CALIFORNIA FARM BUREAU FEDERATION
OFFICE OF THE GENERAL COUNSEL
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Sent via E-Mail
EDtariffunit@cpuc.ca.gov

September 9, 2013

ED Tariff Unit
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Draft Resolution E-4610/Response to Comments Submitted September 5, 2013

Energy Division Tariff Unit:

In accordance with the schedule established by the email dated August 27th from Mr. Castillo, California Farm Bureau Federation, Agricultural Energy Consumers Association, The Wine Institute, and California Climate and Agriculture Network ("Agricultural Parties") [1] provide this Response to the Comments Submitted on September 5, 2013 on Draft Resolution E-4610. Agricultural Parties reiterate their support for the Resolution as reflected in their joint support with other parties attached to this Response, which expressed support for the Resolution's findings. None of the comments submitted refute such findings in a manner that would prevent adoption of the Resolution, and, in fact, several comments provide additional support for the finding made in the Resolution.

The focus in this Response is on the comments submitted by Pacific Gas and Electric Company, San Diego Gas and Electric Company, and Southern California Edison Company, who all oppose the Resolution in whole or in part. Agricultural Parties respond to those comments by grouping them into the following categories for discussion: billing issues, interconnection issues, and general overall cost issues.

[1] All of the parties have authorized California Farm Bureau Federation to submit this response on their behalf.

General Overall Cost Issues

At the outset, it should be noted the appropriate analysis to conduct, as the Resolution does, is whether aggregation changes any impacts by comparing what the NEM program looks like with or without aggregation.[2] It is that fundamental comparison which leads to the conclusion of the Resolution, and which PG&E attempts to miscast by suggesting a nonsensical comparison of aggregation to no net metering.[3] Although how the costs and benefits of net metering ultimately measure up form myriad studies will be further debated, the Statute did not require an overall examination of net metering costs and benefits to reach the required finding. What the Resolution appropriately recognizes is that the "headroom" currently existing between the NEM cap and the current penetration of NEM usage will likely be consumed more by non-residential customers under aggregation, who contribute more substantially to system costs than do residential customers.

PG&E and Edison both make misleading claims about general costs in their attempts to bolster their arguments. PG&E attempts to litigate Phase 2 of their General Rate Case by stating that "agricultural rates in general are below cost of service,"[4] as if it is an undisputed fact. When actually that issue has been, and continues to be, highly debated. Similarly, the Resolution's assessment of the PPP charges is more detailed than that which PG&E presents to support its position. Edison suggests that an agricultural rate is on par with residential rates to indicate similar savings from net metering will be achieved under each rate.[5] In fact, the two rates are not at all comparable, since, like all currently allowed agricultural rates, it is a TOU rate, with a much more complex rate structure that includes significant charges not offset through net metering including demand charges and customer costs. The effort to selectively choose limited aspects of the rates is not at all representative of the likely cost comparisons. Fortunately, the Energy Division is familiar with the utilities' overall rate structures and recognizes the significant differences between the residential and non-residential rates, which drive the cost assessment that was made.

Without substantiation, PG&E also makes the leap that the capacity factors of those utilizing aggregation will drive the production of kWh such that they will overtake the benefits associated with the residential versus non-residential comparison. But in the case of agricultural customers, whose load is seasonal, the impacts actually may be reduced.

[2] IREC Comments, page 2.
[3] PG&E Comments, page 2.
[4] PG&E Comments, page. 2.
[5] Edison Comments, page 3.

Billing Cost Proposals

SB 594 was not meant as a vehicle for the utilities to force aggregation customers to pay for upgrades to their billing systems. The Statute provides for aggregation customers to "… remit service charges for the cost of providing billing services to the electric utility that provides service to the meters."[6] PG&E recognizes the Statute limits the authorization to service charges,[7] but attempts to go beyond the limitations set out in the Statute. As in assessing cost implications, the comparison to be drawn to assess appropriate service charges to aggregated customers is the difference between net metering and aggregation of accounts. The utilities have a multitude of tools available to them, such as the near full deployment of smart meters, which should facilitate the computations necessary to fulfill the statutory requirements.

SDG&E complains that the provision of SB 594 to prevent gamesmanship will in fact make aggregation more costly.[8] Section 2827(h)(4)(C) requires "… 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." Since the section serves the purpose of matching load to the credit, so as to preclude potential overallowance of credits based on loads, it effectively minimizes incentives to be gained from aggregation. Provisions cannot increase and decrease costs simultaneously.

Interconnection Issues

Another issue addressed by all three utilities is the consequences of interconnection of systems resulting from the ability to aggregate.[9] They raise doomsday scenarios from potentially installing larger facilities. As the Resolution recognizes, SB 594 does not increase the size of the facility that has been allowed in the past.

Utilities have protested in the past about the complexities of installing and managing multiple, small systems to serve on-site load. Aggregation allows for the ability to more effectively manage on-site load and assess its overall impact by focusing load onto a single point of service. Those benefits have been considered and implemented in other contexts and should be considered as a benefit here as well.

The interconnection cost parameters are a key component of the net metering Statute, as recognized by the Resolution. Again, based on currently available information, it is just as likely that many single installations will drive up costs as will aggregation under the scenarios the utilities describe. It is feasible that many small connections can impose comparable costs to a single larger system. The information

[6] Public Utilities Code Section 2827(h)(4)(H)).
[7] PG&E Comments, page 5.
[8] SDG&E Comments, page 2.
[9] Edison Comments, page 2; SDG&E Comments, page 3: PG&E Comments, page 3.

does not justify Edison's approach of requiring any aggregating customer pay for all Rule 21 costs. The applicable costs cited to by Edison further overstate the issue, as costs referenced are for facilities up to 5 MW.

PG&E and SDG&E make a far-fetched attempt to cast aggregation as a way for nefarious types to game the system by installing facilities through aggregation and converting them to PPA's. The basic structure of the aggregation framework makes such a scenario extremely unlikely by requiring the facility be sited to fit the load served and to serve load on contiguous or adjacent properties. The interest in aggregation has and continues to be driven by utility customers who have a particular operating structure that is not well served by net metering without aggregation. SDG&E's and PG&E's approach would penalize those the Statute intended to encompass by deviating from current requirements and requiring aggregation customers to pay costs above those currently limited by Statute. The Commission is well equipped to address improprieties should they occur in the future.

Agricultural Parties appreciate the Commission moving forward with the finding required by SB 594. As noted by IREC, embracing common sense[10] is useful in this context, but the Commission has relied on statistical and analytical data as well, which supports the finding made. The Commission should not delay moving forward and should retain the direction to the utilities to file conforming advice letters within 14 days of the issuance of the Resolution. SB 594 went into effect nearly a year ago, and the utilities should have anticipated potential implications for provision of service.

The Agricultural Parties support Draft Resolution E-4610 and urge its timely adoption.

Respectfully submitted,

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Michael Boccadoro
Agricultural Energy Consumers Association

Jeanne Merrill
California Climate & Agriculture Network

Tim Schmelzer
Wine Institute

[10] IREC Comments, page 2.

Attachment

cc: Michael Peevey, President
Mike Florio, Commissioner
Catherine Sandoval, Commissioner
Mark Ferron, Commissioner
Carla Peterman, Commissioner
Gabe Petlin, gp1@cpuc.ca.gov
Rulemaking 12-11-005 & Rulemaking 10-05-004 Service Lists
Mr. Edward Randolph, Director of the Energy Division
Ms. Karen Clopton, Chief Administrative Law Judge
Mr. Frank Lindh, General Counsel
Senator Lois Wolk

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September 5, 2013

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Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Draft Resolution E-4610/Support for Adoption

Energy Division Tariff Unit:

In accordance with the schedule established, the entities listed below (all of the listed entities have authorized California Farm Bureau Federation to submit this response on their behalf) support and urge adoption of Draft Resolution E-4610 without change, which addresses Senate Bill 594 (Wolk, 2012). Passed and signed into law in 2012, SB 594 authorized, within specified parameters, the ability of customers with multiple meters to aggregate the electrical load of the meters for purposes of net metering.

Draft Resolution E-4610 presents the required findings SB 594 directed be made prior to implementation. It verifies that allowing eligible net metering customer-generators, who aggregate their load, will not result in an increase in the expected revenue obligations of customers who are not eligible customer-generators. The findings are substantially supported by multiple levels of cost analysis, which elements have been consistently shown when the impacts of aggregation of eligible accounts are addressed. The assumptions made are reasonably based in pragmatic applications of how customers use their energy. For many customers the ability to aggregate provides a feasible path forward to match their load to an appropriate site for customer generation.

The thorough review of the matter made by Energy Division is evident and strongly supports approving the Draft Resolution. We appreciate the opportunity to

comment and urge the Commission to expeditiously finalize the necessary requirements to allow customers to move forward with aggregation consistent with SB 594.

Respectfully submitted,

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Amber Ruz
Alternative Energy Systems, Inc.

Dave Puglia
Western Growers Association

Roger Isom
California Cotton Growers Association

Roger Isom
California Cotton Ginners Association

Jeff Shields
South San Joaquin Irrigation District

cc: Michael Peevey, President
Mike Florio, Commissioner
Catherine Sandoval, Commissioner
Mark Ferron, Commissioner
Carla Peterman, Commissioner
Gabe Petlin, gp1@cpuc.ca.gov
Rulemaking 12-11-005 Service List
Mr. Edward Randolph, Director of the Energy Division
Ms. Karen Clopton, Chief Administrative Law Judge
Mr. Frank Lindh, General Counsel
Senator Lois Wolk