

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 5, 2025

Advice Letter 7039-E;
7039-E-A

Sidney Bob Dietz II
Director, Regulatory Relations
Pacific Gas and Electric Company
300 Lakeside Drive
Oakland, CA 94612
E-mail: PGETariffs@pge.com

SUBJECT: Joint Submittal of Proposed Modifications to the Net Energy Metering Successor Tariff (NEM 2.0) to Allow Participation of Non-TOU Master Metered Properties on Net Billing Tariff, While Temporarily Being Billed on NEM 2.0

Dear Mr. Dietz:

Pacific Gas and Electric Company Advice Letter 7039-E; 7039-E-A is effective as of November 3, 2023.

Sincerely,

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

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

October 4, 2023

ADVICE 5117-E
(Southern California Edison Company - U 338-E)

ADVICE 7039-E
(Pacific Gas and Electric Company - U 39-E)

ADVICE 4292-E
(San Diego Gas and Electric Company - U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Joint Submittal of Proposed Modifications to the Net Energy Metering Successor Tariff (NEM 2.0) to Allow Participation of Non-TOU Master Metered Properties on Net Billing Tariff, While Temporarily Being Billed on NEM 2.0

PURPOSE

In accordance with Ordering Paragraphs (OPs) 1(c) and 12 (d) of Decision (D.)22-12-056, Southern California Edison Company (SCE) submits this advice letter on behalf of itself, Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E) (together, the Investor-Owned Utilities (IOUs)) to propose tariff modifications to allow Non-Time-of-Use (TOU) master metered properties with no available TOU rate to participate on the Net Billing Tariff and be temporarily being billed on the Net Energy Metering Successor Tariff (NEM 2.0).

PG&E also requests that it be allowed to serve master metered customers that take service on a TOU rate (EM-TOU), but not the approved "highly differentiated" TOU rate, on the NBT with temporary billing on NEM 2.0, as no other rate is available for these customers.

BACKGROUND

On December 19, 2022, the California Public Utilities Commission (Commission) issued D.22-12-056 to revise the NEM 2.0 and sub-tariffs. D.22-12-056 adopted various elements including a provision that requires all residential customers to enroll in highly differentiated TOU rates specific to each IOU.¹

However, D.22-12-056 OP 12 (d) included the following language:

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.

While this language is primarily referring to delays caused by the IOUs, it also encourages the IOUs to work collaboratively to address other challenging situations in deeming applications complete.

The IOUs have identified several challenges serving residential master metered customers who are served on rate schedules that do not require TOU rates. Under the NEM 2.0 tariff² these customers were exempt from the TOU requirements. Although D.22-12-056 requires TOU rates for all customers participating on the Net Billing Tariff (NBT), the IOUs request that the same exception for residential master metered customers continuing under the Net Billing Tariff.

In addition, PG&E has a set of master metered customers without submetering that take service on a TOU rate (EM-TOU). However, this is not a “highly differentiated” TOU rate and is not an approved residential rate for the NBT.

DISCUSSION

In the case of residential master metered customers, the individual tenants are submetered and billed by the master meter owner, who is the customer of record with the IOU (the “master meter customer-owner”). The master meter customer-owner is served on a non-TOU rate schedule and is responsible for billing each of the submetered tenants in accordance with the IOUs respective non-TOU rate schedules. The submeters, which are owned and operated by the master meter customer-owner, are typically analog meters that are not capable of TOU metering.

¹ D.22-12-056 Ordering Paragraph 1c: “All net billing tariff residential customers are required to enroll in these eligible rates, ...”

² For PG&E: NEM2, sheet 1, footnote #1. SCE: NEM-ST, Rates 1. e, SDG&E: NEM-ST, Rates

At this time the IOUs do not have CPUC-approved equivalent TOU rates applicable for residential master meter customer-owners served on NBT.³ Absent taking service on the approved TOU rate, master meter customer-owners with submetered tenants will not be eligible for the NBT as specified in OP 1 c of D.22-12-056. Even if a TOU rate were approved, installation of TOU submeters for all the submetered tenants will likely be difficult for master meter customer-owners due to cost and the complexity of billing the submetered tenants on TOU rates.

To remedy the situation, the IOUs request an exception to include master metered non-TOU rates as eligible rates under NBT. The IOUs also request that they be allowed to bill these master meter customer-owners on NEM 2.0 on an interim basis until the IOUs can bill them on NBT with non-TOU rates. The IOUs note however, there will be challenges in applying NBT ACC Plus (bonus credits) to these customers and each IOU will work to ensure a reasonable approach is taken.

The volume of master metered customers currently served on NEM/NEM2 for each IOU are:

PG&E	SCE	SDG&E
~ 850 ⁴	~ 399	~ 663

Additionally, there are three categories of master meter customer-owners that are, or will be, affected due to their ineligibility under NBT: (1) New master meter applicants that have submitted interconnection requests on or after April 15, 2023, (2) Existing master meter NEM 1.0 or NEM 2.0 customers that have chosen to expand their systems beyond allowable tariff thresholds, and (3) Existing master metered customers that have reached the end of their 20-year NEM 1.0 eligibility period (IOUs recognize that customers in the third category will not qualify for the ACC Plus (Bonus Credit)). The table below provides the number of master metered accounts in each category for each IOU as of August 2023:

Category	PG&E	SCE	SDG&E
1	6	3	0
2	0	0	1
3	10 ⁵	0 until 2027	3

Since the IOUs are currently able to bill these customers on non-TOU rates under NEM 2.0, the IOUs propose all three categories of master meter customer-owners be billed

³ PG&E has a TOU rate (EM-TOU) that is applicable to master-metered customers *without* submetering and will submit a separate advice letter concerning such customers seeking to enroll on the NBT.

⁴ PG&E's number does not include 973 customers that are on the EM-TOU rate.

⁵ Four existing master metered customers will reach the end of their 20-year NEM 1.0 eligibility by the end of 2023.

temporarily on NEM 2.0 until such time that the IOUs' billing systems can be modified to bill these customers under a variation of the NBT that will allow for a non-TOU rate. The IOUs request until December 2026 to prepare their billing systems to be able to bill these limited non-TOU rates. However, if any IOU cannot meet this date, it will separately request an extension through the appropriate regulatory process.

In addition, PG&E requests that it be allowed to serve master metered customers that take service on EM-TOU, which is not a "highly differentiated" TOU rate, on the NBT with temporary billing on NEM 2.0. PG&E currently has 974 NEM/NEM2 customers that take service on EM-TOU. These customers at some point would need to transition to NBT (when they increase their system size above the allowable NEM/NEM2 tariff threshold or when their legacy period ends on NEM/NEM2). PG&E would not be able to serve these customers under the NBT absent the granting of this request. PG&E anticipates that this rate will be ready for billing on the NBT at the same time as the non-TOU rates.

The following tariff modifications are provided below for each IOU. Upon approval of this advice letter, each IOU will subsequently submit a Tier 1 advice letter providing their respective NEM 2.0 tariff changes.⁶

Proposed Tariff Modifications Applicable to SCE Only

Schedule NEM-ST, Net Energy Metering Successor Tariff:

APPLICABILITY Section will be amended to add the following paragraph:

Master Metered Customers for whom a TOU option does not exist are subject to the provisions of Special Condition 11 of this Schedule.

Special Condition 1 Definitions will be updated to include the following term:

Master Metered Customers - Customers who are currently served on a multifamily accommodation tariff (e.g., Schedule DM, DMS-1, DMS-2 or DMS-3)

RATES 1. Mandatory TOU Rates, subsection e. will be modified as follows:

- e. Pursuant to Special Condition 11 below, Residential Customers for whom an eligible TOU rate option does not exist (e.g., ~~including but not necessarily limited to~~ Master Metered Customers) are eligible for service on this Schedule while on a non-TOU rate but must begin receiving service on a TOU rate option for which they are eligible as soon as one becomes available in order to continue receiving service on this Schedule.

⁶ Underlined text denotes new language. Strikeout text denotes deleted language.

Special Condition 11: Master Metered Customers

Pursuant to D.22-12-056, Master Metered Customers submitting a new application under this Schedule on or after April 15, 2023, will be temporarily billed on this Schedule and transitioned to the Net Billing Tariff (NBT) once it is operational for Master Metered Customers. Master Metered Customers submitting new applications under this Schedule on or after April 15, 2023, have no legacy period on this Schedule. Upon transition to Schedule NBT, the Master Meter Customer will commence their nine-year Eligibility Period as of the date of the Customer's original PTO.

NEM Master Metered Customers that have completed their 20-year legacy period on their previous NEM Schedule (e.g. Schedule NEM or Schedule NEM-ST) will be temporarily billed on this Schedule until Schedule NBT for Master Metered Customers is Operational but will have no additional legacy period on this Schedule or on Schedule NBT.

Existing Master Metered Customers that have modified the Renewable Electrical Generating Facility pursuant to Special Condition 11.b of Schedule NEM or Special Condition 8.b of this Schedule, will be billed temporarily on this Schedule until NBT for Master Metered Customers is operational. Upon transition to Schedule NBT, the Master Meter Customer will commence their nine-year Eligibility Period as of the date of the PTO for the Master Meter Customer's modification.

Master Meter Customers that modify their NEM-Aggregation (described in Special Condition 5 of this Schedule) and have modified the Renewable Electrical Generating Facility pursuant to Special Condition 11.b of Schedule NEM or Special Condition 8. b of this Schedule will have a legacy period of the lesser of (1) the remainder of their 20-year period or (2) nine-years from the PTO of the modification.

The anticipated implementation date of the NBT billing system for Master Metered Customers is on or before December 31, 2026. Upon the billing implementation, the Master Metered Customer transitioning under the scenarios described above will begin billing under NBT at the end of their first Relevant Period thereafter.

Proposed Tariff Modifications Applicable to PG&E Only

PG&E's NEM2 tariff will be modified to change the Applicability section as shown below and to add Special condition 12.

Applicability:

Pursuant to Decision (D.) 22-12-056, this Schedule is closed to new customers with applications submitted after April 14, 2023 unless the customer is applying for Load Aggregation (NEM2A) or is a Master-Metered customer¹, as detailed in Special Condition 6 and 12. Notwithstanding the foregoing, and except for Load Aggregation customers, customers applying on or after April 15, 2023, but before the Net Billing Tariff (NBT) adopted by that decision is approved, may apply for interconnection under this Schedule subject to the terms of Special Condition 11. Customers applying before April 15, 2023, are subject to the application requirements specified in Special Condition 3 (Interconnection) to maintain eligibility on NEM2.

PG&E tariff footnote #1

Master Meter 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. Master Meter Customers on EM-TOU rate can continue this rate and transition to NBT when billing is implemented as specified in Special Condition 12

Special condition 12: Master Metered customers

Pursuant to Decision 22-12-056, Master Metered 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 for such customers. The Customer's NBT 9-year Legacy period begins to run as of customer's PTO date; customer has no legacy period on this NEM2 Schedule.

NEM Master metered customers that have completed their 20-year legacy period and have already transitioned to NEM2 or will be transitioning off of NEM will similarly be billed on NEM2 on an interim basis until the NBT billing is operational for these customers. These Master metered customers will have no legacy period on NEM2 or NBT tariffs.

Existing NEM/NEM2 Master metered customers expanding their system above the tariff threshold described under modifications, on sheet 2 of NEM schedule, and special Condition 8.b. of NEM2 schedule will also be billed on NEM2 on an interim basis until the billing for NBT is operational. The Customer's NBT 9-year Legacy period will start from PTO of the expansion unless they are also a load Aggregation customer in which case their legacy period will be the lesser of 1) the remainder of their current 20-year period or 2) 9-years from PTO of the expansion.

The anticipated implementation date of the NBT Billing system for Master Metered customers is on or before December 31, 2026. Upon the billing implementation, the Master Metered customer transitioning under the scenarios described above will begin

billing under NBT at the end of their first Relevant Period thereafter.

Proposed Tariff Modifications Applicable to SDG&E Only

NEM-ST modification to the Applicability section and the addition of Special Condition (SC) 12:

Applicability:

This schedule shall become available to eligible customer-generators upon request. Pursuant to D.22-12- 056 OP 12, beginning on April 15, 2023, this Schedule will be closed to new customers, except customers requesting to take part in NEM aggregation and eligible Master-Metered customers with no available TOU rate. Customers with an interconnection application date of April 15, 2023 or later will take service and be billed on Schedule NEM-ST for an interim basis and transitioned to Schedule NBT once SDG&E has completed alignment of related necessary billing systems and fully implemented Schedule NBT. Customer's true-up of their temporary service on NEM-ST and transition to being billed on Schedule NBT will occur at the beginning of their next available billing cycle.

Special condition 12: Master Metered customers

Pursuant to Decision 22-12-056, Customers with an interconnection application date after the NEM-ST Sunset Date (April 14, 2023) will take service and be billed on this NEM-ST Schedule on an interim basis, and transition to the Net Billing Tariff (NBT) once it is operational. The transition to NBT may take a few years due to complexity of the rates that apply to Master metered customers. The Customer's NBT 9-year Legacy period begins to run as of customer's PTO date; customer has no legacy period on this NEM-ST Schedule.

NEM Master metered customers that have completed their 20-year legacy period and have already transitioned to NEM-ST or will be transitioning off of NEM will similarly be billed on NEM-ST on an interim basis until the NBT billing is operational for these customers. These Master metered customers will have no legacy period on NEM-ST or NBT tariffs.

Existing NEM/NEM-ST Master metered customers expanding their system above the tariff threshold as described in NEM SC 7.b and NEM-ST SC 9.b. will be billed on NEM-ST on an interim basis until the billing for NBT is operational. The Customer's NBT 9-year Legacy period will start from PTO of the expansion unless they are also a NEM Aggregation customer in which case their legacy will be the lesser of 1) the remainder of their current 20-year period or 2) 9-years from PTO of the expansion.

The anticipated implementation date of the NBT Billing system for Master Metered customers is on or before December 31, 2026. Upon the billing implementation, the Master Metered customer transitioning under the scenarios described above will begin

billing under NBT at the end of their first Relevant Period thereafter.

TIER DESIGNATION

In accordance with OP 12(b), this advice letter is submitted with a Tier 2 designation.

EFFECTIVE DATE

This advice letter will become effective on November 3, 2023, the 30th calendar day after the date submitted.

NOTICE

Anyone wishing to protest this advice letter may do so only electronically. Protests must be received no later than 20 days after the date of this advice letter. Protests should be submitted to the CPUC Energy Division at:

E-mail: EDTariffUnit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this advice letter should also be sent electronically to the attention of:

For SCE:

Connor Flanigan
Managing Director, State Regulatory Operations
Southern California Edison Company
E-mail: AdviceTariffManager@sce.com

and

Marissa Blunski
Principal Manager, Regulatory Relations
c/o Karyn Gansecki
Southern California Edison Company
E-mail: Karyn.Gansecki@sce.com

For PG&E:

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

For SDG&E:

Attn: Greg Anderson

Regulatory Tariff Manager

E-mail: GAnderson@sdge.com and SDGETariffs@sdge.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and must be received by the deadline shown above.

In accordance with General Rule 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and R.20-08-020 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-4747. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

To view other SCE advice letters filed with the Commission, log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

For questions, please contact Andre Ramirez at (626) 302-5738 or by electronic mail at Andre.Ramirez@sce.com

Southern California Edison Company

/s/ Connor Flanigan
Connor Flanigan

CF:ar:bvs



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Darrah Morgan
 Phone #: (626) 302-2086
 E-mail: AdviceTariffManager@sce.com
 E-mail Disposition Notice to: AdviceTariffManager@sce.com

EXPLANATION OF UTILITY TYPE
 ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5117-E, 7039-E, 4292-E

Tier Designation: 2

Subject of AL: Joint Submittal of Proposed Modifications to the Net Energy Metering Successor Tariff (NEM 2.0) to Allow Participation of Non-TOU Master Metered Properties on Net Billing Tariff, While Temporarily Being Billed on NEM 2.0

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 #: Decision 22-12-056

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

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

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 10/4/23

No. of tariff sheets: -0-

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets: None

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: Connor Flanigan
Title: Managing Director, State Regulatory Operations
Utility/Entity Name: Southern California Edison Company

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: AdviceTariffManager@sce.com

Contact Name: Marissa Blunsch c/o Karyn Gansecki
Title: Principal Manager, State Regulatory Relations
Utility/Entity Name: Southern California Edison Company

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: karyn.gansecki@sce.com

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

Clear Form

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	

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

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blaising Smith Wynne, P.C.
California Community Choice Association
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency
Financing

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

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

Chevron Pipeline and Power
City of Palo Alto

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

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell
Downey Brand LLP
Dish Wireless L.L.C.

East Bay Community Energy Ellison
Schneider & Harris LLP

Electrical Power Systems, Inc.
Fresno
Engineers and Scientists of California

GenOn Energy, Inc.
Green Power Institute
Hanna & Morton
ICF

iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

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

Modesto Irrigation District
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions
San Diego Gas & Electric Company

SPURR

San Francisco Water Power and Sewer
Sempra Utilities

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

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

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