PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Agenda ID: 18909 ENERGY DIVISION RESOLUTION E-5078**

**November 19, 2020**

RESOLUTION

Resolution E-5078. Southern California Edison Company (SCE) modifications in various Net Energy Metering (NEM) tariffs and interconnection agreements pursuant to Assembly Bill (AB) 327 (NEM Successor or NEM 2.0) for the California Department of Corrections and Rehabilitation (CDCR).

PROPOSED OUTCOME:

* This Resolution approves modifications in SCE Preliminary Statement Part W, Schedule CGDL-CRS, Schedule NEM-ST, Electric Rule 21, and SCE Forms 16-344-B and 14-974-E applicable to CDCR.
* Approves SCE Advice Letters 4063-E and 4063-E-A, and grants the relief requested by SCE in these Advice Letters.

SAFETY CONSIDERATIONS:

* The proposed modifications are only necessary to implement NEM 2.0 for CDCR and do not entail any safety considerations.

ESTIMATED COST:

* Proposed modifications in NEM tariffs and SCE Forms 16-344-B and 14-974-E support the NEM 2.0 program per AB 327 but entail no net costs to ratepayers

By Advice Letter (AL) 4063-E, filed on August 27, 2019.

By AL 4063-E-A, filed on April 24, 2020.

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# Summary

Southern California Edison Company (SCE) requests approval of modifications in Preliminary Statement Part W, *Departing Load and Customer Generation Departing Load (CGDL) Cost Responsibility;* Schedule CGDL-CRS, *Customer Generation Departing Load Cost Responsibility Surcharge;* Schedule NEM-ST, *Net Energy Metering Successor Tariff;* Rule 21, *Generating Facility Interconnections;* Form 16-344-B, *Net Energy Metering and* *Renewable Electrical Generating Facility Interconnection Agreement (For Use by California Department of Corrections and Rehabilitation Authorized Producers Only*;and Form 14-974-E, *Net Energy Metering and Renewable Electrical Generating Facility Sized Greater Than One Megawatt Interconnection Agreement (For Use by California Department of Corrections and Rehabilitation Authorized Producers Only)*.The CPUC finds the proposed modifications to be necessary to complete the implementation of NEM 2.0 for CDCR, and approves them.

# Background

On June 20, 2014, Governor Brown signed Senate Bill (SB) 862 into law, which, in part, allowed CDCR to qualify as a NEM-eligible customer-generator in PU Code §2827(b)(4)(B) when using a renewable electrical generation technology, or a combination of renewable electrical generation technologies, with a total capacity of not more than 8 MW.

SCE filed AL 3093-E and AL 3083-E-A to implement the changes made by SB 862 related to specific Net Energy Metering (NEM) provisions applicable only to CDCR. AL 3093-E-A was approved by Energy Division on May 8, 2015 (effective September 14, 2014) by a standard disposition letter. Specifically, changes were made to Preliminary Statement Part W, *Departing Load and Customer Generation Departing Load Cost Responsibility,* Electric Schedule NEM, *Net Energy Metering;* Electric Schedule CGDL-CRS, *Customer Generation Departing Load Cost Responsibility Surcharge;* Electric Rule 21 tariff, *Generating Facility Interconnections;* Form 14-732, *Generating Facility Interconnection Application;* Form 14-906, *Schedules NEM, MASH-VNM, NEM-V Net Surplus Compensation Rate and Renewable Energy Credits Compensation Selection Form*; and Form   
14-919, *Rule 21 Generator Interconnection Agreement (GIA) For Exporting Generating Facilities Interconnecting Under The Fast Track Process*.[[1]](#footnote-2)

SCE subsequently filed AL 3221-E to seek approval of deviations to SCE Forms   
14-744 and 16-344 in order for CDCR to fully utilize the unique provisions of SB 862. AL 3221-E was approved by the CPUC on July 23, 2015, per Resolution   
E-4725. Form 14-744 is SCE’s *Net Energy Metering Customer Generation Agreement (CGA)*. This is an agreement that SCE enters into with its customer to allow a third-party producer to utilize the customer’s electrical facilities to interconnect and operate a generating facility in parallel with SCE’s distribution system pursuant to a separate Interconnection Agreement(IA) between SCE and the producer. SCE requested deviations to Form 14-744 that would be applicable solely to CDCR; and implemented these changes as Form 14-744A for Single Party Agreement at a CDCR facility. Because there could be multiple third-party producers at a single CDCR site[[2]](#footnote-3), a separate CGA between SCE and the CDCR would be required to authorize each individual third-party producer to install and operate a Renewable Electric Generating Facility (REGF) at a particular site. Form 16-344 is SCE's *Net Energy Metering and Renewable Electric Generating Facility Interconnection Agreement*; it is the standard NEM IA used by NEM Eligible Customer-Generators. However, because the CDCR entered into the CGA to authorize third-party producers to enter into the NEM IA with SCE, this deviated version of the NEM IA would be utilized by SCE and the CDCR’s authorized   
third-party producers. A separate NEM IA is required for each third-party producer authorized in the CGA.

Assembly Bill (AB) 327 (Perea), Stats. 2013, Ch. 611 was adopted into law on October 7, 2013, to implement the NEM successor tariff (referred to herein as NEM 2.0). On July 10, 2014, Order Instituting Rulemaking (OIR) 14-07-002 (“NEM Successor OIR”) was issued by the CPUC to address the legislative direction given by Public Utilities Code Section 2827.1 to develop a successor to the NEM program authorized in Section 2827. On January 28, 2016, pursuant to AB 327, the CPUC adopted D.16-01-044, which created a NEM successor tariff program. That Decision directed the IOUs to file Tier 2 ALs with their respective NEM successor tariffs, including net metering aggregation, and virtual net metering tariffs, in accordance with the requirements of the decision.[[3]](#footnote-4)

SCE filed AL 3371-E to modify its tariffs, pursuant to D.16-01-044. AL 3371-E was approved by the CPUC on June 23, 2016, per Resolution E-4792.   
The successor tariff, Schedule NEM-ST, became effective on July 1, 2017.[[4]](#footnote-5)

At the time Schedule NEM-ST was last approved, provisions (as indicated in footnote 3) were included to address SB 862; however, those provisions are no longer necessary and could actually preclude the CDCR from fully benefiting from the provisions afforded to all other Interconnection Customers served under Schedule NEM-ST.

On August 27, 2019, SCE filed AL 4063-E. The extant AL proposes to remove languages from Preliminary Statement, Schedules, and forms that are no longer beneficial to CDCR. Additionally, SCE proposes other needed updates to its various tariffs and incorporates relevant changes from SCE’s approved   
Advice 3915-E, which similarly removed special provisions for the Armed Forces relating to SB 862.[[5]](#footnote-6)

On April 24, 2020, SCE filed supplemental AL 4063-E-A to clarify and resolve certain conflicting language in Rule 21, Section D.13.e.[[6]](#footnote-7)

SCE filed the necessary deviations of CDCR existing forms as a Tier 3 AL, pursuant to the provisions of G.O. 96B Energy Industry Rule §5.3(5).

# Notice

Notice of ALs 4063-E and 4063-E-A were made by publication in the Commission’s Daily Calendar. SCE states that a copy of the ALs were mailed and distributed in accordance with Section 4 of General Order 96-B.

# Protests

Advice Letters 4063-E and 4063-E-A were not protested.

# Discussion

ALs 4063-E and 4063-E-A include proposed changes that are necessary to remove SB 862 modifications specific to the CDCR.

The following proposed tariff changes are included in the Preliminary Statement Part W; Schedule CGDL-CRS; Schedule NEM-ST; Rule 21; Form 16-344-B,   
NEM-ST IA (for use by a third-party in conjunction with the CGA);  
Form 14-974-E, NEM-ST IA (for use by a third-party in conjunction with the CGA); and List of Contracts and Deviations. The changes to each document are detailed in the following list.

1. Preliminary Statement Part W, Departing Load and Customer Generation Departing Load (CGDL) Cost Responsibility.
   * Remove the language in footnote “i” which specifically included   
     NEM-eligible systems with a capacity greater than 1 MW that are used by the CDCR as “customer generation”.
2. Schedule CGDL-CRS, Customer Generation Departing Load Cost Responsibility Surcharge.
   * On Item #1 of the Customer Generation Departing Loan Exemptions Table, deleted language in footnote “\*\*” which exempted CDCR Generator Size of up to a maximum of 8 MW.
   * Remove the language in footnote “i” which specifically included   
     NEM-eligible systems with a capacity greater than 1 MW that are used by the CDCR or the United States Armed Forces as “customer generation”.
3. Schedule NEM-ST, Net Energy Metering Successor Tariff
   * Under the Applicability Section, delete language on the special provisions applicable solely to the CDCR when these entities install Generating Facilities with a capacity greater than 1 megawatt (MW).
   * Delete Special Conditions 1.a.ii, which specified CDCR as an Eligible Customer-Generator (Customer) under certain location and operation conditions, generation capacity limits, and wind generation capacity export limit.
   * Delete footnote “iii” in Special Conditions 8.b under “Modifications”, which required any modifications and/or repairs of CDCR generating facilities must not result in the Renewable Electrical Generating Facility exceeding the total generation capacity allowed for under those Special Conditions and the Customer’s annual onsite load..
4. Rule 21, Generating Facility Interconnections
   * Add a paragraph at the end of Section D.13.e to indicate that the time limit for the study of the impacts of the Interconnection Request and transmission and distribution system upgrades described in this section for CDCR do not apply to NEM 2.0.
5. Form 16-344-B, Net Energy Metering and Renewable Electrical Generating Facility Interconnection Agreement (For Use by California Department of Corrections and Rehabilitation Authorized Producers Only)
   * Under Section 2: Summary of Generating Facility and Customer Account, add Section 2.1: Generating Facility Identification Number
   * Under Section 3: Generating Facility Interconnection and Design Requirements, delete the language related to the study time for the impacts of the request to interconnect the Generating Facility.
   * Under Section 3: Generating Facility Interconnection and Design Requirements, delete the language related to distribution and transmission upgrades and revise the study time for the impacts of the request to interconnect the Generating Facility.
   * Remove the following attachments:
     + Attachment A: NEM Study Agreement
     + Attachment B: Additional Terms and Conditions for Projects Requiring Interconnection Facilities and/or Upgrades to SCE’s Distribution and/or Transmission System
     + Attachment B-1: Description and Costs of the Generating Facility, Interconnection Facilities, and Meter Equipment
     + Attachment B-2: Description of Distribution and/or Network Upgrades and Cost Responsibility
     + Attachment B-3: Milestones
6. Form 14-974-E, Net Energy Metering and Renewable Electrical Generating Facility Sized Greater Than One Megawatt Interconnection Agreement   
   (For Use by California Department of Corrections and Rehabilitation Authorized Producers Only)
   * Under Section 3: Generating Facility Interconnection and Design Requirements, delete the language related to the study time for the impacts of the request to interconnect the Generating Facility.
   * Under Section 3: Generating Facility Interconnection and Design Requirements, delete the language related to distribution and transmission upgrades and revise the study time for the impacts of the request to interconnect the Generating Facility.
   * Remove the following attachments:
     + Attachment A: NEM Study Agreement
7. List of Contracts and Deviations
   * SCE’s List of Contracts and Deviations is modified to reflect the deviated Forms 14-974-E and 16-344-B as described above, applicable solely to the CDCR.

The CPUC agrees with the need for the proposed tariff changes to: the Preliminary Statement Part W; Schedule CGDL-CRS; Schedule NEM-ST; Rule 21; Form 16-344-B, NEM-ST IA (for use by a third-party in conjunction with the CGA); Form 14-974-E, NEM-ST IA (for use by a third-party in conjunction with the CGA); and List of Contracts and Deviations. These changes to the tariff are necessary to fully implement NEM 2.0 under Electric Schedule NEM-ST for CDCR.

General Rule Section 9.2.3of G.O. 96-B sets forth that an energy utility may provide service to a government agency under terms and conditions otherwise deviating from their tariffs, and may begin provision of such service without prior CPUC approval, but requires the utility to promptly submit an AL to notify the CPUC of the utility’s provision of such service.

In summary, we find that SCE ALs 4063-E and 4063-E-A were appropriately filed according to General Rule Section 9.2.3of G.O. 96-B. The modifications to SCE Preliminary Statement, schedules, rule, and forms filed in SCE ALs 4063-E and 4063-E-A represent modifications to the provision of service applicable to CDCR, a state government agency, and serve to fully implement the NEM 2.0 provisions afforded to CDCR by AB 327. CDCR had been given preferential treatment under NEM 1.0 due to AB 327. The introduction of NEM 2.0 gives all applicants treatment that is equivalent or more preferential than the terms provided CDCR under NEM 1.0/AB 327. We conclude that the extant ALs restore CDCR interconnection provisions to standard terms and modify the requisite forms to accomplish that end. For these reasons, the proposed tariff changes are approved.

# 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. SCE ALs 4063-E and 4063-E-A seek approval of modifications in Preliminary Statement Part W; Schedule CGDL-CRS; Schedule NEM-ST; Rule 21; Form   
   16-344-B, NEM-ST IA (for use by a third-party in conjunction with the CGA); Form 14-974-E, NEM-ST IA (for use by a third-party in conjunction with the CGA); and List of Contracts and Deviations in order for SCE to implement NEM 2.0 provisions of AB 327 for CDCR.

1. Modifications in Preliminary Statement Part W, *Departing Load and Customer Generation Departing Load (CGDL) Cost Responsibility* are necessary to implement NEM 2.0 at CDCR facilities.

1. Modifications in Schedule CGDL-CRS, *Customer Generation Departing Load Cost Responsibility Surcharge* are necessary to implement NEM 2.0 at CDCR facilities.

1. Modifications in Schedule NEM-ST, *Net Energy Metering Successor Tariff* are necessary to implement NEM 2.0 at CDCR facilities.
2. Modifications in Rule 21, *Generating Facility Interconnections* are necessary to implement NEM 2.0 at CDCR facilities.
3. Modifications in Form 16-344-B, *Net Energy Metering and Renewable Electrical Generating Facility Interconnection Agreement (For Use by California Department of Corrections and Rehabilitation Authorized Producers Only* are necessary to implement NEM 2.0 at CDCR facilities.
4. Modifications in Form 14-974-E, *Net Energy Metering and Renewable Electrical Generating Facility Sized Greater Than One Megawatt Interconnection Agreement (For Use by California Department of Corrections and Rehabilitation Authorized Producers Only)* are necessary to implement NEM 2.0 at CDCR facilities.

1. SCE ALs 4063-E and 4063-E-A meet the requirements of General Rule Section 9.2.3 of GO 96-B, completes the implementation of NEM 2.0 for CDCR authorized by AB 327, and should be approved.

# Therefore it is ordered that:

1. The request of Southern California Edison Company to modify Preliminary Statement Part W, Schedule CGDL-CRS, Schedule NEM-ST, Electric Rule 21, and SCE Forms 16-344 and 14-974 for the interconnection of generating facilities for the California Department of Corrections and Rehabilitation under Electric Schedule NEM 2.0 as requested in Advice Letters 4063-E and 4063-E-A are approved.

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 November 19, 2020; the following Commissioners voting favorably thereon:

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RACHEL PETERSON  
 Acting Executive Director

1. AL 3093-E-A proposed the following tariff changes for CDCR: 1) a specific definition of Eligible Customer-Generator for the CDCR to receive service on Schedule NEM for a Renewable Electric Generating Facility (REGF) that has a total capacity of not more than 8 MW and any wind generation exported to the grid not to exceed 1.35 MW at any time; 2) CDCR net generates and receives a monthly energy credit and may use it to offset any energy charges incurred over the course of the CDCR’s 12-month NEM Relevant Period, 3); CDCR is eligible to receive Net Surplus Compensation (NSC) for Net Surplus Energy generated by the REGF, but CDCR would need to self-certify the REGF as a Qualifying Facility (QF) with FERC using FERC Form No. 556 and notify SCE of its   
   self-certification status; 4) CDCR is exempt from all Standby and Departing Load charges associated with the use of an REGF; 5) SCE will complete transmission and/or distribution system upgrades before issuing Permission to Operate the REGF and CDCR will pay for these upgrades, but not application fees or study costs associated with any NEM Interconnection Request; and 6) the non-export provisions of Rule 21, Section G.1.i and the inadvertent export provisions of Rule 21, Section M will not apply to an REGF for CDCR. [↑](#footnote-ref-2)
2. This means behind the same revenue meter or point of common coupling at a single location. [↑](#footnote-ref-3)
3. See D.16-01-44, Ordering Paragraph (OP) 1 at 119. OP 1 requires that “Not later than 30 days after the effective date of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company must each file a Tier 2 advice letter with their respective net energy metering successor tariffs, including net metering aggregation, and virtual net metering tariffs, in accordance with each and every requirement of this decision.” [↑](#footnote-ref-4)
4. Ordering Paragraph 5 of Resolution E-4792 requires that “Each investor owned utility’s (IOU’s) NEM successor tariff shall take effect when the NEM program limit in each of their service territories is reached, or July 1, 2017, whichever is earlier.” [↑](#footnote-ref-5)
5. SCE filed AL 3915-E on December 13, 2018. It was approved by Energy Division by a standard disposition letter on January 11, 2019. [↑](#footnote-ref-6)
6. The supplemental AL deletes the last sentence of the 1st paragraph in Rule 21, Section D.13.e. [↑](#footnote-ref-7)