section)					

¹⁰ the storage system shall have a maximum output power no larger than 150% of the NEM-eligible generator's maximum output capacity. Pursuant to Decision 20-06-017 the maximum output capacity limit shall not apply for a period of 3 years starting on August 16, 2020.

(Continued)



**ELECTRIC SCHEDULE NEM2
NET ENERGY METERING SERVICE**

Sheet 40

SPECIAL
CONDITIONS:
(Cont'd.)

11. Customers submitting their application after the NEM2 Sunset Date (April 14, 2023)

Pursuant to Decision 22-12-056, Customers with an interconnection application date after the NEM2 Sunset Date (April 14, 2023) will take service and be billed on this NEM2 Schedule on an interim basis, and transition to the Net Billing Tariff (NBT) once it is operational. These customers will interconnect using NEM2 interconnection forms, or once available, NBT interconnection forms. The Customer's NBT 9-year Legacy period begins to run as of customer's interconnection date; customer has no legacy period on this NEM2 Schedule. Such Customers will transition to NBT at the end of the first Relevant Period in which the NBT billing is operational, and at which time the Customer is required to take service on an OAS in accordance with the requirements of the NBT.

Until the NBT tariff is approved this Special Condition will govern the rules for customers who submit interconnection applications, either using NEM2 or NBT interconnection forms, after the NEM2 Sunset Date.

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

AT&T Albion Power Company	East Bay Community Energy Ellison Schneider & Harris LLP Engineers and Scientists of California	Pioneer Community Energy
Alta Power Group, LLC Anderson & Poole	GenOn Energy, Inc. Goodin, MacBride, Squeri, Schlotz & Ritchie Green Power Institute Hanna & Morton ICF	Public Advocates Office Redwood Coast Energy Authority Regulatory & Cogeneration Service, Inc.
Atlas ReFuel BART	iCommLaw International Power Technology Intertie	Resource Innovations SCD Energy Solutions San Diego Gas & Electric Company
Barkovich & Yap, Inc. Braun Blaising Smith Wynne, P.C. California Cotton Ginners & Growers Assn California Energy Commission	Intestate Gas Services, Inc.	SPURR San Francisco Water Power and Sewer Sempra Utilities
California Hub for Energy Efficiency Financing	Johnston, Kevin Kelly Group Ken Bohn Consulting Keyes & Fox LLP Leviton Manufacturing Co., Inc.	Sierra Telephone Company, Inc. Southern California Edison Company Southern California Gas Company Spark Energy Sun Light & Power Sunshine Design Stoel Rives LLP
California Alternative Energy and Advanced Transportation Financing Authority California Public Utilities Commission Calpine	Los Angeles County Integrated Waste Management Task Force MRW & Associates Manatt Phelps Phillips Marin Energy Authority McClintock IP McKenzie & Associates	Tecogen, Inc. TerraVerde Renewable Partners Tiger Natural Gas, Inc.
Cameron-Daniel, P.C. Casner, Steve Center for Biological Diversity	Modesto Irrigation District NLine Energy, Inc. NRG Solar	TransCanada Utility Cost Management Utility Power Solutions Water and Energy Consulting Wellhead Electric Company Western Manufactured Housing Communities Association (WMA) Yep Energy
Chevron Pipeline and Power City of Palo Alto	OnGrid Solar Pacific Gas and Electric Company Peninsula Clean Energy	
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 Dish Wireless L.L.C.		