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January 16, 2009

Curtis Seymour  
Energy Division,  
California Solar Initiative and Distributed Generation  
California Public Utilities Commission  
505 Van Ness Avenue,  
San Francisco, CA 94102

**Re: Reply Comments for the January 8, 2009 AB2466 Workshop**

Dear Mr. Seymour:

At the invitation of the Energy Division, PG&E submits these comments in response to discussions at the January 8, 2009 Workshop regarding the implementation of Assembly Bill (AB) 2466 which came into law on January 1, 2009 (See also CA PU Code 2830). The new law allows a "Local Government" to install "eligible renewable generation" at one of its accounts, and any exports to the grid from that generator account can be applied to the generation component of the energy usage charges for other nearby "benefitting accounts" owned by the same Local Government.

PG&E proposes that implementation of the true-up be augmented to allow for greater use of any accrued generation credits. Currently, PU Code sections 2830 (c) (4 and 5) only stipulates that:

(4) If, during the billing cycle, the bill credit applied pursuant to paragraph (2) exceeds the generation component of the electricity usage charges, the difference shall be carried forward as a financial credit to the next billing cycle.

(5) After the electricity usage charge pursuant to paragraph (1) and the credit pursuant to paragraph (2) are determined for the last billing cycle of a 12-month period, any remaining credit resulting from the application of this section shall be reset to zero.

PG&E believes the allowing the credits to be tallied over the entire year, instead of only going forward to the next month is within the purview of the existing legislation.

Enhancing the true-up in this way would have the advantage of reducing the interconnection time sensitivity of credit benefits for seasonal types of generation such as solar and other more intermittent types of generation. For example, if a solar customer interconnects in the early winter months when the generation credits are low, they are likely to see charges early in the reconciliation period, and credits later. Since P.U. Code section 2830 (c) (4) states credits are carried forward, the credits earned later in the reconciliation period could not be applied to



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charges incurred earlier in the reconciliation period. Adding a full true-up of credits and charges at the end of the reconciliation period would remedy this situation and would not artificially dictate the time of year a generator could interconnect.

PG&E appreciates the opportunity to comment on AB 2466. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "David Rubin / la".

David Rubin  
Director, Pricing and Payment Products

cc: Nick Chaset, CPUC  
Damon Franz, CPUC