

April 26, 2017

California Public Utilities Commission - Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

**Subject: Pacific Gas and Electric Company's Reply to the Protest of Advice
Letter 5039-E**

Dear Energy Division Tariff Unit:

Pacific Gas and Electric Company (PG&E) hereby responds to the April 19, 2017 protest of PG&E's Advice Letter 5039-E by California Solar Energy Industries Association (CalSEIA), and the California Farm Bureau Federation's (CFBF) April 24, 2017 letter of support of CalSEIA's protest. PG&E clarifies its plan to address CalSEIA's concerns regarding treatment of projects that undergo design changes during interconnection review and the treatment of generation accounts under net energy metering aggregation (NEMA).

Background

CalSEIA's protest raises concerns regarding PG&E's process regarding changes to solar system design after an initial application has been submitted by the deadline of January 31, 2017, as required by Decision (D.) 17-01-006 for eligibility for time-of-use (TOU) period grandfathering. CalSEIA states that "customers are at risk of losing their grandfathering eligibility if they make design changes during interconnection review and PG&E requires them to resubmit the application."¹ Furthermore, CalSEIA has stated that the "if the portal does not allow changes PG&E will need to link the original application and the new application in ways that it may not do now."² In response, PG&E clarifies below the process already in place to link new applications to original applications outside of the online application portal, that will retain the grandfathering eligibility for any project with an initial application submitted by January 31, 2017.

Additionally, CalSEIA claims that NEMA customers are being disadvantaged by not allowing generating accounts with no load to receive TOU period grandfathering.³ TOU period grandfathering for generating accounts with no load will have no impact on any

¹ CalSEIA's Protest, p. 1.

² CalSEIA's Protest, pp.1-2.

³ CalSEIA's Protest, p. 3.

TOU period credits or the time when any credit values are determined, or ultimately on a customer's bill, since those values are determined at the benefitting account rather than the generating account level. Moreover, the Net Energy Metering (NEM) successor tariff specifies that generating accounts with no load cannot add load at any point in the future.⁴

Linking the Initial Application with the New Application

PG&E has already developed, and is using, an internal process in its interconnection tracking database to link related applications when changes are made. With this procedure, PG&E is able to link the initial application, submitted by January 31, 2017, with a subsequent new application, at the request of the Applicant. When determining eligibility for grandfathering, PG&E will use this process to link new projects submitted after the January 31st deadline to the initial application.

If an Applicant is required to submit a new application, they must notify their assigned PG&E point of contact for the interconnection request that they are linking a newer application with a previous application. If the previous project is eligible to be linked (i.e., it is not already linked to another application), PG&E will link the applications together. This linking will allow the Applicant to receive TOU period grandfathering as long as a complete application package,⁵ with no deficiencies or required modifications, is submitted to PG&E by July 31, 2017 (for non-schools) and December 31, 2017 (for schools), and the solar system still meets all other eligibility requirements.

NEMA Generating Accounts

CalSEIA's second protest point is the claim that NEMA customers are being disadvantaged by not allowing generating accounts with no load to receive TOU period grandfathering. PG&E is willing to allow TOU period grandfathering of generating accounts with no load. However, PG&E would like to clarify how NEMA is currently billed, and why grandfathering of generating accounts with no load will have no impact on customer bills. Excluding generating accounts with no load from TOU period grandfathering will have no impact on any TOU period credits or the time when any credit values are determined.

CalSEIA claims that "With respect to NEMA arrangements, PG&E proposes to deny eligibility for grandfathering of TOU time periods pursuant to (D.)17-01-006 for

⁴ Rate Schedule NEM2 (https://www.pge.com/tariffs/tm2/pdf/ELEC_SCHEDS_NEM2.pdf)
Special Condition 3 (Sheet 15).

⁵ A complete package consists of the following with no deficiencies, or modifications: (i) A completed Interconnection Application including all supporting documents and all required payments; AND (ii) A completed signed Interconnection Agreement; AND (iii) Evidence of the customer's final inspection clearance from the governmental authority having jurisdiction over the Electrical Generation Facility. (Appendix 1, Section F of Rule 1 proposed changes).

generating accounts that do not have load independent of the generating facility.” CalSEIA states: “Excluding generating accounts in NEMA arrangements would be the same as putting the PV system in a standard NEM installation on a separate meter and supply one set of TOU periods to the generation and another to the consumption.”⁶ This is not what was included in PG&E’s proposed Rule 1 language regarding TOU period grandfathering. PG&E’s proposed Rule 1 language regarding TOU period grandfathering only excluded generating accounts without load.⁷

In NEMA, the generating account kilowatt hour (kWh) exports, as recorded on the export channel of the meter, are allocated as kWh to the benefitting account in each metered interval. The kWh is then netted with consumption on the benefitting account based on the TOU period for the rate schedule of the benefitting account.⁸ The benefitting account TOU periods are preserved, and the allocated kWh credits are netted consistent with the TOU periods of the benefitting account’s rate schedule. So in fact, PG&E does not “apply one set of TOU periods to the generation and another to the consumption” as CalSEIA claims.

In fact, the rate schedule of the generating account has no bearing on the credits received by its benefitting accounts in so far as the credit rate (\$/kwh) or the hours of its TOU periods. The rate schedule of the generating account only has bearing on any load *on the generating account*. However, as stated above, PG&E will allow generating accounts both with load and without load to be eligible for TOU period grandfathering.

⁶ CalSEIA’s Protest, pp.2-3.

⁷ In AL 5039-E, Appendix 1, Section 2.B.i included grandfathering for:

“B. Qualified non-residential solar customers

(i) With a behind-the-meter solar (PV) generating facility with load as well as generation”

⁸ NEM2 Tariff, Special Condition 2.f (Sheets 9-10) states:

For a customer-generator electing Load Aggregation:

For each monthly billing period, the energy (kWh) exported to the grid (in kilowatt-hours or kWh) by the Renewable Electrical Generation Facility shall be allocated to each of the Aggregated Account meters (kWh reading), as well as the Generating Account if it has load, based on the cumulative usage at each aggregated account and the cumulative generation from the generating account from the start of the Relevant Period. At the end of the month, once the allocation proportions are known, the kWh for each Generating Account meter interval will be allocated to each of the Aggregated Accounts for the corresponding interval. NBCs will apply to the load accounts based on their full metered usage.

Once the kWh is allocated to an eligible customer-generator’s Aggregated Account, that account will be treated in accordance with 2.a, 2.b, and/or 2.c above, as applies to the rate schedule on which the Aggregated Account takes service. The Generating Account will also be treated as an Aggregated Account in months where it has net load.”

