

September 10, 2020

**Advice 5945-E**  
**(Pacific Gas and Electric Company ID U 39 E)**

**Advice 4291-E**  
**(Southern California Edison Company U 338-E)**

**Advice 3606-E**  
**(San Diego Gas & Electric Company U 902-E)**

Public Utilities Commission of the State of California

**Subject**      **Joint Advice Letter Submission of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company With Proposed “Common Function” Definition Requirement for General Market Virtual Net Energy Metering Successor Tariffs Pursuant to Decision 20-08-002, Ordering Paragraph 5**

**Purpose**

Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E), (collectively the Joint Utilities), submit this joint advice letter to propose additional modifications regarding a “common function” to the definition of property in their respective general market Virtual Net Energy Metering (VNEM) rate schedules pursuant to California Public Utilities Commission (CPUC or Commission) Decision (D.) 20-08-002 Ordering Paragraph (OP) 5. This advice letter is being submitted concurrently **with an advice letter from PG&E (AL 5942-E per OP3), and from SCE (AL 4290-E per OP4)**, which include a new, specified definition of “property” to align with that of SDG&E.

**Background**

In February 2009, the Joint Utilities submitted advice letters pursuant to D.08-10-036<sup>1</sup> OP5 to create VNEM Rate Schedules for low income property receiving incentives under Multifamily Affordable Solar Housing (MASH) Program. They included a limitation that the buildings must be served from one customer service delivery point.

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<sup>1</sup> [D. 08-10-036](#) *Decision Establishing Multifamily Affordable Solar Housing Program Within The California Solar Initiative* – Issued October 20, 2008.

Shortly thereafter in 2010, advice letters were submitted by the Joint Utilities that included a new definition of that allowed VNEM for a single low-income housing enterprise on contiguous parcels of land.

In 2011, pursuant to D.11-07-031<sup>2</sup> OP 2 the Joint Utilities submitted tariffs to effectively spinoff from low income VNEM, a new general market VNEM (NEMV for PG&E, NEM-V for SCE, NEM-V for SDG&E) “**served by a single service delivery point.**”

These tariffs incorporated the D. 11-07-031 OP 17 requirement that general market VNEM metering tariff limitation to a service delivery point (SDP) be expanded slightly to allow Customer-owned line extensions that deliver power to other meters on the same Property. Notably the modification prescriptively minimal, and a definition comparable to that for the low-income program for multiple parcels on contiguous parcels was not adopted.

In 2016, with the Joint Utilities legislated net energy metering enrollment cap approaching, D. 16-01-044<sup>3</sup> laid out the requirements for the net energy metering successor. The Joint Utilities’ ALs were submitted and approved in time creating each Joint Utilities’ successor tariffs. Notably, D.16-01-044 required for general market VNEM’s applicability that:

*“...the [Virtual Net Energy Metering (VNM)] tariff should be expanded **to allow multiple service delivery points at a single site** under the tariff. This has been allowed under the MASH VNM tariff since the adoption of D.11-07-031, and has been used successfully by participants, without administrative problems.”*  
[emphasis added]

Resolution E-4792<sup>4</sup> approving the Joint Utilities’ successor tariffs<sup>5</sup> adopting the property definition above, which then went into effective upon reach each of the Joint Utilities reaching its NEM cap or the mandated regulatory program deadline.

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<sup>2</sup> [D. 11-07-031](#) California Solar Initiative Phase One Modification – Issued July 20, 2011.

<sup>3</sup> [D. 16-01-044](#) - Decision Adopting Successor To Net Energy Metering Tariff – Issue February 5, 2016.

<sup>4</sup> Resolution [E-4792](#). Adoption of PG&E’s, SCE’s and SDG&E’s Net Energy Metering (NEM) successor tariffs as directed by Decision 16-01-044. Issued June 24, 2016.

<sup>5</sup> Pacific Gas & Electric Company (PG&E) AL 4802-E/A, Southern California Edison Company (SCE) AL 3371-E and San Diego Gas & Electric Company (SDG&E) AL 2860-E/A (collectively, NEM successor tariff ALs), filed on February 29, 2016. (per E-4792 page 1)

On November 20, 2019, CALSSA<sup>6</sup> filed a petition for modification<sup>7</sup> (PFM) D.16-01-044, requesting the Commission, in CALSSA's words, to "*resolve ambiguity in the way that eligible properties are defined for purposes of participation in...VNEM.*"

On August 11, 2020, D. 20-08-002<sup>8</sup> was issued in response to CALSSA's PFM. The Commission held that CALSSA's PFM failed to justify its late submission, pursuant to Rule 16.4(d). Nevertheless, the Commission concludes that Non-MASH VNEM eligibility should be the same as for MASH VNEM). Per the Decision:

*"The Commission's intent is apparent from D.16-01-044, which adopted the CALSEIA (now CALSSA) proposal without modification: to make VNEM eligibility requirements for non-MASH multifamily and multitenant customers the same as for affordable housing tenants. **Specifically, customers or accounts behind multiple service delivery points and on multiple contiguous parcels (whether tax /assessor or legal)** may take service on a VNEM tariff, and thereby receive credits from the same eligible renewable generating facility, provided those customers or accounts are part of the same multitenant or multi-meter facility (as specified in each electric IOU's VNEM tariff)."*<sup>9</sup> [emphasis added]

Consequently, D. 20-08-002 OP 3 (for PG&E), OP4 (for SCE) requires:

*"Within 30 days after the issue date of this decision, Pacific Gas and Electric Company shall submit a Tier 2 advice letter proposing revisions to its NEM2V tariff to make effective the following definition of "Property": Property: All of the real property and apparatus employed in a single multi-tenant or multi-meter facility on contiguous parcels of land. These parcels may be divided by a dedicated street, highway or public thoroughfare or railway, so long as they are otherwise contiguous, part of the same single multitenant or multi-meter facility, and all under the same ownership."*

As noted above, this Tier 2 advice letter is being submitted concurrently with an AL by PG&E and SCE to incorporate and align with SDG&E the specific language above for the property definition for each Joint Utilities' respective general market VNEM tariff. PG&E notes that if and until this Advice Letter is approved, the size of the NEM2V arrangement is only limited by commonly owned and contiguous parcels.

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<sup>6</sup> On February 8, 2018, The California Solar Energy Industries Association filed a notice of name change to California Solar & Storage Association (CALSSA).

<sup>7</sup> Petition for Modification of the California Solar & Storage Association Regarding Clarification of Virtual Net Energy Metering Eligibility Requirements, filed November 20, 2019 (Petition), at 1.

<sup>8</sup> D. 20-08-07 Decision Modifying Decision 16-01-044 Regarding Virtual Net Energy Metering Eligibility Requirements - Date of Issuance 8/11/20

<sup>9</sup> D. 20-08-007, Page 9.

Although CALSSA's PFM did not seek to have "common function" removed from the definition of "property", and no party requested this, the decision removed this term from the prescribed definition. No discussion of or reference to the "common function" requirement in the PG&E and SCE tariffs was undertaken by any of the petition, the Proposed Decision (PD), or the Administrative Law Judge's May 13, 2020 ruling that preceded the PD.

Concerning OP 5, the subject of this advice letter, D. 20-08-002 notes:

*In comments jointly filed to the proposed decision, the large electric IOUs emphasize the importance of retaining the requirement, contained in PG&E's and SCE's current tariffs but not in SDG&E's, that an eligible property serve a **common function**. The electric IOUs assert that retaining this requirement helps prevent a customer from taking on LSE responsibilities. In reply comments to the proposed decision, CALSSA questions the necessity of including the "common function" requirement and further raises concern that the electric IOUs may interpret "common function" inconsistently, given there is no explicit definition of the term in either PG&E's or SCE's tariffs. Given the concerns raised by CALSSA, we will not require the electric IOUs to include the "common function" requirement in their respective general market VNEM tariffs, but they may propose to do so as part of proposing modifications to their respective general market VNEM tariffs. **If the electric IOUs propose including the "common function" requirement in the definition of an eligible property, as part of proposing modifications to their respective general market VNEM tariffs, they must each include a proposed definition of "common function" that is the same across all three IOUs. We urge the IOUs to engage with stakeholders on these proposed modifications prior to submitting them for approval.***

Consistent with OP 5, Joint Utilities seek to pursue the option to include a definition of "common function" to further clarify and delimit the definition being adopted in the OP3 advice letter.

On September 3, 2020, representative of the Joint Utilities met with representatives of CALSSA and Blue Sky (the Stakeholders) in a confidential meeting under CPUC Rule of Practice and Procedure 12.6 to discuss a proposed definition for "common function". Joint Utilities and Stakeholders were unable to reach agreement.

Joint Utilities submit this Tier 2 Advice Letter in accordance with OP 5 today September 10, 2020, in a timely fashion 30 days after the issuance of D. 20-08-002 (on August 11, 2020). Upon approval of this Advice Letter, Joint Utilities will each submit a subsequent advice letter with the corresponding tariff changes.

## Proposed Tariff Revisions

This advice letter proposes to modify (in red) the definition of Property in each IOUs general market VNEM tariff as follows:

*Property: All of the real property and apparatus employed in a single multi-tenant or multi-meter facility on contiguous parcels of land. These parcels may be divided by a dedicated street, highway or public thoroughfare or railway, so long as they are otherwise contiguous, part of the same single multitenant or multi-meter facility, and all under the same ownership.*

*The accounts located on the parcels in the VNEM arrangement must serve a Common Function. "Common Function" in the context of VNEM shall mean:*

- All accounts are either Commercial or Residential, but not both (unless the mixed use is on a single parcel); AND*
- The accounts serve a branded single enterprise; AND*
- The customer of record responsible for the generator account cannot otherwise serve as a Load Serving Entity.*

This Joint Utilities' proposed "common function" requirement will help limit the applicability of the tariff and the availability of VNEM benefits, which includes a substantial subsidy from bundled customers, many of whom cannot access the benefits of rooftop solar. Without the "common function" requirement, substantial adverse consequences can be anticipated, including extending the inequitable net metering cross-subsidy at a time when the Commission is preparing to fix it, and introducing system reliability issues attendant to incenting large solar generators serving diverse enterprises behind the meter.

## Protests

**\*\*\*Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com\*\*\***

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than September 30, 2020, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4th Floor  
San Francisco, California 94102  
Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above. The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

For PG&E Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, California 94177  
Facsimile: (415) 973-3582  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

For SCE Gary A. Stern, Ph.D.  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
Telephone: (626) 302-9645  
Facsimile: (626) 302-6394  
Email: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Laura Genao  
Managing Director, State Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2030  
San Francisco, California 94102  
Facsimile: (415) 929-5544  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

For SDG&E Greg Anderson  
Regulatory Tariff Manager  
E-mails: [GAnderson@sdge.com](mailto:GAnderson@sdge.com)  
[SDGETariffs@sdge.com](mailto:SDGETariffs@sdge.com)

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was

sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

### **Effective Date**

PG&E requests that this Tier 2 advice submittal become effective on regular notice, October 10, 2020, which is 30 calendar days after the date of submittal.

### **Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service lists for R. 14-07-002 (NEM) and R.07-07-007 (Rule 21). Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at:

/S/

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Erik Jacobson  
Director, Regulatory Relations

cc: Service List R.17-07-007  
Service List R. 14-07-002



# ADVICE LETTER SUMMARY

## ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5945-E et al.

Tier Designation: 2

Subject of AL: Joint Advice Letter Submission of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company With Proposed "Common Function" Definition Requirement for General Market Virtual Net Energy Metering Successor Tariffs Pursuant to Decision 20-0

Keywords (choose from CPUC listing): Compliance, Metering

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.20-08-002

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date: 10/10/20

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.



**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Erik Jacobson, c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility Name: Pacific Gas and Electric Company  
Address: 77 Beale Street, Mail Code B13U  
City: San Francisco, CA 94177  
State: California Zip: 94177  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx: (415)973-3582  
Email: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: District of Columbia Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

**PG&E Gas and Electric  
Advice Submittal List  
General Order 96-B, Section IV**

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Redwood Coast Energy Authority
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
Alta Power Group, LLC	Energy Management Service	SCD Energy Solutions
Anderson & Poole	Engineers and Scientists of California	
Atlas ReFuel	GenOn Energy, Inc.	SCE
BART	Goodin, MacBride, Squeri, Schlotz & Ritchie	SDG&E and SoCalGas
Barkovich & Yap, Inc.	Green Power Institute	SPURR
California Cotton Ginners & Growers Assn	Hanna & Morton	San Francisco Water Power and Sewer
California Energy Commission	ICF	Seattle City Light
California Public Utilities Commission	IGS Energy	Sempra Utilities
California State Association of Counties	International Power Technology	Southern California Edison Company
Calpine	Intestate Gas Services, Inc.	Southern California Gas Company
Cameron-Daniel, P.C.	Kelly Group	Spark Energy
Casner, Steve	Ken Bohn Consulting	Sun Light & Power
Cenergy Power	Keyes & Fox LLP	Sunshine Design
Center for Biological Diversity	Leviton Manufacturing Co., Inc.	Tecogen, Inc.
Chevron Pipeline and Power	Los Angeles County Integrated	TerraVerde Renewable Partners
City of Palo Alto	Waste Management Task Force	Tiger Natural Gas, Inc.
City of San Jose	MRW & Associates	TransCanada
Clean Power Research	Manatt Phelps Phillips	Troutman Sanders LLP
Coast Economic Consulting	Marin Energy Authority	Utility Cost Management
Commercial Energy	McKenzie & Associates	Utility Power Solutions
Crossborder Energy	Modesto Irrigation District	Water and Energy Consulting Wellhead
Crown Road Energy, LLC	NLine Energy, Inc.	Electric Company
Davis Wright Tremaine LLP	NRG Solar	Western Manufactured Housing
Day Carter Murphy	Office of Ratepayer Advocates	Communities Association (WMA)
Dept of General Services	OnGrid Solar	Yep Energy
Don Pickett & Associates, Inc.	Pacific Gas and Electric Company	
Douglass & Liddell	Peninsula Clean Energy	