

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**  
**Agenda ID #15789**  
**ENERGY DIVISION** **RESOLUTION E-4862**  
**June 29, 2017**

**R E S O L U T I O N**

Resolution E-4862. Approval of Southern California Edison’s Net Energy Metering<sup>1</sup> Successor Tariff Interconnection Agreements for Federal Agencies, the California Department of Corrections and Rehabilitation, and the Armed Forces

PROPOSED OUTCOME:

- Grant SCE’s request to (i) approve Proposed Forms 14-773-A, 14-972-A, 14-973-A, 14-974-A, 16-344-A, 14-744-B, 14-974-E, 14-744-C, 14-972-B, 14-972-C, 14-974-C, and 14-974-D without modification, and (ii) modify SCE’s List of Contracts and Deviations to offer Proposed Forms 14-773-A, 14-972-A, 14-973-A, 14-974-A, and 16-344-A as interconnection agreement options available solely to federal agencies, Proposed Forms 14-744-B and 14-974-E as interconnection agreement options available solely to the CDCR, and Proposed Forms 14-744-C, 14-972-B, 14-972-C, 14-974-C, and 14-974-D as interconnection agreement options available solely to the Armed Forces when executing an interconnection agreement as the eligible customer-generator under the NEM successor tariff.

SAFETY CONSIDERATIONS:

- There is no impact on safety.

ESTIMATED COST:

- This resolution does not approve any additional costs.

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<sup>1</sup> Pub. Util. Code § 2827 *et seq.*

By Advice Letter 3467-E, Filed on September 2, 2016.

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## **SUMMARY**

This Resolution approves SCE's request to (i) approve Proposed Forms 14-773-A, 14-972-A, 14-973-A, 14-974-A, 16-344-A, 14-744-B, 14-974-E, 14-744-C, 14-972-B, 14-972-C, 14-974-C, and 14-974-D without modification, and (ii) add the forms to SCE's List of Contracts and Deviations. The proposed Forms are deviations to SCE's standard Net Energy Metering (NEM) Successor Tariff interconnection agreements<sup>2</sup> that incorporate specific modifications<sup>3</sup> applicable solely to federal agencies, the California Department of Corrections and Rehabilitation (CDCR), and the United States Armed Forces (Armed Forces). The proposed Forms conform to federal law, Commission decisions, and G.O. 96-B, General Rule 8.2.3 addressing the provision of services by energy utilities to government agencies.

## **BACKGROUND**

*Deviations to Interconnection Agreements to Facilitate Participation of Federal Agencies, the CDCR, and the Armed Forces in Net Energy Metering*

The Commission has previously approved modifications to SCE's NEM interconnection agreements under the original NEM program (NEM 1.0) to facilitate the participation of federal agencies, the CDCR and the Armed Forces:

- In 2012, the Commission approved Form 14-733, via Advice Letter (AL) 2716-E,<sup>4</sup> which is a modified version of SCE's "Generating Facility Interconnection Agreement – Multiple Tariffs" for use by

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<sup>2</sup> SCE's standard NEM Successor Tariff interconnection agreements were approved on June 23, 2016 via Resolution E-4792.

<sup>3</sup> Modifications to NEM 1.0 interconnection agreements previously approved by the Commission were filed in Advice Letters 2704-E, 2716-E, 3221-E, and 3283-E.

<sup>4</sup> AL 2716-E was approved via Resolution E-4513.

federal agencies. The agreement deviates from SCE's standard Agreement in terms addressing governing law, utility-federal agency services contracts and the agreement's term of years.

- Also in 2012, the Commission approved Form 16-344-A, via Advice Letter 2704-E,<sup>5</sup> which is a modified version of "NEM and Renewable Electrical Generating Facility Interconnection Agreement" for use by federal agencies. The agreement deviates from SCE's standard Agreement in terms addressing indemnification, governing law, utility-federal agency services contracts and the agreement's term of years.
- In 2015, the Commission approved Forms 14-744-A and 16-344-B, via Advice Letter 3221-E,<sup>6</sup> which are modified versions of "NEM Customer Generation Agreement" and "NEM and Renewable Electrical Generating Facility Interconnection Agreement", respectively, for use by the CDCR. The deviated agreements reflect the specific study and cost responsibility provisions of Senate Bill (SB) 862<sup>7</sup> applicable solely to the CDCR and to allow the CDCR to utilize the Customer Generation Agreement to authorize a single or multiple third party producers to enter into the modified Interconnection Agreement.
- Also in 2015, the Commission approved Forms 16-344-C and D, 14-773-B and C, and 14-744-C, via Advice Letter 3283-E, which are modified versions of "NEM and Renewable Electrical Generating Facility Interconnection Agreement", "Generating Facility Interconnection Agreement – Multiple Tariffs", and "NEM Customer Generation Agreement", respectively, for use by the Armed Forces. The deviated agreements reflect the specific study,

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<sup>5</sup> AL 2704-E was approved via Resolution E-4531.

<sup>6</sup> AL 3221-E was approved via Resolution E-4725.

<sup>7</sup> SB 862 was signed into law in 2014 and extended NEM eligibility to the CDCR for up to 8 MW of on-site renewable electricity generation at a single facility.

cost responsibility and sourcing provisions of SB 83<sup>8</sup> and to allow the Armed Forces to utilize the Customer Generation Agreement to authorize a single or multiple third party producers to enter into the modified Interconnection Agreement.

*NEM Successor Tariff*

On October 7, 2013, Assembly Bill (AB) 327 (Perea) was signed into law and codified in Public Utilities Code Section 2827.1. AB 327 directed the Commission to, among other things, adopt a successor tariff program to the existing NEM program that would go into effect once each investor owned utility (IOU) reached its 5% NEM cap, or July 1, 2017, whichever occurred first.

The Commission opened Rulemaking (R.) 14-07-002 to design and implement the successor tariff. On January 28, 2016, pursuant to AB 327, the Commission adopted D.16-01-044, which created a NEM successor tariff program to the existing NEM program. That Decision directed the IOUs to file Tier 2 Advice Letters with their respective NEM successor tariffs, including net metering aggregation, and virtual net metering tariffs, in accordance with every requirement of the decision.<sup>9</sup> The Decision also directed the IOUs' NEM successor tariffs to account for the special requirements established for the CDCR and Armed Forces, as defined in PU Code Sections 2827(b)(4)(B) and (C).<sup>10</sup>

On February 29, 2016, SCE filed Advice Letter 3771-E, which included the necessary NEM successor tariff provisions for the CDCR and Armed Forces, but noted that a Tier 3 filing, pursuant to GO 96-B, Section 8.2.3, would be necessary to implement deviated versions of its interconnection agreement. On

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<sup>8</sup> SB 83 was signed into law in 2015 and extended NEM eligibility to the Armed Forces for a renewable generating facility with a total capacity of up to the lesser of 12 MW or 1 MW greater than the minimum load of the Armed Forces base or facility over the prior 36 months.

<sup>9</sup> D.16-01-044 Ordering Paragraph 1.

<sup>10</sup> D.16-01-044 Ordering Paragraphs 3 and 4.

June 23, 2016, the Commission adopted Resolution E-4792, approving the IOUs' NEM successor tariffs with modifications.

*The Provision of Services by Energy Utilities to Government Agencies under G.O. 96-B*

In G.O. 96-B, General Rule 8.2.3, the Commission permits an energy utility to “at all times...provide service...to a government agency or to the public for free, or at reduced rates and charges, or under terms and conditions otherwise deviating from its tariffs then in effect.” Further under G.O. 96-B, General Rule 8.2.3, where the utility begins service to a government agency without Commission approval, the utility must promptly notify the Commission of the provision of such service, and the Commission “may determine, in an appropriate proceeding, the reasonableness of such service.”

G.O. 96-B, Energy Industry Rule 5.3 (8) specifically requires a utility proposal for service to a government agency pursuant to General Rule 8.2.3 to be submitted with a Tier 3 AL (Effective After Commission Approval).

In accordance with G.O. 96-B, General Rule 8.2.3, SCE submitted Tier 3 AL 3467-E to seek approval of proposed Forms 14-773-A, 14-972-A, 14-973-A, 14-974-A, 16-344-A, 14-744-B, 14-974-E, 14-744-C, 14-972-B, 14-972-C, 14-974-C, and 14-974-D. The proposed Forms are deviations to SCE's standard NEM Successor Tariff interconnection agreements that incorporate specific modifications applicable solely to federal agencies, the CDCR, and the Armed Forces.

**NOTICE**

Notice of AL 3467-E was made by publication in the Commission's Daily Calendar. SCE states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

**PROTESTS**

Advice Letter AL 3470-E was not protested.

## **DISCUSSION**

SCE requests approval of the following proposed Forms:

- 14-773-A – “Generating Facility Interconnection Agreement – Multiple Tariffs” (for use by federal agencies only)
- 14-972-A – “Generating Facility Interconnection Agreement – Multiple Tariffs Using a NEM-ST Generating Facility Sized Greater Than One Megawatt” (for use by federal agencies only)
- 14-973-A – “Virtual Net Metering for Multi-Tenant and Multi-Meter Properties Interconnection Agreement for Generating Facilities Sized Greater Than One Megawatt” (for use by federal agencies only)
- 14-974-A – “Net Energy Metering and Renewable Electrical Generating Facility Sized Greater Than One Megawatt Interconnection Agreement” (for use by federal agencies only)
- 16-344-A – “Net Energy Metering and Renewable Electrical Generating Facility Interconnection Agreement for Generating Facilities Sized One Megawatt and Smaller” (for use by federal agencies only)
- 14-744-B – “Net Energy Metering Customer Generation Agreement” (for use by the CDCR only)
- 14-974-E – “Net Energy Metering and Renewable Electrical Generating Facility Sized Greater Than One Megawatt Interconnection Agreement” (for use by the CDCR only)
- 14-744-C - “Net Energy Metering Customer Generation Agreement” (for use by the Armed Forces only)
- 14-972-B – “Generating Facility Interconnection Agreement – Multiple Tariffs Using a NEM-ST Generating Facility Sized Greater Than One Megawatt” (for use by the Armed Forces only) – 3<sup>rd</sup> Party is Producer
- 14-972-C - “Generating Facility Interconnection Agreement – Multiple Tariffs Using a NEM-ST Generating Facility Sized Greater Than One Megawatt” (for use by the Armed Forces only) – Armed Forces is Producer

- 14-974-C – “Net Energy Metering and Renewable Electrical Generating Facility Sized Greater Than One Megawatt Interconnection Agreement” (for use by the Armed Forces only) – 3<sup>rd</sup> Party is Producer
- 14-974-D - “Net Energy Metering and Renewable Electrical Generating Facility Sized Greater Than One Megawatt Interconnection Agreement” (for use by the Armed Forces only) – Armed Forces is Producer

These proposed Forms are deviated versions of SCE’s NEM successor tariff Interconnection Agreements applicable solely to federal agencies, the CDCR, and the Armed Forces. SCE states that it is necessary to implement changes to its standard NEM successor tariff Interconnection Agreements, approved via Advice Letter 3371-E, in order to facilitate the participation of these entities in the NEM successor tariff program. SCE maintains that the proposed changes incorporate modifications to the NEM successor tariff Interconnection Agreements that were previously filed and approved in Advice Letters 2704-E, 27196-E, 3221-E and 3283-E to facilitate participation in the NEM 1.0 program.

*Staff Analysis*

Energy Division staff has reviewed SCE’s proposal, and, as set out below, finds that the terms of proposed Forms 14-773-A, 14-972-A, 14-973-A, 14-974-A, 16-344-A, 14-744-B, 14-974-E, 14-744-C, 14-972-B, 14-972-C, 14-974-C, and 14-974-D:

(i) incorporate modifications to SCE’s NEM successor tariff Interconnection Agreements that have been previously approved by the Commission to facilitate participation by federal agencies, the CDRC, and the Armed Forces in the NEM 1.0 program, and (ii) are a reasonable provision of service to these government entities pursuant to G.O. 96-B, General Rule 8.2.3. Furthermore, because the Proposed Forms include deviations from SCE’s previously established interconnection agreements, it is appropriate for SCE to add these forms to its List of Contracts and Deviations.

Descriptions of the previously approved Advice Letters that serve as the basis for the modifications in each proposed deviated Form can be found in Appendix A.

G.O. 96-B, Energy Industry Rule 5.3 (8)

G.O. 96-B, Energy Industry Rule 5.3 (8) specifically requires a utility proposal for service to a government agency made pursuant to G.O. 96-B, General Rule 8.2.3 to be submitted as a Tier 3 AL (Effective After Commission Approval). SCE has met this requirement here by filing AL 3470-E (Tier 3).

**COMMENTS**

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

**FINDINGS**

1. Proposed Forms 14-773-A, 14-972-A, 14-973-A, 14-974-A, 16-344-A, 14-744-B, 14-974-E, 14-744-C, 14-972-B, 14-972-C, 14-974-C, and 14-974-D are consistent with the provisions of SCE's NEM successor tariffs previously approved in Advice Letter 3371-E and make modifications applicable solely to federal agencies, the California Department of Corrections and Rehabilitation and the United States Armed Forces.
2. Proposed Forms 14-773-A and 14-972-A contain modifications that are consistent with those previously approved in Advice Letter 2716-E.
3. Proposed Forms 14-973-A, 14-974-A, and 16-344-A contain modifications that are consistent with those previously approved in Advice Letter 2704-E.
4. Proposed Forms 14-744-B and 14-974-E contain modifications that are consistent with those previously approved in Advice Letter 3221-E.
5. Proposed Forms 14-744-C, 14-972-B, 14-972-C, 14-974-C, and 14-974-D contain modifications that are consistent with those previously approved in Advice Letter 3283-E.
6. Proposed Forms 14-773-A, 14-972-A, 14-973-A, 14-974-A, 16-344-A, 14-744-B, 14-974-E, 14-744-C, 14-972-B, 14-972-C, 14-974-C, and 14-974-D were properly filed by SCE with AL 3467-E (Tier 3), pursuant to G.O. 96-B, Energy Industry Rule 5.3 (8).



7. Because Proposed Forms 14-773-A, 14-972-A, 14-973-A, 14-974-A, 16-344-A, 14-744-B, 14-974-E, 14-744-C, 14-972-B, 14-972-C, 14-974-C, and 14-974-D are a deviation from Forms 14-773, 14-972, 14-973, 14-974, 16-344, 14-744, 14-974, 14-744, 14-972, 14-972, 14-974, and 14-974, it is appropriate for SCE to add them to its List of Contracts and Deviations.

**THEREFORE IT IS ORDERED THAT:**

1. SCE Advice Letter 3467-E is approved.
2. Proposed Forms 14-773-A, 14-972-A, 14-973-A, 14-974-A, and 16-344-A shall be available to all federal agencies meeting the eligibility requirements set out therein.
3. Proposed Forms 14-744-B and 14-974-E shall be available to all California Department of Corrections and Rehabilitation facilities meeting the eligibility requirements set out therein.
4. Proposed Forms 14-744-C, 14-972-B, 14-972-C, 14-974-C, and 14-974-D shall be available to all United States Armed Forces facilities meeting the eligibility requirements set out therein.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on June 29, 2017; the following Commissioners voting favorably thereon:

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TIMOTHY J. SULLIVAN  
Executive Director

## **Appendix A**

### **Matrix of Advice Letters Previously Approving Modifications to Interconnection Agreements for Federal Agencies, the CDCR, and the Armed Forces**

**Federal Agencies**

<b>Form #</b>	<b>Form Name</b>	<b>Basis for Proposed Modifications</b>
14-773-A	Generating Facility Interconnection Agreement – Multiple Tariffs	Deviated Form originally approved in Advice Letter 2716-E; Updated to incorporate changes approved in Advice Letter 3371-E
14-972-A	Generating Facility Interconnection Agreement – Multiple Tariffs Using a NEM-ST Generating Facility Sized Greater Than One Megawatt	New deviated Form based on version approved in Advice Letter 3371-E and incorporating changes originally approved in Advice Letter 2716-E
14-973-A	Virtual Net Metering for Multi-Tenant and Multi-Meter Properties Interconnection Agreement for Generating Facilities Sized Greater Than One Megawatt	New deviated Form based on version approved in Advice Letter 3371-E and incorporating changes originally approved in Advice Letter 2704-E
14-974-A	Net Energy Metering and Renewable Electrical Generating Facility Sized Greater Than One Megawatt Interconnection Agreement	New deviated Form based on version approved in Advice Letter 3371-E and incorporating changes originally approved in Advice Letter 2704-E
16-344-A	Net Energy Metering and Renewable Electrical Generating Facility Interconnection Agreement for Generating Facilities Sized One Megawatt and Smaller	Deviated Form originally approved in Advice Letter 2704-E; Updated to incorporate changes approved in Advice Letter 3371-E

**The California Department of Corrections and Rehabilitation (CDCR)**

<b>Form #</b>	<b>Form Name</b>	<b>Basis for Proposed Modifications</b>
14-744-B	Net Energy Metering Customer Generation Agreement	Deviated Form originally approved in Advice Letter 3221-E; Updated to incorporate references to NEM successor tariff approved in Advice Letter 3371-E
14-974-E	Net Energy Metering and Renewable Electrical Generating Facility Sized Greater Than One Megawatt Interconnection Agreement	New deviated Form based on version approved in Advice Letter 3371-E; Updated to incorporate changes approved in Advice Letter 3221-E

**United States Armed Forces**

<b>Form #</b>	<b>Form Name</b>	<b>Basis for Proposed Modifications</b>
14-744-C	Net Energy Metering Customer Generation Agreement	Deviated Form originally approved in Advice Letter 3221-E; Updated to incorporate references to NEM successor tariff approved in Advice Letter 3371-E
14-972-B	Generating Facility Interconnection Agreement – Multiple Tariffs Using a NEM-ST Generating Facility Sized Greater Than One Megawatt (3 <sup>rd</sup> Party is Producer)	New deviated Form based on version approved in Advice Letter 3371-E; Updated to incorporate changes approved in Advice Letter 3283-E
14-972-C	Generating Facility Interconnection Agreement – Multiple Tariffs Using a NEM-ST Generating Facility Sized Greater Than One Megawatt (Armed Forces is Producer)	New deviated Form based on version approved in Advice Letter 3371-E; Updated to incorporate changes approved in Advice Letter 3283-E
14-974-C	Net Energy Metering and Renewable Electrical Generating Facility Sized Greater Than One Megawatt Interconnection Agreement (3 <sup>rd</sup> Party is Producer)	New deviated Form based on version approved in Advice Letter 3371-E; Updated to incorporate changes approved in Advice Letter 3283-E
14-974-D	Net Energy Metering and Renewable Electrical Generating Facility Sized Greater Than One Megawatt Interconnection Agreement (Armed Forces is Producer)	New deviated Form based on version approved in Advice Letter 3371-E; Updated to incorporate changes approved in Advice Letter 3283-E