

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

**ENERGY DIVISION**

**Agenda Item: 9**  
**AGENDA ID: 19273**  
**RESOLUTION E-5118 (Rev.1)**  
**April 15, 2021**

**R E S O L U T I O N**

Resolution E-5118. Southern California Edison Company's Request in Advice Letter 4175-E to Modify Several Net Energy Metering and Virtual Net Energy Metering Tariffs to Add Provisions for Building Owners Impacted by Disasters.

**PROPOSED OUTCOME:**

- This Resolution approves, with modifications, Southern California Edison Company Advice Letter 4175-E and its proposed modifications to several net energy metering and virtual net metering tariffs related to customers impacted by natural disasters.

**SAFETY CONSIDERATIONS:**

- There is no impact on safety.

**ESTIMATED COST:**

- There may be de minimis costs from the interconnection application fee exemption.

By Advice Letter 4175-E, filed on March 19, 2020.

**SUMMARY**

By this Resolution, the California Public Utilities Commission (CPUC) approves, with two adjustments, additions to several Southern California Edison Company net energy metering and virtual net energy metering tariffs related to customers who wish to replace their renewable distributed generation systems destroyed as a result of disasters. The CPUC authorizes Southern California Edison Company to modify certain tariffs for disaster-impacted customers to: allow sizing replacement renewable distributed generation systems to the estimated load, remove the 10 percent / 1 kilowatt system modification threshold, and exempt customers from the interconnection application fee when reapplying for service. Also, the CPUC authorizes Southern California Edison Company to update its interconnection application forms to provide a means for disaster-impacted customers to identify themselves during the

SCE 4175-E / EPF

interconnection process. The CPUC requires Southern California Edison Company to allow disaster-impacted customers 4 years to apply for interconnection.

## **BACKGROUND**

In response to the 2017 wildfires in California, the CPUC adopted emergency customer protections in Resolutions M-4833 and M-4835 to support investor-owned utility customers affected by disasters. Subsequently, Decision (D.)18-08-004 affirmed that the customer protections identified in Resolutions M-4833 and M-4835 shall go into effect whenever the Governor of California declares a state of emergency and the disaster results in degradation of quality, loss, or disruption of utility service. D.19-07-015 established a permanent set of emergency disaster customer protection measures that the utilities are mandated to implement in the event of a declared emergency. D.18-08-004 and D.19-07-015 also encouraged the utilities to explore additional means of assisting customers impacted by disasters beyond those first adopted in Resolutions M-4833 and M-4835. The CPUC concluded that “[i]t is reasonable to give the electric and natural gas corporations [...] discretion to apply or implement additional relief efforts that are unique to its customer experience, or to the specific type of damage resulting from a disaster [...].”<sup>1</sup>

On March 19, 2020, Southern California Edison Company (SCE) filed Advice Letter (AL) 4175-E to request approval of proposed modifications to several of its net energy metering (NEM) and virtual net energy metering (VNEM) tariff provisions related to customers impacted by disasters.<sup>2</sup> These modifications would apply to customers who rebuild a renewable distributed generation system destroyed by a disaster on the same parcel as their original system. In this Resolution, the CPUC considers the following tariff revisions that would grant specific relief to NEM and VNEM customers beyond the customer protections found in the above-mentioned resolutions and decisions.

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<sup>1</sup> [D.19-07-015](#) at 59.

<sup>2</sup> SCE uses the term “natural disaster,” but this includes both natural and man-made disasters. The AL’s proposed tariff language defines a natural disaster as “[...] an event in affected areas declared in a state of emergency [...],” referring to [Government Code 8558\(b\)](#). Per this code, a state of emergency may be caused by either natural or man-made “[...] conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, plant or animal infestation or disease, the Governor’s warning of an earthquake or volcanic prediction, or an earthquake, or other conditions [...].”

SCE 4175-E / EPF

D.14-03-041 allowed NEM customers to modify or repair renewable distributed generation systems and remain on NEM tariffs for the remainder of their individual 20-year transition periods if the new systems were not increased in size by an amount larger than the greater of 10 percent or 1 kW of the original system size. SCE requests authorization to allow disaster-impacted Schedule NEM, NEM-ST, MASH-VNM, MASH-VNM-ST, NEM-V, NEM-V-ST, and SOMAH-VNM<sup>3</sup> customers to size their replacement system to their new annual load and exceed the 10 percent / 1 kilowatt (kW) system modification threshold, without being required to take service on other eligible tariffs.<sup>4</sup> SCE's proposal would allow these customers to take service on their original tariffs for a 20-year transition period.

SCE also requests authorization to modify its Schedule NEM-ST and NEM-V-ST to exempt disaster-impacted customers from the interconnection application fee when reapplying for service on NEM-ST and NEM-V-ST, as long as the customers' replacement systems are sized to their historic or new annual load and no greater than 1 megawatt (MW) in size.<sup>5</sup> The CPUC established the NEM successor tariff interconnection

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<sup>3</sup> The full tariff names are:

1. NEM: Net Energy Metering,
2. NEM-ST: Net Energy Metering Successor Tariff,
3. MASH-VNM: Multifamily Affordable Solar Housing Virtual Net Metering,
4. MASH-VNM-ST: Multifamily Affordable Solar Housing Virtual Net Metering Successor Tariff,
5. NEM-V: Virtual Net Energy Metering for Multi-Tenant and Multi-Meter Properties,
6. NEM-V-ST: Virtual Net Metering for Multi-Tenant and Multi-Meter Properties Successor Tariff, and
7. SOMAH-VNM: Solar On Multifamily Affordable Housing Virtual Net Metering.

<sup>4</sup> As proposed in SCE AL 4175-E, this provision would retroactively apply to any existing natural disaster-impacted customers who were required to transition to other tariffs due to the existing 10 percent / 1 kW modification threshold.

<sup>5</sup> Additional requirements that SCE proposes for these and the other tariffs mentioned in this Advice Letter include that customers must submit proof of destruction of the Renewable Electrical Generating Facility (REGF) if requested by SCE, and the new interconnection request must be completed by the customer of record who was taking service under the same schedule prior to the natural disaster.

SCE 4175-E / EPF

application fee for systems less than 1 MW in size (except for SASH customers) in D.16-01-044.<sup>6</sup>

Finally, SCE requests authorization to update its interconnection application (Form 14-957) to provide a means for disaster-impacted customers to identify themselves during the interconnection process and benefit from the revisions described above.

SCE proposes to allow disaster-impacted customers to benefit from the above tariff revisions if they receive permission to operate their replacement system, or prove to SCE that a new interconnection request has been submitted, within 2 years after the destruction of the original system.

### **NOTICE**

Notice of SCE AL 4175-E was made by publication in the CPUC's Daily Calendar. SCE states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

### **PROTESTS**

No parties filed protests to SCE AL 4175-E.

### **DISCUSSION**

The CPUC has reviewed SCE AL 4175-E and approves, with two adjustments, the proposed modifications to SCE's NEM and VNEM tariffs therein. As the CPUC encouraged in D.18-08-044 and D.19-07-015, the revisions sought by SCE in AL 4175-E are additional customer support measures that will grant relief to NEM and VNEM customers affected by disasters.

#### **Allowance of sizing replacement systems to new annual loads**

SCE requests that customers impacted by disasters be allowed to size their replacement system to their new annual load and exceed the 10 percent / 1 kW system modification threshold without being required to take service on other eligible tariffs. As noted in Resolution E-4991, D.14-03-041 did not contemplate replacement of systems destroyed by disasters when instituting the 10 percent / 1 kW restriction, and it is likely that customers

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<sup>6</sup> D.16-01-044 at 119 (Ordering Paragraph 2). Current NEM rules, and this resolution, interpret this ordering paragraph as referring to systems less than *or equal to* 1 MW in size, in accordance with the definition of an eligible customer-generator found in Public Utilities Code section 2827(b)(4).

## SCE 4175-E / EPF

will rebuild different homes with different load shapes following a disaster.<sup>7</sup> Customers impacted by disasters should retain flexibility to size replacement systems to the annual load of the new premises. It would be unreasonably restrictive to require customers to limit the size of the replacement systems to the previous annual load.

SCE proposes to retroactively apply this provision to any existing disaster-impacted customers who were required to transition to other eligible tariffs due to the existing 10 percent / 1 kW restriction.<sup>8</sup> This is reasonable because it ensures that customers with the same circumstances (sizing replacement systems to the new load after a disaster) are treated equitably.

The permission to remain on a customer's original tariff would last for 20 years from the customer's original permission to operate date. D.14-03-041 established a 20-year transition period for customers to remain on NEM tariffs (such as Schedules NEM, NEM-V, and MASH-VNM) from the date of interconnection. D.16-01-044 continued the same transition period for the NEM successor tariffs (such as Schedules NEM-ST, NEM-V-ST, MASH-VNM-ST, and SOMAH-VNM). The CPUC approved PG&E AL 4776-E-A, which modified the NEM transition provisions established in D.14-03-041 to allow disaster-impacted NEM customers to replace their systems and remain on the NEM Tariff for the remainder of the 20-year transition period.<sup>9</sup> It is reasonable to allow the same modification for customers of SCE.

### **Exemption from interconnection application fee requirements**

SCE requests to exempt disaster-impacted NEM-ST and NEM-V-ST customers from the interconnection application fee when reapplying for service on either of these tariffs, if the replacement system size is no greater than 1 MW.

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<sup>7</sup> [Resolution E-4991](#) at 5.

<sup>8</sup> SCE proposes this for customers who were made to transition from Schedule NEM to NEM-ST in the AL 4175-E Background section, and provides the following language to implement the proposal in the Proposed Tariff Changes section: "NEM Transition Eligible Customer-Generators [...] who replace a Renewable Electrical Generating Facility due to impacts of a Natural Disaster will remain eligible under this Schedule [...]." SCE AL 4175-E also includes equivalent language in its Proposed Tariff Changes section for Schedules NEM-ST, MASH-VNM, MASH-VNM-ST, NEM-V, NEM-V-ST, and SOMAH-VNM.

<sup>9</sup> The CPUC approved PG&E AL 4776-E-A via standard disposition on July 12, 2016.

## SCE 4175-E / EPF

According to SCE, approval of this request will not result in rate impacts to SCE's customers.<sup>10</sup> From data provided by SCE, an average of 175 NEM customers are impacted annually by natural disasters, which is 0.4 percent of the 45,912 average annual installations. In addition, SCE believes that disaster-impacted customers will not seek interconnection all at once, so the 175 or so applications will occur gradually over each year. Therefore, SCE states that it should be able process the applications without impacts to current performance and with minimal or no additional costs (e.g. staffing). Finally, SCE states that, should future events increase the number of impacted customers to an extremely high volume, SCE would consider filing proposals with the CPUC to modify these provisions accordingly.

The CPUC finds it reasonable to approve SCE's second request. Disaster-impacted NEM-ST and NEM-V-ST customers have already paid the interconnection fee established by D.16-01-044 when they first applied for interconnection. As noted in Resolution E-4991, customers should not be required to pay the fee a second time for a replacement system following a disaster. The size limitation is reasonable because systems larger than 1 MW are subject to a different cost responsibility framework, as established in D.16-01-044, and must pay for all interconnection upgrade costs.

*Adjustment to tariffs with an interconnection application fee exemption*

Besides NEM-ST and NEM-V-ST, AL 4175-E proposes modifications to SCE's Schedules NEM, MASH-VNM, NEM-V, MASH-VNM-ST, and SOMAH-VNM. Of these, only Schedules MASH-VNM-ST and SOMAH-VNM require customers to pay an interconnection application fee. We find that the above reasons to exempt disaster-impacted NEM-ST and NEM-V-ST customers from the fee also apply to customers on these other rate schedules. Therefore, it is reasonable to require SCE to exempt disaster-impacted MASH-VNM-ST and SOMAH-VNM customers from the interconnection application fee when reapplying for service on either of these tariffs, if the replacement system size is no greater than 1 MW.

**Updates to interconnection application form**

SCE requests to update its interconnection application form to provide a means for disaster-impacted customers to identify themselves during the interconnection process and benefit from the revisions described above. The CPUC finds this proposal reasonable because it will allow disaster-impacted NEM and VNEM customers to avail themselves of the new consumer assistance measures described above.

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<sup>10</sup> SCE response to a data request, dated November 4, 2020.

SCE 4175-E / EPF

**Adjustment to deadline to apply for interconnection**

SCE proposes to allow disaster-impacted customers to benefit from the above tariff revisions if they receive permission to operate their replacement system, or prove to SCE that a new interconnection request has been submitted, within 2 years after the destruction of the original system. This proposal aligns with PG&E's proposal in its AL 5404-E, which the CPUC approved in Resolution E-4991.<sup>11</sup> Many Californians impacted by recent disasters (such as wildfires) have required more than 2 years after a disaster to replace their buildings and renewable distributed generation systems. The rebuilding process can be prolonged by delays in environmental remediation, insurance payments, building permits, builder availability, and other factors. Therefore, we will require SCE, and encourage PG&E, to change the 2-year time limit to a 4-year time limit.

In implementing this change, the CPUC will permit SCE to institute a process by which disaster-impacted customers must notify SCE within 2 years after a disaster of their intention to rebuild and take advantage of the relief measures proposed in AL 4175-E. According to SCE, such a process will help SCE work with these customers and plan for their systems' interconnection.<sup>12</sup>

The CPUC finds that SCE's proposed tariff revisions are reasonable and in the public interest. The CPUC therefore approves SCE AL 4175-E, which grants relief to disaster-impacted NEM and VNEM customers consistent with the CPUC's reasoning in D.18-08-004 and D.19-07-015, with the above adjustments. In addition to encouraging PG&E to change its deadline for customers to apply for interconnection after a disaster as stated above, the CPUC encourages San Diego Gas & Electric Company to file an advice letter to grant the relief measures described herein to any of its customers who are impacted by disasters.

**COMMENTS**

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days' public review. Section 311(g)(2) provides that this 30-day 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

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<sup>11</sup> [Resolution E-4991](#)

<sup>12</sup> SCE response to a data request, dated December 24, 2020.

SCE 4175-E / EPF

comments on March 5, 2021. The Commission did not receive any comments on the draft resolution.

## **FINDINGS**

1. Southern California Edison Company filed Advice Letter 4175-E on March 19, 2020.
2. Decision (D.) 18-08-004 and D.19-07-015 encouraged the investor-owned utilities to undertake additional efforts to assist customers impacted by disasters beyond the customer protections adopted in Resolutions M-4833 and M-4835.
3. The relief requested by Southern California Edison Company in Advice Letter 4175-E is in the public interest and consistent with the California Public Utilities Commission's reasoning in Decision (D.) 18-08-004 and D.19-07-015.
4. It is reasonable to approve Southern California Edison Company's request to modify the existing provisions in the net energy metering tariffs (including virtual net energy metering tariffs) listed in Advice Letter 4175-E, to allow customers impacted by disasters to size replacement systems on the same parcel to the annual load of their new premises and remain on their existing net energy metering tariffs for the remainder of their individual 20-year transition periods.
5. It is reasonable to approve Southern California Edison Company's request to exempt customers on the Net Energy Metering Successor Tariff or Virtual Net Metering for Multi-Tenant and Multi-Meter Properties Successor Tariff who were impacted by disasters from the interconnection application fee when reapplying for service, as long as their replacement systems are sized to their historic or new annual load and are no greater than 1 MW.
6. It is reasonable to require Southern California Edison Company to exempt customers on the Multifamily Affordable Solar Housing Virtual Net Metering Successor Tariff or Solar On Multifamily Affordable Housing Virtual Net Metering Tariff who were impacted by disasters from the interconnection application fee when reapplying for service, as long as their replacement systems are sized to their historic or new annual load and are no greater than 1 MW.
7. It is reasonable to approve Southern California Edison Company's request to update its interconnection application form to provide a means for customers impacted by

SCE 4175-E / EPF

disasters to identify themselves during the interconnection process and benefit from the revisions proposed in Advice Letter 4175-E.

8. Given delays inherent to the rebuilding process, the deadline for disaster-impacted customers to apply for interconnection of their replacement systems should be 4 years after destruction of the system, rather than 2 years.
9. It is reasonable to allow Southern California Edison Company to require disaster-impacted customers to notify it of their intention to rebuild and take advantage of the relief measures proposed in Advice Letter 4175-E within 2 years after destruction of the system.

**THEREFORE, IT IS ORDERED THAT:**

1. The request of Southern California Edison Company to modify its net energy metering and virtual net energy metering tariffs to assist customers impacted by disasters, as described in Advice Letter 4175-E, is approved with modifications.
2. Southern California Edison Company shall submit a Tier 1 advice letter within 30 days to alter the requirements in the tariff sheets and interconnection application form discussed herein. Namely, Southern California Edison Company shall 1) exempt customers on the Multifamily Affordable Solar Housing Virtual Net Metering Successor Tariff or Solar On Multifamily Affordable Housing Virtual Net Metering Tariff who were impacted by disasters from the interconnection application fee when reapplying for service, as long as their replacement systems are sized to their historic or new annual load and no greater than 1 MW; 2) change the maximum period from destruction of the original renewable distributed generation system to the permission-to-operate date of the replacement system (unless reasonable documentation acceptable to Southern California Edison Company is provided showing that a new interconnection request has been submitted) from 2 years to 4 years; and 3) institute a process by which disaster-impacted customers must notify Southern California Edison Company within 2 years after a disaster of their intention to rebuild and take advantage of the relief measures proposed in Advice Letter 4175-E.

SCE 4175-E / EPF

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 April 15, 2021; the following Commissioners voting favorably thereon:

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RACHEL PETERSON  
Executive Director