



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA

FILED

06-21-10
04:59 PM

In the matter of the Application of PacifiCorp
(U901E) for approval to implement a Net Surplus
Compensation Rate

Application 10-03-001
(Filed March 1, 2010)

And Related Matters.

Application 10-03-010
Application 10-03-012
Application 10-03-013
Application 10-03-017

PROPOSAL AND SAMPLE CALCULATIONS
FOR A NET SURPLUS COMPENSATION RATE OF
SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)

MICHAEL D. MONTOYA
ANNETTE GILLIAM

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-4880
Facsimile: (626) 302-1935
E-mail: annette.gilliam@sce.com

Dated: **June 21, 2010**

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

In the matter of the Application of PacifiCorp
(U901E) for approval to implement a Net Surplus
Compensation Rate

Application 10-03-001
(Filed March 1, 2010)

And Related Matters.

Application 10-03-010
Application 10-03-012
Application 10-03-013
Application 10-03-017

PROPOSAL AND SAMPLE CALCULATIONS
FOR A NET SURPLUS COMPENSATION RATE OF
SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)

I.

INTRODUCTION

Pursuant to the Assigned Commissioner and Administrative Law Judge Scoping Memo and Ruling dated June 1, 2010 (Scoping Memo), and the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), Southern California Edison Company (SCE) hereby submits its Proposal for a Net Surplus Compensation Rate (Proposal).

In the Scoping Memo, parties were directed to file their joint or individual proposals for a Net Surplus compensation Rate (NSCR) no later than June 21, 2010. Parties were also directed to provide the NSCR, workpapers, and supporting material that explains the methodology used to calculate the proposed rate.¹ In addition, the Scoping memo ordered the parties to respond to the questions identified in the Scoping Memo and to the questions identified in the Assigned Commissioner's Ruling Directing Electric Utilities to File Applications Proposing a Net Surplus

¹ Scoping Memo, p. 5.

Compensation Rate Pursuant to Assembly Bill 920, dated January 15, 2010 (January 15 ACR), if not previously provided.²

On March 15, 2010, SCE filed Application 10-03-013 proposing an NSCR pursuant to AB 920, which included responses to the questions identified in the January 15 ACR, although not in sequential order. SCE will summarize its answers to these questions in Sections II and III of this Proposal and will answer the questions in the Scoping memo in Section IV.

II.

RESPONSES TO QUESTIONS IN JANUARY 15 ACR: GENERAL

- (Q1) How will Net Surplus Compensation rate be determined? Options include payment of the full retail rate, the generation-only rate, the most current RPS Market Price Referent rate adjusted for time-of-delivery, an up-front avoided cost calculation, simple payout of customer bill credits, or some other method of valuation. For whatever rate is chosen, please discuss why the other rate options discussed above were not selected as the preferred method of compensation.
- (A1) SCE proposes a Net Surplus Compensation Rate (NSCR) that is the sum of: (1) the California Independent System Operator (CAISO) Market Redesign and Technology Upgrade (MRTU) Integrated Forward Market (IFM) South of Path 15 (SP 15) Generation Hub price, and (2) the United States Department of Energy (DOE) renewable attribute price. SCE explains in detail the basis for rejecting the pricing options cited in the ACR in its “Prepared Testimony Supporting Application Proposing a Net Surplus Compensation Rate Pursuant to Assembly Bill 920.”
- (Q2) Will the rate be fixed as of the online date of the generation (similar to RPS contracting) or change over time (along with other rates)?

² Scoping Memo, p. 5.

- (A2) The NSCR will change over time with the underlying market components, and will correspond with the eligible compensation customers' relevant period.
- (Q3) How will the rate offered for Net Surplus Compensation interact with the rate offered for net generation on a monthly basis (i.e., the full retail rate)?
- (A3) Under SCE's proposal, the NSCR has no relationship to either the retail generation or full retail energy charges.
- (Q4) How will all non-participating customers be held indifferent to the Net Surplus Compensation rate of payment?
- (A4) Use of a market-based rate for net surplus compensation ensures that non-participating customers are not impacted, because the payment for surplus generation reflects what SCE would otherwise pay in the market for renewable energy from a similar resource.
- (Q5) If the Customer will be receiving Net Surplus Compensation based on a generation-only rate, will a customer receive the generation rate applicable at the time the excess generation was generated, or the generation rate in effect at the time of the 12 month assessment?
- (A5) This question is not applicable to SCE's NSCR proposal.
- (Q6) Should the administrative cost of calculating Net Surplus Compensation and applying it to customer-generators' bills be considered when calculating a rate, to avoid shifting costs between customer-generators and other bundled service customers?
- (A6) Yes. A compensation methodology that requires extensive billing system modifications would result in either a subsidy by non-participating customers or recovery exclusively from participating customers. The later would likely exceed the benefit these customers would receive in net surplus compensation.
- (Q7) Is it possible to simply pay eligible customer generators the amount they have in surplus bill credits at the end of the true-up period?

- (A7) Not if indifference of non-participating customers is to be maintained as required by statute. This is explicitly recognized in prior Commission decisions which apply non-bypassable charges and cost responsibility surcharges to customers electing to either self-provide generation (departing load) or receive generation service from suppliers other than the IOU (Direct Access and Community Choice Aggregation).

III.

RESPONSES TO QUESTIONS IN JANUARY 15 ACR: POLICY

- (Q1) Will the new tariff created by AB 920 replace the customer's existing NEM tariff, or would it coexist alongside that tariff? Will some customers remain on basic NEM, and others opt into Net Surplus Compensation NEM? Will customers on the new tariff be compensated monthly for their monthly bill credits at the full retail rate?
- (A1) SCE proposes the NSCR as an option available to eligible customers taking service on Schedule NEM. Customers electing the NSCR option under Schedule NEM will continue to be billed normally under NEM during the relevant period, which includes the crediting of monthly surplus generation at the full retail rate. The NSCR option is applied at the conclusion of the relevant period as required by AB 920.
- (Q2) Is it possible that a customer could use all the bill credits created by surplus generation over a 12-month period and still have surplus kilowatt-hours? Should the Net Surplus Compensation Program restrict a customer's ability to receive and consume full retail bill credits on a monthly basis and receive payment for surplus kilowatt-hours?

- (A2) Because of pricing differentials reflected in the retail tariff applicable to NEM participants, it is possible for a net surplus generator to have no remaining bill credits at the conclusion of the relevant period. For example, if a customer net generates during periods when energy rates are low (*e.g.*, during off-peak hours) and consumes during high rate periods, the customer's bill credits for net generation may be insufficient to offset energy charges for consumption, even if the customer is a net surplus generator for the relevant period. AB 920 envisions net surplus compensation that does not impact an NEM customer's energy credits during the relevant period, but rather compensates net surplus generators following the conclusion of the relevant period. SCE's NSCR proposal has no impact on the currently authorized operation of NEM with respect to energy credits.
- (Q3) Will customers be allowed to switch from the compensation option to the rollover option or vice versa, and if so, at what point will switching be allowed?
- (A3) SCE proposes to include the NSCR credit, if any, on the eligible customer's bill at the conclusion of the relevant period. Absent any action by the customer, the credit would roll over to the next relevant period to offset future energy charges. However, SCE's existing system allows customers with outstanding bill credits to request a check payment at any time. NSCR customers with a net bill credit could opt for payment at any time.
- (Q4) Will surplus electricity be rolled over in the form of bill credits or kilowatt-hours?
- (A4) In order to maintain non-participating customer indifference and for administrative convenience, surplus electricity must be valued (credited) at the time of generation. Otherwise, energy generated during a low cost period and carried forward could potentially be valued during a high-cost period.
- (Q4a) Will customers be compensated when they have surplus bill credits but not surplus kilowatt-hours?

- (A4a) SCE NSCR proposal compensates eligible customers (net generators) based on remaining bill credits at the conclusion of the relevant period. Net generators with no bill credits remaining have already been compensated for their net production at the full retail energy rate.
- (Q4b) Will customers be compensated when they have surplus kilowatt-hours but not surplus bill credits?
- (A4b) As noted above, net surplus generators with no bill credits remaining at the conclusion of their relevant period should receive no additional compensation. All credit for excess production from month to month in the relevant period will have been used to offset charges for consumption during the relevant period at the full retail rate. Payment for net surplus production in these cases would effectively compensate customers twice for the same generation, which would violate the indifference requirement for non-participants.
- (Q5) In order to qualify for RPS compliance, a generator must be certified as eligible by the California Energy Commission (CEC), and the REC must be recorded in the Western Renewable Energy Generation Information System (WREGIS), which requires the meter measuring the generation to have accuracy of +/- 2%. Currently, the CEC has not certified distributed generation systems as eligible for RPS compliance and many systems on net metering tariffs do not have meters that meet the WREGIS accuracy requirements. Are CEC certification and WREGIS meter accuracy requirements necessary preconditions in order for the utilities to count towards the RPS annual procurement targets the RECs associated with net surplus electricity purchased from eligible customer-generators (as per Section 2827(h)(5)(A-B))? Assuming these are necessary preconditions, and if a net surplus customer-generator has equipment that complies with CEC and WREGIS standards:

- (Q5a) Will the REC belong to the utility if the customer chooses the roll-over option, where a credit for net surplus generation is rolled over into the next 12-month true-up period, or only if the customer chooses a payment for net surplus generation?
- (A5a) Net surplus generation is required in order to be eligible for SCE's proposed NSCR. RECs associated with net surplus production compensated through NSCR belong to SCE, regardless of whether the customer receives a bill credit or monetary payment.
- (Q5b) Will the REC belong to the utility for any net surplus generation if the customer does not elect either option?
- (A5b) Excess production by customers who fail to elect net surplus compensation is forfeited pursuant to PU Code section 2827. AB 920 makes no provision for the REC associated with this forfeited energy.
- (Q6) Will customers be permitted to roll excess kilowatt hours over into subsequent 12-month periods indefinitely, or will the excess kilowatt-hours "expire" after a certain period of time?
- (A6) Under SCE's NSCR proposal, excess production (bill credit) is valued at the conclusion of the relevant period and applied to the bill as a monetary credit. SCE's standard practice allows this credit to be maintained indefinitely.
- (Q7) Will the utility be required to cut a physical check to every customer that opts for Net Surplus Compensation, even if the amount owed would be below a de minimus threshold (for instance, if the customer is owed \$1.00)? If not, how should the de minimus threshold be determined?
- (A7) SCE practice is to provide payment for any amount of credit on a customer's bill at the customer's request.

- (Q8) Given the potential new layer of complexity that Net Surplus Compensation may add to the existing NEM program, how will the utility communicate the NEM-related rate and program offerings to customers and how will it communicate the financial implications of the new Net Surplus Compensation program? Will customers be able to “look up” what rate is being offered to them? If the rate is the generation-only rate, how will customers be notified if and when that rate changes, as it may multiple times throughout the year?
- (A8) In January 2010, pursuant to AB 920, SCE notified all eligible existing NEM customers of the changes made to PUC Section 2827 and the new net surplus compensation option. In order to ensure that existing NEM customers have the opportunity to participate in the new tariff option, SCE automatically enrolled existing NEM customers who did not respond to initial customer notices. Additionally, customers will have the opportunity to select whether to receive payment of surplus electricity or a bill credit in the next relevant period. SCE plans to notify customers of this selection opportunity after the Commission adopts a final decision in this proceeding. SCE also developed and distributed a Fact Sheet to customers with the notice, which contains typical customer questions and answers regarding the changes to NEM. Fact Sheet topics include: (1) how the new statute changes the way surplus energy is handled; (2) whether compensation is automatic; (3) the determination of future compensation; (4) relevant period impacts; (5) future customer notifications and communications; and (6) the NEM tariff as a customer reference. Customers will be able to access details of the net surplus compensation option, including the tariffed compensation rate available to them (when applicable), in SCE’s online tariffs. The NEM Surplus Metering Compensation Selection Form and Fact Sheet will also be available at SCE’s website. SCE will integrate program details, including details on compensation rate changes, in regular mailings to customers consistent with standard rate notification requirements.

IV.

RESPONSES TO QUESTIONS IN SCOPING MEMO

(Q1) How will the Net Surplus Compensation Rate be determined?

(A1) SCE proposes a NSCR based on market valuation of the energy purchased and a proxy for the value of the green attributes of the energy.

(Q1a) How should the Commission set the portion of the Net Surplus Compensation Rate for the value of electricity and what shall that rate be?

(A1a) The Commission should approve payment for net surplus generation based on the market value of the energy produced. As shown in the attached sample calculation (see spreadsheet entitled “Calculation of Rate & Payout” in the Excel workbook calculations supporting Attachment A), SCE proposes to produce a class-weighted average of MRTU integrated forward market prices (South Path 15) for the 12-month relevant period applicable to any eligible customer. Pursuant to the Scoping Memo, SCE has produced an average of hourly IFM prices weighted for the residential class for the period of May 2009 through April 2010.³

(Q1b) How should the Commission set the portion of the Net Surplus Compensation Rate for the value of the renewable attributes of the electricity and what shall that rate be?

(A1b) The Commission should approve a supportable public estimate for the value of renewable attributes. Absent a market option, SCE proposes a proxy for determining the value of renewable attributes provided by net surplus generators, based on renewable price premiums for the Western Electric Coordination Council (WECC) as published periodically by the Department of Energy (see

³ MRTU IFM data is not available for the calendar year 2009 as required in the Scoping Memo.

spreadsheet entitled “DOE Renewable Premium” in the Excel workbook calculations supporting Attachment A). SCE proposes to use the western region as opposed to California only because of the larger number of reported renewable purchase programs.

(Q1c) How shall the Commission comply with § 2827(h)(4)(A), which states that other ratepayers shall be unaffected by the net surplus compensation provided to net surplus generators?

(A1c) SCE’s proposed NSCR pays a rate for delivered renewable power from net surplus generators consistent with the rate SCE would pay in the market. By doing so, non-participating customers are indifferent to SCE’s choice of energy resources. Other ratepayers are only impacted by the AB 920 compensation to the extent that the price paid for energy exceeds the price at which SCE could sell the same energy in the market, including the value of renewable attributes.

(Q1d) Should the rate for all California investor-owned electric utilities be set using a consistent methodology? Can the rate vary by utility?

(A1d) Yes, a consistent methodology should be used to establish the net surplus compensation rate for all IOU’s. Assuming the rate is based on market prices as proposed by the SCE, the actual cent-per-kWh (or equivalent) price may vary between IOU’s.

(Q1e) Should the Commission consider the administrative costs of implementing the Net Surplus Compensation Rate when setting the rate?

(A1e) Yes. The Commission should consider several factors in authorizing an NSCR. First is the expected frequency and magnitude of such payments for net surplus generation. NEM customers are required to size their generators to, at most, offset the entire amount of their energy requirements in a 12-month period. On

average then, NEM customers should be nominal net producers, with minor changes in load or weather being determinants of excess production.

(Q2) What are the accounting and other mechanics of calculating the Net Surplus Compensation Rate, including but not limited to issues such as:

(Q2a) Do customers need both net surplus generation and an excess bill credit to qualify?

(A2a) In order to be eligible under SCE's proposed NSCR method, customers must have both net surplus production (kWh) and remaining bills credits at the conclusion of the relevant period. AB 920 contemplates compensation for net surplus generators only. SCE's compensation method bases the payment amount on the remaining credit amount at the conclusion of the relevant period. As shown in the spreadsheet entitled "Calculation of Rate & Payout" in the Excel workbook calculations supporting Attachment A, the NSCR determined as described above is divided by the average retail rate for the applicable rate group. This percentage is then applied to the eligible customers remaining credit to determine the amount of the net surplus compensation. Alternatively, as SCE indicated in its application, the NSCR is applied directly to net surplus kWh to determine compensation. SCE applies the amount of net surplus compensation as a credit to the customer's first billing in the next relevant period. Customers may choose to use the bill credit to offset any subsequent energy charges, or request payment from SCE for their bill credit (net of any current charges).

(Q2b) Will the rate be set once or will it be updated periodically?

(A2b) SCE proposes to update NSCR monthly, in order to coincide as closely as possible to the 12-month relevant periods for participating customers.

(Q2c) Are there complexities regarding Renewable Energy Credit (REC) tracking that must be resolved before paying customer-generators for renewable attributes?

(A2c) AB 920 states that renewable attributes will be transferred to the utility upon purchase. In order to address tracking simply, SCE recommends a carve-out for AB 920 such that these RECs would not need to be tracked in WREGIS, but rather the customer would affirm and relinquish ownership to the utility. These RECs would then be countable toward RPS. Compliance with WREGIS proves too burdensome for the large number of NEM customers so, to the extent possible, tracking should be kept simple. However, if the Commission does not wish to provide an exemption to WREGIS accounting, SCE recommends that all current REC eligibility and WREGIS rules be applied to any RECs procured under this program, SCE recommends that all current REC eligibility and WREGIS rules be applied to any RECs procured under this program.

(Q3) Which customers are eligible for Net Surplus Compensation?

(A3) Schedule NEM eligible customers with net surplus generation and bill credits remaining at the conclusion of a customer's relevant period are eligible.

(Q3a) Do customers need QF certification from FERC to qualify for payment?

(A3a) Customers do not have to be certified to qualify for payment, but they do have to have the right to sell wholesale power. Customers looking to sell wholesale power must meet FERC requirements. The easiest way for them to do so would be to certify as QFs. Otherwise, they would need cost-based or market-based rate authority, or an exemption from FERC.

(Q3b) Are there issues regarding FERC interconnection rules that the Commission should consider in implementing Net Surplus Compensation?

(A3b) Yes. With the addition of the Net Surplus Compensation to the existing Net Energy Metering tariff, this has crossed the threshold from a retail energy credit to

a wholesale sale of power to the serving utility. Accordingly, these projects need to be accommodated within the FERC rules for distribution system access that apply to wholesale power sales. This could be accomplished by requiring that projects that receive Net Surplus Compensation be required to be QFs. As a small QF, they could *interconnect* under Rule 21; and their delivery of surplus power to the utility would take place at the interconnection point of the project with the utility distribution system. Other aspects of compliance with the utility's FERC tariff for wholesale distribution access (*e.g.*, taking wholesale distribution service for delivery of energy to the CAISO electric system, arranging for appropriate scheduling with the CAISO, etc.) could be completed by the utility.

(Q3c) Do customers have to meet CEC RPS eligibility and WREGIS metering requirements to receive payment for renewable attributes?

(A3c) In order for the payment to have value within California's RPS program, either: (1) a carve-out is required allowing for countability of RECs toward RPS without WREGIS metering; or (2) all eligibility and WREGIS requirements would have to be met. Otherwise, there would be no RPS benefit received for the payments made to those receiving payment.

(Q3d) Should a customer receive payment for renewable attributes if she has previously sold her REC to a third party?

(A3d) Customers will only receive payment for renewable attributes if they affirm ownership and sell the surplus energy to a utility. Payment for renewable attributes cannot occur if those attributes are not explicitly transferred to the utility in a form that counts toward RPS.

(Q3e) Do the system sizing limitations in § 2827(b)(4), which define an eligible customer generator as one with a system intended primarily to offset part or all of

the customer's own electrical requirements, pertain to eligibility for Net Surplus Compensation?

- (A3e) Under SCE's proposal, which adds net surplus compensation as a special condition of Schedule NEM, the system sizing limitations are a prerequisite for participation. The sizing provisions are important with respect to net surplus compensation as envisioned by AB 920 because the option was clearly added to deal with the narrow instances of net surplus generation options under the PU code prior to AB 920. Other power purchase options currently exist for renewable generators to export energy to the IOU's.
- (Q3f) Will Net Surplus Compensation apply to Consumer Choice Aggregation (CCA) and Direct Access (DA) customers?
- (A3f) To the extent customers are eligible for NEM they are eligible for net surplus generation. However, power purchases at an adopted rate would be at the discretion of the generation service provider, not the IOU.
- (Q3g) Should the Commission require an NEM customer to repay all or a portion of any California Solar Initiative or Self Generation Incentive Program incentives before receiving Net Surplus Compensation?
- (A3b) No. Again, the circumstances under which eligible generators would be expected to produce net surplus energy are limited by the same sizing limitations that apply to NEM customers eligible for CSI and SGIP.
- (Q4) Should the Commission set an interim Net Surplus Compensation Rate to go into effect January 1, 2011 while it continues work to refine details of a Net Surplus Compensation program?
- (A4) SCE fully expects that a net surplus compensation program consistent with AB 920 can be implemented by January 1, 2011, if it is consistent with SCE's proposal. The Commission should recognize the limited nature of the issue that AB 920 was intended to

resolve. The program is not intended to expand the number of customers generating and selling power to the IOU's. The Commission should recognize and plan for the fact that the IOUs will require sufficient time to implement any adopted program that is structurally different than SCE's proposal. Thus, even if the Commission issues a final decision on the net surplus program by January 1, 2011, payments to eligible customers could be delayed for some time to work out implementation details for a structurally different program.

V.

CONCLUSION

SCE's proposal is equitable to both NEM participants and nonparticipating customers, and it satisfies the requirements of AB 920, and SCE looks forward to discussing its proposal and the answers to the questions at the Workshop scheduled for July 9, 2010.

Respectfully submitted,

MICHAEL D. MONTOYA
ANNETTE GILLIAM

/s/Annette Gilliam

By: Annette Gilliam
Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY
2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-4880
Facsimile: (626) 302-1935
E-mail: annette.gilliam@sce.com

June 21, 2010

Attachment A

Attachment A

R.08-03-008 AB920 Sample Calculations

Pursuant to “Assigned Commissioner and Administrative Law Judge Scoping Memo and Ruling” (Ruling), issued June 1, 2010, SCE herein provides a Net Surplus Compensation Rate (NSCR) based on the methodology filed in A.10-03-013.

The Ruling requires that all parties provide sample calculations for a hypothetical residential customer of how their net surplus compensation rate proposals would operate given the scenario(s) indicated below:

Assumptions for all scenarios:

- Customer is residential
- 12 month net energy metering true-up period is January through December 2009

Scenario #1: Bill credit of \$100 but no surplus generation

Scenario #2: Surplus generation of 100 kWh but no bill credit

Scenario #3: Surplus generation of 500 kWh and a bill credit of \$200

SCE Response

As proposed, SCE’s NSCR option, provided as an option under Schedule NEM, Net Energy Metering, requires that the participating customer have net surplus generation over the applicable relevant period. Net surplus generation occurs when the eligible generator produces and exports to the SCE grid more energy (kWh) than is consumed. As such, the customer represented in Scenario #1 would not qualify for net surplus compensation under SCE’s proposed NSCR option.

Similarly, because SCE’s proposed net surplus compensation is based on the customers remaining bill credit at the conclusion of their relevant period, the customer represented in Scenario #2, while eligible for compensation as a net surplus producer, would receive no compensation.

The customer represented in Scenario #3 qualifies for net surplus compensation as a net surplus generator. The customers compensation based on SCE’s NSCR for the applicable relevant period would be \$73.85, calculated by multiplying the customers remaining bill credit of \$200 by a NSCR compensation ratio of 36.92%. The data necessary for the determination of the NSCR Compensation Ratio is included in workpapers with this attachment and in the attached Excel worksheet entitled “*AB 920 Net Surplus Compensation Calculations*”.

Proposed NSCR Compensation Ratio

SCE’s proposed NSCR Compensation Ratio is the ratio of the NSCR and the customers’ otherwise applicable retail rate, for the applicable relevant period. SCE utilizes a relevant period of May 2009 through April 2010 because the MRTU data required did not become available until May 2009.

The NSCR is the average of hourly MRTU Locational Market Prices (LMP), included in tab “CAISO MRTU SP15 LMP” of the attached Excel worksheet, weighted using SCE’s 2009 load profile for

Residential customers, tab “Domestic Load Profile”. Both the LMP and load profile data are publicly available on the CAISO and SCE websites, respectively.

On tab “Weighted Price Matrix”, hourly LMP are multiplied by the applicable hourly load profile ratio (the hourly load divided by the annual load represented in the profile) to produce weighted hourly factors. Averaging of these weighted hourly price factors for the year produces a weighted annual average price for energy for the relevant period of \$37.93 per MWh.

In order to compensate participating customers for the renewable attributes associated with net surplus generation, SCE produces a proxy renewable energy premium based on data collected by the Department of Energy for the Western Electric Coordinating Council (WECC) region. The DOE WECC data is included on tab “DOE Renewable Premium”. The average premium for renewable energy prices reported for the WECC is \$18.30 per MWh. Adding this REC premium to the weighted annual average price for energy determined above gives an NSCR of \$56.23 per MWh.

Dividing the NSCR by the average retail rate for Domestic customers for 2009 of \$152.72 per MWh produces a Compensation Ratio of 36.92%. SCE proposes to multiply the Compensation Ratio by the customers’ bill credit remaining at the conclusion of the relevant period, which reflects the customers’ applicable retail rate, to determine the customers’ net surplus compensation for the relevant period pursuant to AB 920.

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commissioner's Rules of Practice and Procedure, I have this day served a true copy of **PROPOSAL AND SAMPLE CALCULATIONS FOR A NET SURPLUS COMPENSATION RATE OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)** on all parties identified in the attached service list(s).

Transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated.

Executed this **21th day of June, 2010**, at Rosemead, California.

/s/Veronica Flores

Veronica Flores
Project Analyst
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Ave.
Post Office Box 800
Rosemead, California 91770



California Public Utilities Commission

CPUC Home

CALIFORNIA PUBLIC UTILITIES COMMISSION

Service Lists

PROCEEDING: A1003001 - PACIFICORP - FOR AUT

FILER: PACIFICORP

LIST NAME: LIST

LAST CHANGED: JUNE 1, 2010

[DOWNLOAD THE COMMA-DELIMITED FILE](#)
[ABOUT COMMA-DELIMITED FILES](#)

[Back to Service Lists Index](#)

Parties

CHRISTOPHER A. HILEN
 ASSOCIATE GENERAL COUNSEL
 SIERRA PACIFIC POWER COMPANY
 6100 NEIL ROAD
 RENO, NV 89511
 FOR: SIERRA PACIFIC POWER COMPANY

DONALD W. RICKETTS
 28855 KENROY AVENUE
 SANTA CLARITA, CA 91387
 FOR: DONALD W. RICKETTS

ANNETTE GILLIAM
 SENIOR ATTORNEY
 SOUTHERN CALIFORNIA EDISON COMPANY
 2244 WALNUT GROVE AVE. / PO BOX 800
 ROSEMEAD, CA 91770
 FOR: SOUTHERN CALIFORNIA EDISON COMPANY

AIMEE M. SMITH
 SAN DIEGO GAS & ELECTRIC COMPANY
 101 ASH STREET, HQ-12
 SAN DIEGO, CA 92101
 FOR: SAN DIEGO GAS & ELECTRIC COMPANY

FREDERICK M. ORTLIEB
 CITY OF SAN DIEGO
 1200 THIRD AVENUE, 11TH FLOOR
 SAN DIEGO, CA 92101
 FOR: CITY OF SAN DIEGO

DON LIDDELL
 DOUGLASS & LIDDELL
 2928 2ND AVENUE
 SAN DIEGO, CA 92103
 FOR: WAL-MART STORES, INC.

DEAN A. KINPORTS
 SAN DIEGO GAS & ELECTRIC COMPANY
 8306 CENTURY PARK COURT CP32D
 SAN DIEGO, CA 92123
 FOR: SAN DIEGO GAS & ELECTRIC COMPANY

JACQUELINE AYER
 PO BOX 810
 ACTON, CA 93510
 FOR: THE ACTON TOWN COUNCIL

MITCHELL SHAPSON
 CALIF PUBLIC UTILITIES COMMISSION
 LEGAL DIVISION
 ROOM 4107
 505 VAN NESS AVENUE

NORMAN J. FURUTA
 FEDERAL EXECUTIVE AGENCIES
 1455 MARKET ST., SUITE 1744
 SAN FRANCISCO, CA 94103-1399
 FOR: FEDERAL EXECUTIVE AGENCIES

SAN FRANCISCO, CA 94102-3214
FOR: DRA

STACY W. WALTER
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE STREET, MC B30A
SAN FRANCISCO, CA 94105
FOR: PACIFIC GAS AND ELECTRIC COMPANY

ADAM BROWNING
THE VOTE SOLAR INITIATIVE
300 BRANNAN STREET, SUITE 609
SAN FRANCISCO, CA 94107
FOR: VOTE SOLAR INITIATIVE

BRIAN T. CRAGG
GOODIN, MACBRIDE, SQUERI, DAY & LAMPREY
505 SANSOME STREET, SUITE 900
SAN FRANCISCO, CA 94111
FOR: INDEPENDENT ENERGY PRODUCERS
ASSOCIATION

JEANNE B. ARMSTRONG
GOODIN MACBRIDE SQUERI DAY & LAMPREY LLP
505 SANSOME STREET, SUITE 900
SAN FRANCISCO, CA 94111
FOR: SOLAR ALLIANCE

SUE KATELEY
EXECUTIVE DIRECTOR
CALIFORNIA SOLAR ENERGY INDUSTRIES ASSN
PO BOX 782
RIO VISTA, CA 94571
FOR: CALIFORNIA SOLAR ENERGY INDUSTRIES
ASSOCIATION

KEVIN T. FOX
KEYES & FOX LLP
5727 KEITH AVENUE
OAKLAND, CA 94618
FOR: INTERSTATE RENEWABLE ENERGY COUNCIL

MICHAEL E. BOYD
(CARE)
CALIFORNIANS FOR RENEWABLE ENERGY, INC.
5439 SOQUEL DRIVE
SOQUEL, CA 95073
FOR: CALIFORNIANS FOR RENEWABLE ENERGY,
INC.

BERNADETTE DEL CHIARO
CLEAN ENERGY ADVOCATE
ENVIRONMENT CALIFORNIA
1107 9TH STREET, SUITE 601
SACRAMENTO, CA 95814
FOR: ENVIRONMENT CALIFORNIA RESEARCH &
POLICY CENTER

MICHELLE R. MISHOE
PACIFICORP
825 NE MULTNOMAH STREET, SUITE 1800
PORTLAND, OR 97232
FOR: PACIFICORP

Information Only

TARYN CIARDELLA
SR. LEGAL SECRETARY
NV ENERGY
EMAIL ONLY
EMAIL ONLY, NV 00000

MRW & ASSOCIATES, LLC
EMAIL ONLY
EMAIL ONLY, CA 00000

MRW & ASSOCIATES, LLC
EMAIL ONLY
EMAIL ONLY, CA 00000

ELENA P. MELLO
TEAM LEADER
SIERRA PACIFIC POWER COMPANY
6100 NEIL ROAD
RENO, NV 89511

CASE ADMINISTRATION
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVE., PO BOX 800
ROSEMEAD, CA 91770

LAURA M. EARL
SAN DIEGO GAS & ELECTRIC COMPANY
101 ASH STREET, HQ-12
SAN DIEGO, CA 92101
FOR: SDG&E

CENTRAL FILES
SAN DIEGO GAS AND ELECTRIC COMPANY
8330 CENTURY PARK COURT, CP31E
SAN DIEGO, CA 92123

RANDALL J. LITTENEKER
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE STREET, MC B30A
SAN FRANCISCO, CA 94105

WENDY LEI
 RATE CASE COORDINATOR
 PACIFIC GAS AND ELECTRIC COMPANY
 77 BEALE STREET, MAIL CODE B9A
 SAN FRANCISCO, CA 94105

PACIFIC GAS AND ELECTRIC COMPANY
 77 BEALE STREET, MC B9A
 SAN FRANCISCO, CA 94105

CALIFORNIA ENERGY MARKETS
 425 DIVISADERO STREET, SUITE 303
 SAN FRANCISCO, CA 94117

LYNNE BROWN
 VICE PRESIDENT
 CALIFORNIANS FOR RENEWABLE ENERGY, INC.
 24 HARBOR ROAD
 SAN FRANCISCO, CA 94124

CASE ADMINISTRATION
 PACIFIC GAS & ELECTRIC COMPANY
 77 BEALE STREET, MC B9A
 SAN FRANCISCO, CA 94177

COREY MAYERS
 PACIFIC GAS & ELECTRIC COMPANY
 PO BOX 770000
 SAN FRANCISCO, CA 94177-0001

R. THOMAS BEACH
 CALIFORNIA COGENERATION COUNCIL
 2560 NINTH STREET, SUITE 213A
 BERKELEY, CA 94710-2557

SARA BIRMINGHAM
 SOLAR ALLIANCE
 11 LYNN COURT
 SAN RAFAEL, CA 94901

JOY A. WARREN
 MODESTO IRRIGATION DISTRICT
 1231 11TH STREET
 MODESTO, CA 95354

STEVEN KELLY
 INDEPENDENT ENERGY PRODUCERS ASSN
 1215 K STREET, SUITE 900
 SACRAMENTO, CA 95814-3947

ANDREW B. BROWN
 ELLISON SCHNEIDER & HARRIS, L.L.P.
 2600 CAPITOL AVENUE, SUITE 400
 SACRAMENTO, CA 95816-5905

JEDEDIAH J. GIBSON
 ATTORNEY
 ELLISON, SCHNEIDER & HARRIS LLP
 2600 CAPITOL AVENUE, SUITE 400
 SACRAMENTO, CA 95816-5905
 FOR: SIERRA PACIFIC POWER COMPANY

ANN L. TROWBRIDGE
 DAY CARTER & MURPHY LLP
 3620 AMERICAN RIVER DRIVE, SUITE 205
 SACRAMENTO, CA 95864

DIANA SANCHEZ
 DAY CARTER & MURPHY LLP
 3620 AMERICAN RIVER DRIVE, STE. 205
 SACRAMENTO, CA 95864

MARK TUCKER
 PACIFICORP
 825 NE MULTNOMAH, SUITE 2000
 PORTLAND, OR 97232

DATA REQUEST RESPONSE CENTER
 PACIFICORP
 825NE MULTNOMAH, STE. 2000
 PORTLAND, OR 97232

State Service

DOROTHY DUDA
 CALIF PUBLIC UTILITIES COMMISSION
 DIVISION OF ADMINISTRATIVE LAW JUDGES
 ROOM 5109
 505 VAN NESS AVENUE
 SAN FRANCISCO, CA 94102-3214

KAREN P. PAULL
 CALIF PUBLIC UTILITIES COMMISSION
 LEGAL DIVISION
 ROOM 4300
 505 VAN NESS AVENUE
 SAN FRANCISCO, CA 94102-3214
 FOR: DRA

THOMAS ROBERTS
 CALIF PUBLIC UTILITIES COMMISSION
 ENERGY PRICING AND CUSTOMER PROGRAMS BRA
 ROOM 4104
 505 VAN NESS AVENUE
 SAN FRANCISCO, CA 94102-3214

[TOP OF PAGE](#)
[BACK TO INDEX OF SERVICE LISTS](#)