

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

Agenda ID: 18323
RESOLUTION E-5064
May 28, 2020

R E S O L U T I O N

Resolution E-5064. Denying Sierra View Dairy's Petition for Modification of Resolution E-4665.

PROPOSED OUTCOME:

- Denies Sierra View Dairy's Petition for Modification of Resolution E-4665.
- Finds that Southern California Edison Company's implementation of the "Cumulative Bill Credit Allocation Methodology" is consistent with Resolution E-4665.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- There are no considerations associated with this resolution.

By Sierra View Dairy's *Petition for Modification, Amendment and/or Clarification of Resolution E-4665*.

SUMMARY

This Resolution denies Sierra View Dairy's *Petition for Modification, Amendment and/or Clarification of Resolution E-4665*, filed on April 16, 2018. Sierra View Dairy alleges that Southern California Edison Company (SCE) is incorrectly implementing the bill credit allocation methodology for net energy metering aggregation customers with service accounts that are enrolled on time-of-use rate

schedules. This Resolution finds that SCE's implementation of the "Cumulative Bill Credit Allocation Methodology" is consistent with Resolution E-4665.

BACKGROUND

Procedural History

Pursuant to Public Utilities (PU) Code § 2827, net energy metering (NEM) customer-generators can install renewable generation on their property to offset electricity consumed from the grid behind a single onsite meter. Senate Bill (SB) 594 (Wolk, 2012) modified PU Code § 2827 to authorize an eligible customer-generator with multiple meters to elect to aggregate the electrical load of a property, where a renewable generation facility is located, with the load of all properties adjacent or contiguous to that property – with the condition that those properties are solely owned, leased, or rented by the customer-generator. This arrangement is referred to as net energy metering aggregation (NEMA).

Resolution E-4665, issued on July 11, 2014, approved with modifications Southern California Edison Company's (SCE) and San Diego Gas & Electric Company's (SDG&E) advice letters implementing NEMA through their NEM tariffs, pursuant to SB 594 and Resolution E-4610. Resolution E-4665 also approved a methodology for assigning NEM bill credits to multiple meters in a NEMA arrangement.

Pursuant to General Order 96-B § 8.2, Sierra View Dairy (Petitioner) submitted its *Petition for Modification, Amendment and/or Clarification of Resolution E-4665* (PFM) to the California Public Utilities Commission's (CPUC) Energy Division on April 16, 2018. Petitioner asserts that SCE is incorrectly implementing the bill credit allocation methodology adopted in Resolution E-4665 for service accounts that are enrolled on time-of-use rate schedules. Petitioner recommends adoption of an alternative interpretation of the NEMA bill credit allocation methodology.

Petitioner's Previous Complaint

In February 2016, Petitioner completed the installation of a one megawatt (MW) solar renewable facility on his property. Petitioner subsequently enrolled the facility and 16 service accounts in a NEMA arrangement with SCE. On September 14, 2017, Petitioner filed an Expedited Complaint Procedure (ECP)

with the CPUC (Case No. 17-08-009). Petitioner's complaint asserted that SCE had incorrectly implemented the NEMA bill credit allocation methodology adopted in Resolution E-4665 for service accounts that are enrolled on time-of-use rate schedules. On December 6, 2017, the CPUC initiated an Alternative Dispute Resolution (ADR) session between Petitioner and SCE.

On March 16, 2018, the ADR session concluded without resolution. Both parties agreed that a ruling or settlement regarding SCE's NEMA bill credit allocation methodology could impact other NEMA participants, and thus, a PFM of the resolution that established the NEMA bill credit allocation methodology was appropriate to consider the issue. For this reason, on March 16, 2018, Petitioner signed a Settlement Agreement to conclude the ADR session and subsequently filed a request with the CPUC to dismiss ECP Case No. 17-09-008 without prejudice.

NEMA Bill Credit Allocation Methodology

NEMA utilizes a bill credit allocation methodology to apportion renewable kilowatt hours (kWh) generated behind the meter of one account to multiple meters. PU Code § 2827(h)(4)(C) requires that if a customer-generator elects to participate in NEMA and different rate schedules apply to any of the participating meters, for each billing period "the electricity generated by the renewable electrical generation facility shall be allocated to each of the meters in proportion to the electrical load served by those meters." Pursuant to the statute, Resolution E-4665 approved the "Cumulative Bill Credit Allocation Methodology" for assigning NEM bill credits to multiple meters within a NEMA arrangement.

The Cumulative Bill Credit Allocation Methodology resolves an issue caused by electrical load at various NEMA meters fluctuating throughout the year, where one meter can have no load in certain months and extremely high load in other months. In order to avoid a scenario where, at the end of the 12-month Relevant Period¹ for the NEMA billing arrangement, one meter in the arrangement has

¹ A Relevant Period is an interval of time consisting of 12 monthly billing cycles.

more generation allocated than it has load, while another meter has less generation allocated than needed to meet its load, the Cumulative Bill Credit Allocation Methodology calculates the monthly allocation of generation based on the percentage of the cumulative load served by each meter compared to the cumulative load served by the entire NEMA arrangement from the start of the 12-month Relevant Period.

In accordance with Resolution E-4665 Ordering Paragraph (OP) 4, SCE adopted the Cumulative Bill Credit Allocation Methodology through the following language in the NEMA special condition section of its NEM tariff:

The electrical consumption (kWh) registered on each account's meter will be reduced, for NEM billing purposes, by a proportional allocation, at the 15-minute interval level, of the electricity generated by the Renewable Electrical Generating Facility that is exported to SCE's grid. The proportional allocation is determined per billing period based on the cumulative consumption of each aggregated account compared to the cumulative consumption of the NEM Aggregation arrangement since the start of the Relevant Period, and the cumulative generation exported from the Renewable Electrical Generating Facility since the start of the Relevant Period.

The PFM asserts that SCE's application of the Cumulative Bill Credit Allocation Methodology incorrectly allocates generation to NEMA meters that are on time-of-use rates.

NOTICE

Energy Division served Draft Resolution E-5064 on Petitioner, SCE, and members of the service list for Rulemaking (R.)14-07-002.

PROTESTS

SCE submitted a timely protest to Petitioner's PFM on May 16, 2018. In its protest, SCE argues that its application of the Cumulative Bill Credit Allocation Methodology is correct, appropriate, and consistent with statute and CPUC regulations. SCE asserts that Petitioner's alternative interpretation of the

methodology has implementation challenges and other issues that would lead to inaccurate and illogical results. According to SCE, Petitioner's alternative application of the methodology would allocate generation to meters in months and seasons where they should not be allocated. SCE claims that implementing the proposed change in its billing system, assuming it was feasible, would likely be extremely costly.

The California Farm Bureau submitted a letter in support of the PFM on July 2, 2018. The California Farm Bureau states that Petitioner's alternative interpretation of the NEMA bill credit allocation methodology will assure equity and a better understanding of NEMA.

Petitioner replied to SCE's protest on June 1, 2018. Petitioner reasserts its position that SCE is not in compliance with the NEMA bill credit allocation methodology approved in Resolution E-4665. Petitioner maintains that the problem with SCE's implementation of the methodology is that it incorrectly allocates generation to service accounts on time-of-use rates.

Petitioner disagrees with SCE's assertion that Petitioner's proposed alternative does not allocate generation based on when it occurred. Petitioner states that both SCE's application of the methodology and Petitioner's alternative application of the methodology allocate generation in proportion to when the renewable electrical facility's generation took place. Petitioner also questions SCE's claim that the implementation of Petitioner's proposed alternative would be difficult.

DISCUSSION

The CPUC denies Petitioner's PFM. Petitioner asserts that SCE is incorrectly implementing the Cumulative Bill Credit Allocation Methodology adopted in Resolution E-4665. The PFM explains that SCE's practice does not comply with Petitioner's preference for how the methodology should be implemented, but the PFM does not demonstrate that SCE incorrectly implemented the methodology adopted in Resolution E-4665.

We have reviewed the assertions in the PFM, as well as SCE's implementation of the Cumulative Bill Credit Allocation Methodology, and have determined that

SCE's implementation of the methodology for NEMA meters on time-of-use rates is appropriate and in accord with the intent of Resolution E-4665. Resolution E-4665 adopted the Cumulative Bill Credit Allocation Methodology to solve the problem of under- or over-allocating bill credits to individual meters due to load variability at each meter in a NEMA arrangement.² The methodology requires SCE to assign proportional NEM bill credits based on the cumulative load at each meter compared to cumulative load of all meters within the arrangement over the Relevant Period. SCE is properly implementing the approved methodology.

Petitioner's assertion that SCE's application of the methodology violates Resolution E-4665 is without merit. Petitioner has not met its burden of demonstrating that SCE's application of the Cumulative Bill Credit Allocation Methodology is unreasonable. As SCE's methodology is compliant with Resolution E-4665, requiring SCE to implement Petitioner's alternative methodology would be duplicative and an inefficient use of CPUC and ratepayer resources. Due to the costs of implementation, we decline to direct SCE to apply Petitioner's alternative methodology.

COMMENTS

PU Code § 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review. Please note that comments are due 20 days from the mailing date of this resolution. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

² Resolution E-4665 at 13.

FINDINGS

1. Senate Bill 594 (Wolk, 2012) authorized net energy metering aggregation (NEMA), which allows an eligible customer-generator with multiple meters to elect to aggregate the electrical load of a property, where a renewable generation facility is located, with the load of all properties adjacent or contiguous to that property – with the condition that those properties are solely owned, leased, or rented by the customer-generator.
2. Resolution E-4610 directed Southern California Edison Company (SCE) to file an Advice Letter (AL) to implement NEMA in compliance with Senate Bill (SB) 594 and the Ordering Paragraphs of Resolution E-4610.
3. SCE filed AL 2952-E on October 21, 2013, and 2952-E-A on January 15, 2014, to implement NEMA and a bill credit allocation methodology pursuant to SB 594 and Resolution E-4610.
4. Resolution E-4665 approved with modifications SCE AL 2952-E and 2952-E-A and directed SCE to adopt the Cumulative Bill Credit Allocation Methodology for assigning NEM bill credits to multiple meters within a NEMA arrangement.
5. The Cumulative Bill Credit Allocation Methodology allocates renewable energy generated behind the meter of one account to multiple meters within the same account that do not have onsite renewable generation.
6. On April 16, 2018, Sierra View Dairy (Petitioner) submitted a Petition for Modification of Resolution E-4665.
7. Petitioner alleges that SCE’s implementation of the Cumulative Bill Credit Allocation Methodology incorrectly allocates generation to meters that are on time-of-use rates.
8. SCE has applied the Cumulative Bill Credit Allocation Methodology consistent with the language and intent of Resolution E-4665.
9. Because SCE has applied the Cumulative Bill Credit Allocation Methodology in accordance with Resolution E-4665, we conclude Petitioner’s assertion that SCE violated Resolution E-4665 is without merit.
10. Based on the discussion of issues contained in this resolution, we find that requiring SCE to implement Petitioner’s alternative approach would be duplicative and an inefficient use of ratepayer resources.

THEREFORE IT IS ORDERED THAT:

- 1) The Petition to Modify Resolution E-4665, filed April 16, 2018, is denied.

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 May 28, 2020 the following Commissioners voting favorably thereon:

ALICE STEBBINS
Executive Director