



November 13, 2025

Advice 7760-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Updated PG&E Interconnection Application Fee for Net Energy Metering (NEM) and NEM Successor Tariff Customers with Systems Less Than or Equal to One Megawatt

Purpose

Pacific Gas and Electric (PG&E) submits this Tier 2 Advice Letter (AL) to request the approval to increase the interconnection application fee for NEM2 and NBT tariff customers installing generating facilities less than or equal to one megawatt in size. PG&E is requesting an increase in the interconnection fee due to higher interconnection costs reported in the 2021-2025 *Net Tariff Metering and Net Billing Tariff Annual Reporting Advice Letter*.¹

Background

On February 5, 2016, the Commission adopted D.16-01-044, establishing a new Net Energy Metering (NEM) tariff and standard interconnection fees for Investor-Owned Utility (IOU) customers installing systems less or equal to one megawatt. In D.16-01-044, the Commission accepted PG&E's proposed interconnection fee of \$145 per application based on the information provided in PG&E's AL 4802-E and 4802-E-A,² pursuant to Resolution E-4610 and D.14-05-033³.

D. 16-01-044 provided guidance on how to update the application of interconnection fees. Specifically, the Commission required the following process for changes to the interconnection fee in the future:

¹ Per D. 22-12-056, p. 241. Ordering Paragraph (OP) 6, "this advice letter [filed in accordance with the directions in Decision 14-05-033 and Resolution E46-10] shall now be known as the 'Net Energy Metering and Net Billing Tariff Annual Reporting Advice Letter.'"

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M500/K043/500043682.PDF>

² AL 4802-E (http://www.pge.com/notes/rates/tariffs/tm2/pdf/ELEC_4802-E.pdf), AL 4802-E-A (http://www.pge.com/notes/rates/tariffs/tm2/pdf/ELEC_4802-E-A.pdf), effective August 1, 2016.

³ D. 16-01-044, p.70.

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M158/K285/158285436.pdf>

“The fee for each IOU must be based on the interconnection costs shown in each IOU's June 2015 advice letter, filed in accordance with D.14-05-033 and Res. E-4610. In the calculation of the interconnection fee, each IOU may include only the following costs from its filings: NEM Processing and Administrative Costs; Distribution Engineering Costs; and Metering Installation/Inspection and Commissioning Costs.

[...]

Because costs may change over time, each IOU must continue to report its interconnection costs in accordance with the directions in D.14-05-033 and Res. E-4610. Interconnection fees for the NEM successor tariff can only be changed by submitting a new fee calculation, based on the three cost areas set out above, in a Tier 2 advice letter served on the service list of this proceeding or any subsequent proceeding in which this NEM successor tariff (and/or any future successor tariff) is within the scope. [...]”⁴

In compliance with D. 16-01-044, PG&E continues to report interconnection costs annually, every September, for the reporting period from August 1 of the preceding year through July 31 of the filing year. On November 10, 2025, PG&E submitted the most recent annual Net Metering and Net Billing Tariff Advice Letter, 7758-E (updating AL 7705-E, submitted September 19, 2025 and AL 7705-E-A, submitted October 3, 2025), which reported costs incurred for processing NEM and successor tariff interconnection applications smaller than one megawatt from August 1, 2024 through July 31, 2025.

Discussion

PG&E is requesting Commission approval to modify NEM/NBT interconnection fees based on two distinct groups and their associated costs, as reflected in Tables 1 and 2 attached to this advice letter. Table 1 outlines solar and wind energy systems intended for residential and small commercial use, featuring generator capacities of up to 30 kilowatts and possibly including energy storage of up to 10 kilowatts. For this group, PG&E proposes an increase in the interconnection application fee from \$145 to \$155. Table 2 refers to Other Renewable Energy Generating Facilities (REGF), which serve larger residential and commercial projects with capacities exceeding 30 kilowatts and up to one megawatt and may include more than 10 kilowatts of energy storage. PG&E proposes to increase the interconnection application fee for these systems from \$145 to \$2,000.

⁴ D. 16-01-044, p.88.

Table 1: Forms Associated with Generator Interconnection Tariffs Subject to Rule 21 See https://www.pge.com/tariffs under Electric Forms	
Form Number	Title
79-1151A	Agreement be used with 79-1151B-03 Application Agreement And Customer Authorization Net Energy Metering For Solar And/Or Wind Electric Generating Facilities Of 30 Kilowatts Or Less
79-1151A-02	Agreement And Customer Authorization - Net Energy Metering (NEM2) Interconnection For Solar And/Or Wind Electric Generating Facilities Of 30 Kilowatts Or Less
79-1151A-03	Agreement And Customer Authorization - Net Billing Tariff (NBT), also known as Solar Billing Plan (SBP) Interconnection For Solar And/Or Wind Electric Generating Facilities Of 30 Kilowatts Or Less
79-1151B-03	Application - Net Energy Metering (NEM2) and Net Billing Tariff (NBT), also known as Solar Billing Plan (SBP) Interconnection For Solar And/Or Wind Electric Generating Facilities Of 30 Kilowatts Or Less
79-1217	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
79-1217-03	Agreement And Customer Authorization Net Billing Tariff (NBT), also known as Solar Billing Plan (SBP) Interconnection For Solar And/Or Wind Electric Generating Facilities Of 30 Kilowatts Or Less With Energy Storage Of 10 Kilowatts Or Less
79-1193	Agreement and Customer Authorization Net Energy Metering (NEM) Interconnection for Solar and/or Wind Electric Generating Facilities of 30 Kilowatts or Less: with Energy Storage of 10 Kilowatts or Less
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
79-1193-03	Agreement and Customer Authorization Net Billing Tariff (NBT), also known as Solar Billing Plan (SBP) Interconnection for Solar and/or Wind Electric Generating Facilities of 30 Kilowatts or Less: with Energy Storage of 10 Kilowatts or Less
79-1218	Agreement And Customer Authorization Net Energy Metering (NEM2) Interconnection For Solar And/Or Wind Electric Generating Facilities Of 30 Kilowatts Or Less For New Residential Construction
79-1218-03	Agreement And Customer Authorization Net Billing Tariff (NBT), also known as Solar Billing Plan (SPB) Interconnection For Solar And/Or Wind Electric Generating Facilities Of 30 Kilowatts Or Less For New Residential Construction

Table 2: Associated with Generator Interconnection Tariffs Subject to Rule 21 See https://www.pge.com/tariffs under Electric Forms	
Form Number	Title
79-1220	Interconnection Agreement for Net Energy Metering (NEM) of a Renewable Electric Generating Facility of 1,000 kW or Less, Except Solar or Wind Facilities of 30 kW or Less, and Virtual Net Energy Metering (NEMV) of a Renewable Electric Generating Facility of 1,000 kW or Less.
79-1220-02	Interconnection Agreement for Net Energy Metering (NEM) of a Renewable Electric Generating Facility of 1,000 kW or Less, Except Solar or Wind Facilities of 30 kW or Less, and Virtual Net Energy Metering (NEMV) of a Renewable Electric Generating Facility of 1,000 kW or Less.
79-1220-03	Interconnection Agreement for Net Billing Tariff (NBT), also known as Solar Billing Plan (SPB) of a Renewable Electric Generating Facility of 1,000 kW or Less, Except Solar or Wind Facilities of 30 kW or Less, and Virtual Net Energy Metering (NEMV) of a Renewable Electric Generating Facility of 1,000 kW or Less.
79-1189	Eligible Low Income Development Virtual Net Energy Metering (NEM2VMSH) Interconnection Agreement for Multifamily Affordable Housing with Solar Generation Totaling 1 MW or Less
79-1195	Eligible Low Income Development Virtual Net Energy Metering (NEMVMASH) Interconnection Agreement for Multifamily Affordable Housing with Solar Generation Totaling 1 MW or Less
79-1206-02	Eligible Low-Income Development Virtual Net Energy Metering (NEM2VSOM) Interconnection Agreement For The Solar On Multifamily Affordable Housing (SOMAH) Program With Solar Generation Totaling 1 Mw Or Less
79-1069	Generating Facility Interconnection Agreement (Multiple Tariff)
79-1069-02	Generating Facility Interconnection Agreement (Multiple Tariff NEM2MT)
79-1069-03	Generating Facility Interconnection Agreement (Multiple Tariff NBT-MT)
79-1198-02	Interconnection Agreement for Net Energy Metering (NEM2) and Renewable Electrical Generating Facility Sized Greater than 1,000 kW
79-1198-03	Interconnection Agreement for Net Billing Tariff (NBT) and Renewable Electrical Generating Facility Sized Greater Than 1,000 kW

As specified in D.16-01-044, proposed modifications to interconnection fees should be determined according to the three cost categories reported by PG&E in its annual “Net Energy Metering and Net Billing Tariff Advice Letter”:

1. NEM processing and administrative expenses,
2. Distribution engineering costs, and
3. Metering installation, inspection, and commissioning costs.

Within this Advice Letter, PG&E has compiled applicable NBT/NEM interconnection costs for each category from 2021 to 2025, which are summarized in Attachment 1.⁵

The current interconnection application fee of \$145 does not cover actual interconnection costs based on several years of data and calculated as directed above. While revenue increased in 2023, due to elevated application volumes following the sunset of NEM2 on April 15, 2023, this increase did not compensate for deficits incurred in following years. Additionally, the mix of applications received by PG&E has changed and skewed towards more complex, and thus costly, project types. PG&E proposes to increase interconnection application fees to align with the costs detailed in Attachment 1. As shown in Attachment 1, PG&E received 79,498 new applications during the 2025 reporting period and the total applicable costs were \$22,980,283. By dividing the \$22,980,283 in total applicable costs by the 79,498 applications received, the cost per application is \$289 for all projects under one megawatt. However, PG&E believes that separating the fee structure will promote a fair and equitable adjustment, rather than implementing an across-the-board increase that would result in projects from Table 1 subsidizing those in Table 2. Projects described in Table 1, based on the breakdown in Attachment 1, reported 75,715 new applications received during the 2025 reporting period and total applicable costs of \$11,510,423. By dividing \$11,510,423 in total applicable costs by 75,715 applications received, the cost per application is \$152. On the other hand, projects described in Table 2, based on the breakdown in Attachment 1, reported 3,783 new applications received during the 2025 reporting period and total applicable costs of \$11,469,860. By dividing \$11,469,860 in total applicable costs by the 3,783 applications received, the cost per application is \$3,032 for all projects in Table 2.

⁵ AL 6367-E, *Information-Only Filing Regarding Net Energy Metering (NEM) Costs* (Reporting Period 8/1/2020-7/31/2021); AL 7294-E, *Updates to Information-Only Filing Regarding Net Energy Metering (NEM) Costs Reporting for the period of August 1, 2021 through July 31, 2022*; AL 7026-E *Information-Only Filing Regarding Net Energy Metering and Net Billing Tariff Annual Reporting Advice Letter* (Reporting Period 8/1/2022-7/31/2023); AL 7374-E-A *Supplemental: Information-Only Filing Regarding Net Energy Metering and Net Billing Tariff Annual Reporting Advice Letter* (Reporting Period 8/1/2023-7/31/2024); AL 7758-E, *Information-Only Filing Correcting Net Energy Metering and Net Billing Tariff Annual Reporting Advice Letter for the period of August 1, 2024 through July 31, 2025* (Reporting Period 8/1/2024-7/31/2025). All Advice Letters can be found on PG&E’s website at <https://www.pge.com/tariffs/en/advice-letter.html>

Projects described in Table 1 typically benefit from expedited interconnection due to their limited scale and lower complexity which would benefit from a fee increase from \$145 to \$155, instead of the calculated \$152.

For projects listed in Table 2, facility upgrades, inspections, and commissioning tests, all of which require further project management and engineering resources. PG&E recommends changing the fee from \$145 to \$2,000 instead of the calculated \$3,032.

If the Commission does not agree with the proposal for differentiated fees between the two interconnection groups, PG&E recommends increasing the interconnection application fee from \$145 to \$240. Although this is less than the \$289 average fee, it allows cost recovery for NEM/NBT projects of one megawatt or less; however, it still does not resolve the issue of some projects subsidizing others' service costs.

PG&E has not changed its interconnection fee since 2016. The suggested increase is based on PG&E's current costs as reported in the annual Net Energy Metering and Net Billing Tariff Advice Letter. PG&E finds this proposal justified based on interconnection cost data, as it promotes fairness among customers and prevents reduced fees for select groups. The fee is designed to be sustainable and accounts for the mix and volume of applications that PG&E is currently experiencing. This adjustment is intended to address service costs and eliminate subsidies that have historically benefited larger commercial and industrial projects at the expense of smaller residential projects. The revised fee would apply to new projects seeking interconnection under NEM 2, NBT and successor tariff applications submitted on or after the effective date indicated below.

Following approval of this advice letter, PG&E will submit a Tier 1 advice letter to update the costs associated with the application fee in Electric Rule 21 and any applicable tariff. PG&E will incorporate the fee adjustments into the billing system at the earliest opportunity.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than December 3, 2025, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
Email: 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).

Effective Date

Pursuant to General Order (GO) 96-B, Rule 5.2 and D.16-01-044, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, December 13, 2025, 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 lists for R.12-11-005, R.14-07-002, and R.20-08-020. 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
CPUC Communications

Attachment 1: NBT/NEM Interconnection Costs

cc: Service Lists R.12-11-005, R.14-07-002, and R.20-08-020



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 #: (279)789-6209

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: Kimberly.Loo@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) #: 7760-E

Tier Designation: 2

Subject of AL: Updated PG&E Interconnection Application Fee for Net Energy Metering (NEM) and NEM Successor
Tariff Customers with Systems Less Than or Equal to One Megawatt

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 #:

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: 12/13/25

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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

Tariff schedules affected:

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

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

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

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

Contact Name:
Title:
Utility/Entity Name:

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

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

Clear Form

Attachment 1

NBT/NEM Interconnection Costs

NEM/NBT Applications Received	2021	2022	2023	2024	2025
Table 1: # of NEM/NBT Applications Received	87,170	112,854	193,165	56,870	75,715
Table 2: # of NEM/NBT Applications Received	2,570	3,371	7,732	2,938	3,783
# of NEM/NBT Applications Received Total*	89,740	116,225	200,897	59,808	79,498

Table 1: NEM/NBT Costs	2021	2022	2023	2024	2025
NEM Processing & Administration	\$11,808,597	\$11,092,377	\$9,830,851	\$9,863,621	\$8,412,184
Distribution Engineering	\$666,873	\$710,418	\$1,006,607	\$2,304,944	\$2,916,400
Metering, Install, Inspection, Commissioning	\$179,874	\$148,016	\$210,701	\$123,355	\$181,839
Table 2: NEM/NBT Costs Total:	\$12,655,344	\$11,950,811	\$11,048,159	\$12,291,920	\$11,510,423
Table 2: NEM/NBT Costs	2021	2022	2023	2024	2025
NEM Processing & Administration	\$4,692,099	\$4,177,392	\$6,205,087	\$8,677,417	\$9,740,928
Distribution Engineering	\$1,481,955	\$1,608,544	\$1,562,456	\$2,302,507	\$1,721,053
Metering, Install, Inspection, Commissioning	\$4,273	\$2,446	\$2,736	\$3,184	\$7,879
Table 3: NEM/NBT Costs Total:*	\$6,178,327	\$5,788,382	\$7,770,279	\$10,983,108	\$11,469,860
NEM/NBT Costs Total:	\$18,833,671	\$17,739,193	\$18,818,438	\$23,275,028	\$22,980,283

Cost Breakdown	2021	2022	2023	2024	2025
Table 1: Total Cost/Applications Received	\$145	\$106	\$57	\$216	\$152
Table 2: Total Cost/Applications Received	\$2,404	\$1,717	\$1,005	\$3,738	\$3,032
Cost Breakdown Total:	\$210	\$153	\$94	\$389	\$289

NEM/NBT Revenue	2021	2022	2023	2024	2025
Table 1: \$145 Current NEM/NBT Application Fee	\$12,639,650	\$16,363,830	\$28,008,925	\$8,246,150	\$10,978,675
Table 2: \$145 Current NEM/NBT Application Fee	\$372,650	\$488,795	\$1,121,140	\$426,010	\$548,535
NEM/NBT Revenue Total:	\$13,012,300	\$16,852,625	\$29,130,065	\$8,672,160	\$11,527,210

DELTA	2021	2022	2023	2024	2025
Table 1: Difference Revenue vs. Costs	-\$15,694	\$4,413,019	\$16,960,766	-\$4,045,770	-\$531,748
Table 2: Difference Revenue vs. Costs	-\$5,805,677	-\$5,299,587	-\$6,649,139	-\$10,557,098	-\$10,921,325
DELTA Total:	-\$5,821,371	-\$886,568	\$10,311,627	-\$14,602,868	-\$11,453,073

* Data available in the annual Net Energy Metering and Net Billing Tariff Advice Letters

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

AT&T	Ellison Schneider & Harris LLP	Pacific Gas and Electric Company
Albion Power Company		Peninsula Clean Energy
Alta Power Group, LLC	Electrical Power Systems, Inc. Fresno	Pioneer Community Energy
Anderson & Poole	Engie North America	Public Advocates Office
BART	Engineers and Scientists of California	Redwood Coast Energy Authority
Ava Community Energy		Regulatory & Cogeneration Service, Inc.
BART		Resource Innovations
Buchalter	GenOn Energy, Inc.	Rockpoint Gas Storage
Barkovich & Yap, Inc.	Green Power Institute	
Biering & Brown LLP		
Braun Blaising Smith Wynne, P.C.	Hanna & Morton LLP	San Diego Gas & Electric Company
		San Jose Clean Energy
		SPURR
California Community Choice Association	ICF consulting	
California Cotton Ginners & Growers Association	iCommLaw	Sempra Utilities
California Energy Commission	International Power Technology	Sierra Telephone Company, Inc.
California Hub for Energy Efficiency	Intertie	Southern California Edison Company
California Alternative Energy and Advanced Transportation Financing Authority	Intestate Gas Services, Inc.	Southern California Gas Company
California Public Utilities Commission		Spark Energy
Calpine	Kaplan Kirsch LLP	Sun Light & Power
Cameron-Daniel, P.C.	Kelly Group	Sunshine Design
Casner, Steve	Ken Bohn Consulting	Stoel Rives LLP
Center for Biological Diversity	Keyes & Fox LLP	
Chevron Pipeline and Power	Leviton Manufacturing Co., Inc.	Tecogen, Inc.
	Los Angeles County Integrated	TerraVerde Renewable Partners
		Tiger Natural Gas, Inc.
Clean Power Research	Waste Management Task Force	
Coast Economic Consulting		
Commercial Energy	MRW & Associates	Utility Cost Management
Crossborder Energy	Manatt Phelps Phillips	
Crown Road Energy, LLC	Marin Energy Authority	Water and Energy Consulting
	McClintock IP	
	McKenzie & Associates	
Davis Wright Tremaine LLP	Modesto Irrigation District	
Day Carter Murphy	NLine Energy Inc.	Yep Energy
Dept of General Services	NOSSAMAN LLP	
Douglass & Liddell	NRG Energy Inc.	
Downey Brand LLP		
	OnGrid Solar	