

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking Regarding Policies,
Procedures and Rules for the California Solar
Initiative, the Self-Generation Incentive Program
and Other Distributed Generation Issues

Rulemaking 10-05-004
(Filed May 6, 2010)

**THE DIVISION OF RATEPAYER ADVOCATES' REPLY TO PROPOSALS FOR
CALCULATION OF THE NET METERING CAP**

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I. INTRODUCTION

Pursuant to the December 14, 2011 “Administrative Law Judge’s Ruling Granting Motion of The Interstate Renewable Energy Council and Requesting Comment on California Solar Initiative Phase II and III Issues” (ALJ Ruling), the Division of Ratepayer Advocates (DRA) submits the following reply to the proposals on the appropriate method to calculate the net metering cap. Proposals were filed by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Distributed Energy Consumer Advocates (DECA), and filing jointly, the Interstate Renewable Energy Council, the Vote Solar Initiative, Solar Energy Industries Association, and the Sierra Club (IREC et al.).

DRA agrees with PG&E and SCE’s recommendation to use transparent, publicly available data to calculate “aggregate customer peak demand” for purposes of determining when utilities such as PG&E and SCE have met their obligation, pursuant to Public Utilities Code Section 2827(c)(1), to offer Net Energy Metering to their customers.

II. DISCUSSION

A. The Commission should use publicly available data to calculate Net Energy Metering cap.

DRA agrees with PG&E¹ and SCE² that data submitted to the Federal Energy Regulatory Commission (FERC) is the appropriate source of data for the denominator used to calculate the net metering cap. DECA³ and IREC et al.⁴ contend in contrast that the denominator of the net metering cap should be the summation of the non-coincident peak of each and every customer’s peak hourly load.

DRA supports the use of FERC Form 1, page 401b as the denominator for a variety of reasons. It is simple and transparent, the data already exist, and these data have an established meaning in the

¹ Pacific Gas and Electric Company’s Opening Comments on the Appropriate Method of Calculating the Net Energy Metering Program Cap, January 17, 2012, p. 3.

² Opening Comments of Southern California Edison Company on Calculation of the Net Metering Cap, January 17, 2012, p. 3.

³ Opening Comments of Distributed Energy Consumer Advocates on the Administrative Law Judges Ruling Granting Motion of Interstate Renewable Energy Council, January 17, 2012, p. 3.

⁴ Comments of the Interstate Renewable Energy Council, the Vote Solar Initiative, California Solar Energy Industries Association, and the Sierra Club on the Administrative Law Judges Ruling Granting Motion of Interstate Renewable Energy Council, January 17, 2012, pp. 5-8.

industry.

In contrast, the use of the summation of non-coincident peak load has little meaning from the perspective of system loads and generation requirements. It is not even clear that such a number can be measured, at least until all customers have meters that record hourly or sub-hourly data. Presuming that these data eventually exist, it is not clear what the cost will be of measuring and computing this number. Rather than devising an entirely new metric, the calculation of which may not even be feasible to calculate until all customers have meters that record hourly or sub-hourly data, the Commission should construe “aggregate customer peak” in Public Utilities Code Section 2827(c)(4) as meaning the data that is submitted in FERC Form 1, page 401b.

B. The Commission should initiate a review of net energy metering in order to provide future guidance on this incentive.

DRA encourages the Commission to consider what it intends to do should the 5 percent cap be reached in the near future by one or more utility. Net Energy Metering is an important incentive for distributed generation. Although the costs may be low when measured according to the method prescribed in Public Utilities Code Section 2827(c)(4), the Commission should evaluate the issue of foregone utility revenues and the impact on customers who do not participate in Net Energy Metering. DRA suggests that the Commission initiate a review of net energy metering soon so as to provide the industry will clear direction on this important incentive.

III. CONCLUSION

DRA respectfully recommends that the Commission adopt the method of calculating the Net Energy Metering that uses the publically available information in the FERC Form 1, page 401b filed by each utility as the denominator. DRA agrees that workshops may be necessary to further consider this issue, and recommends that the Commission also conduct a more comprehensive review of the costs of Net Energy Metering on non-participating customers.

Respectfully submitted,

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