

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



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Order Instituting Rulemaking to Revisit
Net Energy Metering Tariffs Pursuant to
Decision D.16-01-044, and to Address
Other Issues Related to Net Energy
Metering.

Rulemaking 20-08-020
(Filed August 27, 2020)

**OPENING COMMENTS OF DIMENSION RENEWABLE ENERGY TO
ORDER INSTITUTING RULEMAKING 20-08-020**

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October 5, 2020

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I. Introduction

In accordance with Rule 6.2 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), Dimension Renewable Energy [Dimension] submits comments to the Order Instituting Rulemaking 20-08-020 (“Rulemaking”).

Dimension Renewable Energy is a national solar energy and energy storage project developer. Founded in 2018, Dimension is headquartered in Atlanta, with regional offices in New York City and San Francisco. The Dimension team builds on over 1,000 megawatts of solar and battery storage development experience and currently has 100 projects exceeding 300 megawatts of capacity in development nationwide.

Dimension is primarily interested in potential modifications to subsidiary net metering tariffs (VNEM, Agg-NEM, RES-BCT) that may facilitate the development of a viable community solar program in the state. We believe the general initial scope put forward in the

Order Initiating Rulemaking encompasses the issues that need to be addressed, but propose more specificity on the issues to be addressed in several of the scoping items. Dimension also suggests that some items in the proceeding are best considered under a quasi-legislative phase or track of the proceeding.

I. BACKGROUND & INTEREST IN PROCEEDING.

Dimension has extensive experience specifically related to the issues in scope in the instant proceeding and with the California solar market. Our founders and staff, in previous roles, developed, constructed, owned and operated many of California's commercial and institutional solar net metering projects. In addition to this extensive commercial activity, Dimension staff have been intimately involved in California energy policy and solar policy since before the passage of Senate Bill 1 (Murray 2006). This work has included representation for the leading solar association in the state during proceedings relevant to the instant proceeding including the last net metering proceeding (R.14-07-002), the Distribution Resources Planning Proceeding (R.14-08-013), the Integrated Distributed Energy Resources Planning proceeding (R.14-10-003), and the Integrated Resource Planning development proceeding (R.16-02-007). Our staff remain engaged in these proceedings through our work as a non-wires alternative developer and as a recent recipient of a power purchase agreement award in the Disadvantaged Communities Green Tariff-Community Solar program.

Beyond Dimension's experience in California we have developed solar projects in every region of the United States and our staff has been intimately involved in net metering and net-metering-successor policymaking at the legislative and regulatory level in a number of states. This experience includes extensive work on the Value of Distributed Energy Resources (VDER) tariff in New York and the related work to reform marginal cost of service studies, evaluate

environmental value compensation, and determine avoided transmission values. Commercially, Dimension has developed, financed, and sold a number of solar and solar-plus-storage projects under the VDER tariff.

Dimension is responding to the Order and seeking party status within the proceeding with our primary focus being on the development of a successor for the several virtual net metering and net metering aggregation variants, and the Renewable Energy Self Generation Bill Credit Transfer (RES-BCT) program. Dimension appreciates the opportunity to provide these comments and generally supports the broad scope outlined in the Order Instituting Rulemaking (OIR).

Dimension Renewable Energy is a member of the Coalition for Community Solar Access and similarly is interested in the instant proceedings potential for modifying these programs to overcome gaps in being able to serve customers who cannot put a solar system on their own roof and do not live in multifamily housing.

II. KEY ISSUES AND THEIR RELATION TO THE PROPOSED SCOPE

Dimension believes that the proposed scope of the proceeding is broadly inclusive of Dimension's interest in modifications to the various remote crediting programs to facilitate the creation of a community solar program. Additionally, Dimension notes that the Commission generally, and the previous net metering proceeding (R.14-07-002) specifically, have grappled with an expansion of virtual net metering as a means to expand clean energy access to more customers beyond those who can generate clean energy behind their own meter. This proceeding provides a natural forum for continuing this evolution and addressing issues left unresolved in R.14-07-002 and D.16-01-044.

- a. Addressing the cost basis of the virtual net metering credit overcomes the chief concern with expanding virtual net metering and therefore issues related to a value-based tariff with bill credits transferable among customer accounts should be included in the scope of the proceeding**

The OIR recognizes a central tension that has to date held California back from creating a virtual net metering based community solar program like those in other states. The OIR states that “this successor will be a mechanism for providing customer-generators with credit or compensation for electricity generated by their renewable facilities that a) balances the costs and benefits of the renewable electrical generation facility and b) allows customer-sited renewable generation to grow sustainably among different types of customers and throughout California’s diverse communities”; in short, how does the Commission support a cost effective program that allows for broad participation amongst various customers. The February 2018 Alternate Proposed Decision (APD) of Commissioner Guzman Aceves Adopting Alternatives to Promote Solar Distributed Generation in Disadvantaged Communities was the last point that the Commission considered expanding virtual net metering to a broader set of customers.

While the February 2018 APD proposed a virtual net metering proposal based on Commission Staff’s 2015 Neighborhood Virtual Net Metering proposal¹ and party proposals subsequently filed, the APD noted the concern of cost impacts of such a program and that the Commission in D.16-01-044 did not make a determination on the cost-benefit balance of net metering². While the adopted Revised Alternative Decision³ adopted by the Commission does not make a determination on the merits of an expanded VNEM program, the balance of parties

¹ “Staff Disadvantaged Communities Paper”, California Public Utilities Commission Energy Division Staff (R.14-07-002, February 2015)

² Ibid, p.67-68

³ D.1806027 Decision Adopting Alternative to Promote Solar Distributed Generation in DAC

opposed to the February 2018 APD focused on cost concerns and the Commission ultimately chose a different program for providing limited access to disadvantaged communities.

Dimension recognizes that the cost of the bill credit is a valid concern and suggests that the instant proceeding provides an opportunity to address the issue head on, whereas the limited scope for development of facts related to costs and benefits was not available for the decision on disadvantaged communities in 2018. By broaching the issue of the cost basis of the tariff and creating an avoided costs-based and time variant tariff, Dimension believes the Commission can overcome the concerns raised but left unresolved in Commissioner Guzman Aceves' February 2018 APD. Specifically, Dimension believes that virtual net metering should be expanded to more customers while simultaneously being changed to a value of solar tariff comparable to New York's Value of Distributed Energy Resources tariff.

b. Amending the Initial Scope to Explicitly Include Expanding Access to the Net Metering Tariff via its Successor

The OIR includes scoping item 1: "Identification of guiding principles, or goals, to assist in the development and evaluation of different tariff or contract options for the NEM 2.0 successor tariff." Dimension believes this scoping item should be broadened to specifically examine what sets of customers among all classes of customers remain unable to be served by the net energy metering tariff and state policy goals (e.g., Title 24 building code solar provisions) which could be addressed via modified virtual net metering, aggregated net metering, and RES-BCT programs.

c. Amending the Initial Scope to Specifically Address Relation of Bill Credit Value to Avoided Costs and Transferability of Bill Credits

The OIR includes scoping item 2: "Identification of 'program elements,' or specific features that may be included in a NEM 2.0 successor tariff or contract, such as pricing

mechanisms, fees or fee waivers, timing for meter reads and billing, or other items”. This broad scoping item should address the value of the bill credit and transferability of the bill credit more explicitly. Given the extensive work of the Commission to develop more precise distribution and transmission avoided cost values in the Distribution Resources Planning proceeding (R.14-08-013) and their use in the Avoided Cost Calculator in the Integrated Distributed Energy Resources (R.14-10-003) proceeding, the application of those values as a bill credit is a natural item for consideration in the instant proceeding and should be called out explicitly. Relatedly, tariffs such as New York’s Value of Distributed Energy Resources Tariff, allow for the transfer of credits from generator accounts to satellite accounts, as is the case in a more limited manner in California’s VNEM, Agg-NEM, and RES-BCT tariffs. This should be raised explicitly along with the administrative questions of how the generator’s credits are allocated through the utilities’ billing system and any modifications needed thereto.

d. Net Metering Successors- Review of Alternatives Developed in other States

The OIR includes scoping item 3: “Development of a variety of possible options for a NEM successor tariff or contract” and Scoping Item 4: “Analysis of the various elements of a potential NEM 2.0 successor tariff or contract to identify one or more tariff or contract options that will meet the goals of AB 327 and other guiding principles”. While California remains a leader in solar, many states have grappled with the issues of if and when to modify or replace net metering and with what tariff or other mechanism. The consideration of models adopted elsewhere should be included in these scoping items.

e. Dimension Appreciates the Initial Scope Explicitly Including VNEM and Related Programs

Dimension appreciates the Commission's inclusion of scoping item 5 which explicitly calls out the importance of reviewing the net metering related tariffs, specifically "including but not limited to VNEM, VNEM for multifamily affordable housing, NEM aggregation, the Renewable Energy Self Generation Bill Credit Transfer (RES-BCT) program, and other NEM tariffs applicable to different generation sources such as fuel cell customer-generators."

III. CATEGORIZATION, HEARINGS, AND SCHEDULE.

Dimension Renewable Energy generally supports the schedule but is concerned by the proceedings designation as ratesetting. Dimension believes the proceeding could be addressed either in two phases or in parallel policy and ratesetting tracts to balance the need for necessary ex parte limitations on rate setting issues while affording for needed conversation on issues of policy. While this proceeding will determine rates at which distributed energy resources are compensated, the numerous issues of principles, goals, and how tariffs or other compensation mechanisms could be structured and the program managed are best facilitated with the freer dialogue afforded by a proceeding being designated quasi-legislative. Indeed, these numerous issues of policy could be addressed before the Commission considers the specific rate(s) at which generators are compensated. A couple potential options could be for the proceeding to open as quasi-legislative up to and through the filing of parties' proposals. After proposals are made, the proceeding could transition to being rate setting following any determinations by the Commission on interim issues (e.g., the adoption of principles and goals).

IV. NOTICES.

Services of all notices and communications in this proceeding should be directed to the following Dimension representative:

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V. CONCLUSION.

Dimension's participation in this proceeding will not prejudice any party and will not delay the schedule or broaden the scope of the issues in the proceeding. For the reasons stated above, Dimension respectfully requests that the Commission grant it party status and modify the initial scope to address the issues we have raised.

Respectfully submitted,

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