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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Rulemaking 20-08-020

**ADMINISTRATIVE LAW JUDGE'S RULING PROVIDING DETAILS ON
FEBRUARY 8, 2023 WORKSHOP AND SOLICITING RESPONSES TO
RULING QUESTIONS**

On December 15, 2022, the Commission adopted Decision (D.) 22-12-056 that addresses most of the issues in this proceeding, including the adoption of a net billing tariff. However, five outstanding issues need to be considered in this proceeding, including: 1) Virtual Net Energy Metering (VNEM); 2) Net Energy Metering Aggregation (NEMA); 3) consumer protections; 4) the evaluation of the recently adopted net billing tariff; and 5) fuel cell participation in net energy metering. A final decision in this proceeding will address all five remaining issues. The Commission requires additional data and information to complete the record on several issues.

As discussed herein, this Ruling provides greater detail on the previously noticed February 8, 2023 workshop on VNEM and NEMA and poses several questions to parties on the subjects of consumer protections and the required evaluation of the recently adopted net billing tariff. To complete the record on consumer protections and the evaluation of the net billing tariff, parties shall file

comments responding to the attached questions no later than February 24, 2023; replies to the filed comments are due no later than March 3, 2023.

1. VNEM/NEMA Successor Subtariffs Workshop

As previously noticed, a virtual workshop on the successors to the VNEM and NEMA subtariffs will be held on February 8, 2023 beginning at 1:00 p.m. The purpose of the workshop is to obtain additional information to better understand the current mechanics of the VNEM and NEMA subtariffs and to discuss how to synchronize the two subtariffs with related statutes and adopted California climate policies and objectives. The details of the Webex are repeated here for convenience:

Link:

<https://cpuc.webex.com/cpuc/j.php?MTID=m48a1f09f5439d62c8f5b05ee72e895a5>

Webinar number: 2497 891 0960

Webinar password: wkB8hVXsG66 (95284897 from phones)

Join by phone:

1-855-282-6330 United States Toll Free

+1-415-655-0002 United States Toll

Access code: 249 789 10960

As discussed below, the workshop will focus separately on each of the VNEM and NEMA current subtariffs, with overviews of each subtariff's mechanics followed by a panel discussion on how best the Commission should ensure successor subtariffs comply with statute and allow the Commission to meet its climate policies and objectives. The workshop is scheduled to begin at 1:00 p.m. with introductions and a welcome from the assigned Commissioner, President Alice Reynolds. The workshop will turn to an overview on the mechanics of the current VNEM subtariff, presented by the investor-owned utilities (Utilities) and industry representatives. The overview will be followed by an opportunity for the Commission and workshop participants to ask

clarifying questions on the mechanics. A panel of representatives from the industry, Utilities, and ratepayer advocates will then discuss how best to meet statutory compliance while also ensuring the resulting subtariff will allow the Commission to meet its climate policies and objectives. Workshop participants will be invited to ask questions of the panelists. A stretch break will be provided, which will be followed by the same overview and panel format for the NEMA subtariff. The workshop agenda is attached to this ruling as Attachment 1.

Following the February 8, 2023 workshop, the Commission will issue a ruling seeking party responses to questions in order to complete the record on both the VNEM and NEMA subtariffs. A schedule for the ruling and comment cycle is provided below.

2. Consumer Protections

Issue 7 of the Assigned Commissioners Scoping Memo for this proceeding asks the following: What additional or enhanced consumer protections for customers taking service under net energy metering and/or the successor to the current net energy metering tariff should be adopted by the Commission?

While the prior net energy rulemaking (Rulemaking (R.) 14-07-002) adopted several consumer protections for net energy metering customers in D.18-09-044 and D.20-02-011, the newly adopted net billing tariff requires the Commission to consider additional protections related to the new tariff. Additionally, Energy Division has been made aware of concerns regarding billing in the current tariffs and proposes changes with respect to billing for NEM 1.0 and NEM 2.0 tariff customers.

Attached to this Ruling, as Attachment 2, are questions related to Issue 7. Parties are directed to respond to these questions in order for the Commission to

address and finalize Issue 7. Parties shall explain their responses to the questions and provide examples or citations where appropriate.

3. Evaluation of the Net Billing Tariff

Ordering Paragraph 7 of D.22-12-056 authorized the Commission's Energy Division to conduct an evaluation of the net billing tariff adopted in the decision. Noting the record of this proceeding does not contain specifics of the evaluation, the Decision stated that a Ruling would be issued to assist the Commission in better defining parameters, determining the amount of funding, authorizing funding, and creating an implementation plan for such an evaluation. Further, the Commission instructed Energy Division to collect data over the first three years of the newly adopted net billing tariff. Given the record did not contain sufficient information to identify the data to be collected, D.22-12-056 stated that parties would be asked to file comment identifying the needed data.

A set of questions designed to develop the record to address the both the needed data and the evaluation specifics highlighted in D.22-12-056 is attached to this ruling, as Attachment 3. Parties are directed to respond to these question to enable the Commission to finalize these aspects of the evaluation of the net billing tariff as discussed in D.22-12-056.

4. Schedule for Addressing Remaining Issues

The following schedule to address the five remaining issues of this proceeding is established:

Due Date	Activity
February 8, 2023	VNEM/NEMA successor subtariff workshop
February 24, 2023	Comments filed responding to questions contained in Attachment 2 and Attachment 3
March 3, 2023	Reply comments filed on responses to questions contained in Attachment 2 and Attachment 3
Late February/Early March	Ruling issued soliciting comments on VNEM/NEMA workshop questions
+ Four Weeks	Comments filed responding to VNEM/NEMA workshop questions
+ Ten Days	Reply comments filed on responses to VNEM/NEMA workshop questions. Record of the proceeding submitted
+ 90 Days	Proposed decision issued

IT IS RULED that:

1. Parties shall file comments no later than February 24, 2023 responding to the questions contained in Attachment 2 and Attachment 3 of this Ruling; reply comments shall be filed no later than March 3, 2023.

2. The schedule for the remaining issues in this proceeding as established in Section 4 of this Ruling is adopted.

Dated February 1, 2023, at San Francisco, California.

/s/ KELLY A. HYMES
Kelly A. Hymes
Administrative Law Judge

(Attachment 1)

Rulemaking 20-08-020 (Net Energy Metering Tariffs Revisit)

Workshop to Discuss Successors to VNEM and NEMA Subtariffs

February 8, 2023 Schedule

- 1:00 p.m. Welcome and Introductions by Administrative Law Judge Hymes
- 1:05 p.m. Opening Remarks from President Alice Reynolds
- 1:10 p.m. Overview of Agenda and Rules of Engagement by Judge Hymes
- 1:15 p.m. Overview of Current Virtual Net Energy Metering (VNEM) Subtariff Mechanics
- Utility Perspective (15-minute presentation by representative of utilities)
 - Industry Perspective (15-minute presentation by industry representative)
 - Questions and Answers (15-minute session facilitated by Judge Hymes)
- 2:00 p.m. Panel Discussion: Successor Subtariff to VNEM Subtariff
- Panelists (Utilities, Industry, and Ratepayer Representatives) will discuss obstructions to current VNEM subtariff usage and address the following with respect to a successor subtariff: costs and avoided costs, Title 24 interactions, netting, glidepath needs, meeting statutory and climate policy objectives, and enabling storage.
(45-minute panel discussion facilitated by Judge Hymes)
 - Questions and Answers (15-minute session facilitated by Judge Hymes)
- 3:00 p.m. Break
- 3:15 p.m. Overview of Current Net Energy Metering Aggregation (NEMA) Subtariff Mechanics
- Utility Perspective (10-minute presentation by representative of utilities)

- Industry Perspective (10-minute presentation by representative of Agricultural Ind.)
- Questions and Answers (10-minute session facilitated by Judge Hymes)

3:45 p.m. Panel Discussion: Successor Subtariff to NEMA Subtariff

- Panelists (Utilities, Industry, and Ratepayer Advocates) will discuss the following with respect to a successor subtariff: costs and avoided costs, treatment of customers on rates with and with demand charges, and enabling storage.
(30-minute panel discussion facilitated by Judge Hymes)
- Questions and Answers (15-minute session facilitated by Judge Hymes)

4:30 p.m. Wrap Up and Next Steps

4:45 p.m. Adjournment

Note that times are approximate and discussion may continue to, but will not extend beyond, 5:00 p.m.

(End Attachment 1)

(Attachment 2)

Questions Regarding Enhanced Consumer Protections
for the NEM 1.0, NEM 2.0 and Net Billing Tariffs.

Watch List (Decision (D.) 21-06-026) and Non-Compliance

1. What changes, if any, should be made to the list of regulations and rules that solar providers must comply with for purposes of determining whether to include a solar provider on the Watch List?
2. Should Net Billing tariff interconnection applications that fail to adhere to the consumer protection requirements of D. 20-08-001 and D. 21-06-026 be deemed non-compliant for purposes of the Watch List? If yes, propose enforcement and implementation processes.
3. Explain whether investor-owned utilities (Utilities), in consultation with the Commission, CSLB, and DFPI staff, should develop and propose a standardized set of non-compliance criteria through a joint advice letter?

Watch List Removal Process

4. Currently, a solar provider that has been placed on the Watch List will remain listed until the end of the full quarter after which the solar provider was initially placed on the Watch List (i.e., solar providers remain on the Watch List for six months minimum). Should the Commission modify the Watch List duration to remove compliant solar providers from the Watch List after the first quarter (i.e., three months)?
5. Should there be alternate means for a solar provider to be removed from the Watch List other than the natural expiration or by proving compliance with consumer protections through the current removal request process?

Watch List Pre-Approval Reviews

6. Should Utilities be authorized or required to deny a net billing tariff interconnection application that is found by utility staff to be non-compliant with the consumer protection statutes, regulations, or rules enumerated in Section 4 of D.21-06-026?
7. Explain whether Utilities should report the results of their pre-approval enhanced reviews to the Commission with their semi-annual spot audits directed by Ordering Paragraph 10 of D.18-09-044 or through an annual Tier 2 advice letter?\

Customer Billing

8. Historically, net energy metering bills have been complicated and difficult for customers to understand. Explain whether the utilities should be required to garner feedback from parties or other entities on the presentation of net billing tariff customer bills? If yes, how could this be accomplished, e.g., should the utilities host a workshop or be required to report on other information-gathering efforts such as focus groups.
9. Explain whether Utilities should engage with a single, statewide vendor to develop a uniform bill format to maximize readability and optimize understanding and address common customer questions? Explain whether such bill reforms should include Virtual Net Energy Metering tariff beneficiaries? How might such work dovetail with Utilities' ongoing and planned billing system upgrade initiatives? Would it be appropriate for this effort to be funded out of Utilities' Net Billing Tariff memorandum accounts established pursuant to D.22-12-056?
10. **Utilities Only.** For the years 2017-2022, provide annual statistics on how many unique customer inquiries utility received regarding issues with net energy metering bills? How many customer service representative hours were dedicated in these years to net energy metering billing inquiries?

Consumer Education: Misinformation and False Advertising

11. Would it be advantageous for the Commission or Utilities to host a workshop to address solar misinformation and false advertising on social media, mail, radio, and other forms of media? What outcomes, if any, could be anticipated from such a workshop

Consumer Education: Non-Functioning Solar Systems

12. What type of outreach should Utilities engage in to remind their customers to regularly check the performance of their solar systems through their online billing portals or other system monitoring programs?
13. Explain whether Utilities should be required to alert solar customers when their solar systems are non-functioning or under-functioning? If yes, propose the customer type, communication venue, timing, and any other relevant parameters (e.g., to residential solar-only customers, after seven days, but then not again until the next calendar month and allow customers to permanently opt out). Should any method of predicting

which customers may be likely to export power if their solar system is functioning, e.g., solar-only customers whose system capacity covers over a certain percentage of their historical electric load?

Solar Complaint Portals

14. Currently, Utilities are required to submit quarterly advice letters reporting solar consumer complaints received. Explain whether this reporting requirement should be modified or removed?

(End Attachment 2)

(Attachment 3)

Questions Regarding the Evaluation of the Net Billing Tariffs

Evaluation parameters

Decision (D.) 22-12-056 directed that the evaluation of the Net Billing tariff should review the entire tariff with a focus on affordability, equity, and grid benefits, as well as battery dispatch trends. Additional goals that the Commission listed in D.22-12-056 for the net billing tariff include (but are not limited to) improving the reliability of electricity in California, reducing greenhouse gas emissions, encouraging electrification of consumer end uses in transportation and buildings, and protecting consumers.

1. What researchable questions are required to successfully evaluate the net billing tariff and its achievement of the Commission's goals?
2. What metrics should be used in answering the research questions?
3. What types of data are needed to demonstrate the net billing tariff's status according to each recommended metric?
 - a) Describe the data sources, data collecting entity, data collection time intervals, data storage method, upfront and ongoing data collection and storage costs, and any other important factors in deciding which data to collect.
 - b) Describe whether and how data collection should differentiate among any sub-populations, such as customer types, subtariffs (e.g., Net Energy Metering Aggregation, Virtual Net Energy Metering, etc.), generation types, or electrification technology types.
 - c) If proposing the collection of qualitative data, describe how the data should be treated to enable the use of the data in conformity with the Commission's evaluation protocols.
 - d) Describe how the utilities and/or data collecting entity should access any needed data that are held by private entities, e.g., equipment manufacturers or lenders.

Evaluation implementation

As noted in D.22-12-056, the Net Energy Metering Lookback Study was a critical data source for the design and consideration of the net billing tariff. That evaluation, authorized in D.18-09-044, followed a well-established evaluation, measurement, and verification process in the customer-facing demand-side management space, which is summarized as follows:

D.18-09-044 allocated \$2 million, co-funded from the large electric investor-owned utilities (Utilities) public purpose program surcharges, to be set aside for measurement and evaluation of the net energy metering successor tariff. Additionally, it authorized Energy Division to select an independent evaluation consultant through a request for proposal (RFP) process managed by San Diego Gas & Electric Company (SDG&E) on behalf of the Commission for this evaluation work. Energy Division staff drafted the RFP and made the final decision on the winning bidder. After the effective date of the agreement with the selected consultant, SDG&E submitted a Tier 2 advice letter detailing key aspects of the evaluation, including the draft research plan developed by the selected consultant, on the Rulemaking (R.) 14-07-002 proceeding's service list for public review and comment. Stakeholder input was considered and acted on, where warranted. As authorized in D.18-09-044, the Commission's Energy Division Director approved the final research plan by letter. In coordination with Energy Division, the winning consultant hosted a public meeting to allow stakeholders and interested parties to comment and provide input on the draft study report. Finally, a final report was published as part of a ruling and comments were submitted.

With this process in mind, parties should respond to the following implementation questions:

4. Explain whether the evaluation directed by D.22-12-056 should utilize the process outlined above, with or without modifications? If you recommend modifications, explain how you propose to modify the above process.
5. Explain whether the final research plan should be submitted as a compliance filing?
6. By what date should data collection start? Considering your answer to question 1, what timeline of implementation steps would enable data collection to start by your proposed data collection start date?

7. Demand side management evaluation, measurement and verification often relies on a Response to Recommendations¹ process to ensure results or findings of a study are implemented in a program. Explain whether that process should be utilized for this evaluation effort?
8. What compliance requirements should the Commission adopt to facilitate responses to and incorporation of evaluation findings and recommendations?

Evaluation funding

9. What budget should be authorized for this evaluation effort?
10. Explain whether the funding source for the evaluation study should be public purpose program surcharges, as it was for the net energy metering Lookback Study? If not, propose an alternative.

(End Attachment 3)

¹ See https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/cg-evaluations/rtr-process-2021_cg.pdf.