October 31, 2013

ED Tariff Unit
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102
Submitted electronically to EDtariffunit@cpuc.ca.gov

Subject: Récolte Energy's Protest of PG&E Advice 4305-E Filing

Dear Energy Division Tariff Unit:

Récolte Energy (Récolte) hereby submits the following protest in response to PG&E's Advice 4305-E Filing, dated October 21, 2013, based on the following three concerns:

1. Definition of "adjacent"
2. Method of computing proportionate allocation for each billing period
3. Effective Date of PG&E's Advice 4305-E Filing

1. Definition of "adjacent"

In anticipation of a tariff enabling load aggregation becoming imminently available, Récolte spoke to PG&E to determine whether a particular customer would qualify for load aggregation, given the tariff's eligibility requirements.

During this discussion, PG&E made clear that it is defining the term "adjacent" to mean immediately adjacent, rather than near. According to PG&E, if there are three parcels A, B, and C, and A abuts B, and B abuts C, but A and C are separated by B, then the loads of meters on A and B can be aggregated to be offset by generation on A, but the loads of meters on C cannot.

PG&E's interpretation is not supported by the intent of SB 594, nor by the text in PU Code Section 2827 (h) (4) (A) on Applicability and eligibility, which reads:

> An eligible customer-generator with multiple meters may elect to aggregate the electrical load of the meters located on the property where the renewable electrical generation facility is located and on all property ***adjacent or contiguous*** to the property on which the renewable electrical generation facility is located, if those properties are solely owned, leased, or rented by the eligible customer-generator.

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The intent of SB 594 is to allow parcels that are ***contiguous to each other*** and have common ownership to aggregate the loads of all the meters on these parcels. This intent is reflected in the text in PU Code, which reads "…***adjacent or*** contiguous to the property on which the renewable electrical generation facility is located…" Had the intent of SB 594 been to allow only contiguous parcels, there would have been no need to use the term adjacent at all.

Although PG&E has not raised this question in its advice filing, Récolte thinks it critical for the Energy Division to clarify that adjacent means "near", and not just "immediately adjacent", to allow all parcels that are contiguous to each other, and therefore adjacent to the renewable electrical generation facility, to be eligible for load aggregation. In the example above of parcels A, B, and C, the meters on all three parcels should be eligible for load aggregation.

Récolte further recommends that this clarification be provided immediately so there is no debate about the meaning of the term "adjacent" after PG&E's advice filing is approved. There shouldn't be a replay of events that occurred during the Virtual Net Metering (VNM) proceeding, when, after Decision D.11-07-031 was issued, PG&E's interpretation of Service Delivery Point (SDP) became known and was then debated. PG&E was ultimately required to adopt a more meaningful interpretation of SDP, but the process unnecessarily delayed the implementation of VNM for the general market by nine months.

2. <u>Method of computing proportionate allocation for each billing period.</u>

a. *<u>PU Section 2827 (h)(4)(C) on billing allocation states:</u>*

> If an eligible customer-generator with multiple meters elects to aggregate the electrical load of those meters pursuant to subparagraph (A), and different rate schedules are applicable to service at any of those meters, 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. For example, if the eligible customer-generator receives electric service through three meters, two meters being at an agricultural rate that each provide service to 25 percent of the customer's total load, and a third meter, at a commercial rate, that provides service to 50 percent of the customer's total load, then 50 percent of the electrical generation of the eligible renewable generation facility shall be allocated to the third meter that provides service at the commercial rate and 25 percent of the generation shall be allocated to each of the two meters providing service at the agricultural rate. ***This proportionate allocation shall be computed each billing period.***

b. *<u>Special Conditions 2.d. (Sheet 8) in Electric Schedule NEM Tariff in PG&E's advice filing, for a customer-generator electing load aggregation, states:</u>*

> For each monthly billing period, the energy (kWh) exported to the grid (in kilowatt-hours or kWh) by the Renewable Electrical Generation Facility shall be allocated to each of the Aggregated Account meters (kWh reading), as well as the Generating Account if it has load, in proportion to the electrical load (kilowatt-hours) served by those meters over that month. At the end of the month, once the allocation proportions are known, the kWh for each Generating Account meter interval will be allocated to each of the Aggregated Accounts for the corresponding interval.

c. *PU Section 2827 (h)(4)(B) on Net Surplus Compensation states:*

> If an eligible customer-generator chooses to aggregate pursuant to subparagraph (A), the eligible customer-generator shall be permanently ineligible to receive net surplus electricity compensation, and the electric utility shall retain any kilowatt hours in excess of the eligible customer-generator's ***aggregated*** electrical load generated during the 12-month period.

d. *Section (iii) in Electric Sample Form 79-1153 (NEM Load Aggregation Appendix) states:*

> Customer-Generator shall permanently be ineligible to receive AB 920 net surplus electricity compensation, and PG&E shall retain any kilowatt hours in excess of the eligible Customer-Generator's electrical load as determined for each aggregated meter ***individually***.

Robert Schwartz of SPG Solar brought to Récolte's attention the problems that would arise from simply allocating current period production in proportion to the individual meters' current period loads, as a percent of total aggregated loads, as described in 2.b. above (*Special Conditions 2.d. (Sheet 8) in Electric Schedule NEM Tariff in PG&E's advice filing, for a customer-generator electing load aggregation)*. At true up, some meters won't receive their due allocations and others will have more allocated to them than justified by their loads.

According to 2.d. above (*Section (iii) in Electric Sample Form 79-1153 (NEM Load Aggregation Appendix)*, any excess allocation would be forfeited to PG&E. This is inconsistent with 2.c. above (*PU Section 2827 (h)(4)(B) on Net Surplus Compensation)*.

The problems stemming from allocating current monthly generation based on current monthly loads only, can be solved by allocating current period generation in proportion to the meters' current period loads, as required by 2.a. above (*PU Section 2827 (h)(4)(C) on billing allocation)*, ***after adjusting for the cumulative allocations that were made in prior billing periods***.

In the Appendix, Récolte shows the problem and solution for a hypothetical case of three electricity meters with combined annual loads of 1,500,000 kWh being offset with annual generation of 1,500,000 kWh.

Récolte recommends that PG&E modify 2.b. and 2.d. above to correctly compute the proportional allocation of monthly production, as required by statutes 2.a. and 2.c. cited above.

3. Effective Date of PG&E's Advice 4305-E Filing

"PG&E requests that this Tier 2 advice filing become effective 120 calendar days after the date of approval in order to prepare manual billing once the final program load aggregation program requirements are established, and allow for time to roll the program out internally and to PG&E's customers."

Récolte recommends that PG&E's Tier 2 advice filing become effective ***on the date of approval***.

Even if PG&E started preparing manual billing after the final program load aggregation program requirements are established, PG&E will have more than adequate time to roll out the program internally and to its customers. No project using the proposed NEMA tariff can begin development until PG&E's Tier 2 advice filing is approved and the tariff becomes available. A project that is given notice to proceed on the date PG&E's Tier 2 advice filing is approved has to go through design, engineering, permitting, construction, interconnection, and one billing period, before a bill will need to be prepared. This period from design to the end of the first billing period, will take at least 120 days under the most optimistic project development scenario. There is no reason why PG&E cannot use this time period to complete its program roll out.

Conclusion

Récolte recommends

- that the Commission clarify that meters on properties that are contiguous to each other, and therefore adjacent (near) the parcel on which the generation facility is located, are eligible for load aggregation.
- that, to avoid causing billing errors and violating statutes, PG&E revise its method of calculating proportionate allocations each billing period, by taking into account cumulative usage and production allocations, when calculating current month production allocations.
- that PG&E's Advice 4305-E Filing become effective on the date of approval.

Thank you for the opportunity to submit comments.

Regards,

Gopal Shanker
President

Cc: President Michael R. Peevey
Commissioner Mark J. Ferron
Commissioner Michel P. Florio
Commissioner Catherine J.K. Sandoval
Commissioner Carla J. Peterman
Edward Randolph, Director, Energy Division
Karen Clopton, Chief Administrative Law Judge
Frank Lindh, General Counsel
Gabe Petlin, Energy Division
ED Tariff Unit
Service List attached to Resolution E-4610

Monthly Allocation of kWh using NEMA tariff for a hyphothetical aggregation customer
Annual Production = Annual Aggregated Consumption = 1,500,000 kWh

PROBLEM WITH CURRENT METHOD OF ALLOCATING PRODUCTION	
1	Meter 1 doesn't receive an allocation of 57,321 (400,000 - 342,679) kWh.
2	3,356 (403,356 - 400,000) kWh allocated to Meter 2 is more than its load, so 3, 356 kWh is forfeited to the utility.
3	53,965 (753,965 - 700,000) kWh allocated to Meter 3 is more than its load, so 53,965 kWh is forfeited to the utility.

	Consumption				Production			
Month	**Meter 1**	**Meter 2**	**Meter 3**	**Total**	**Total**	**Meter 1**	**Meter 2**	**Meter 3**
January	-	40,000	50,000	90,000	100%	0%	44%	56%
	0%	44%	56%	100%	78,054	-	34,691	43,363
February	-	40,000	50,000	90,000	100%	0%	44%	56%
	0%	44%	56%	100%	96,904	-	43,068	53,836
March	-	40,000	60,000	100,000	100%	0%	40%	60%
	0%	40%	60%	100%	123,073	-	49,229	73,844
April	-	40,000	60,000	100,000	100%	0%	40%	60%
	0%	40%	60%	100%	137,987	-	55,195	82,792
May	80,000	40,000	60,000	180,000	100%	44%	22%	33%
	44%	22%	33%	100%	154,194	68,531	34,265	51,398
June	80,000	40,000	60,000	180,000	100%	44%	22%	33%
	44%	22%	33%	100%	154,776	68,789	34,395	51,592
July	80,000	40,000	60,000	180,000	100%	44%	22%	33%
	44%	22%	33%	100%	164,417	73,074	36,537	54,806
August	80,000	40,000	60,000	180,000	100%	44%	22%	33%
	44%	22%	33%	100%	154,975	68,878	34,439	51,658
September	80,000	40,000	60,000	180,000	100%	44%	22%	33%
	44%	22%	33%	100%	142,666	63,407	31,704	47,555
October	-	40,000	60,000	100,000	100%	0%	40%	60%
	0%	40%	60%	100%	124,584	-	49,834	74,750
November	-	-	60,000	60,000	100%	0%	0%	100%
	0%	0%	100%	100%	92,154	-	-	92,154
December	-	-	60,000	60,000	100%	0%	0%	100%
	0%	0%	100%	100%	76,216	-	-	76,216
Total	400,000	400,000	700,000	1,500,000	1,500,000	342,679	403,356	753,965

Monthly Allocation of kWh using NEMA tariff for a hyphothetical aggregation customer
Annual Production = Annual Aggregated Consumption = 1,500,000 kWh

	SOLUTION TO ENSURE CORRECT ALLOCATION OF PRODUCTION							
	Step 1. For each meter, calculate load as a percent of aggregated loads based on cumulative usage rather than current month usage. Hence, consumption percentages for meters 1, 2, and 3 in June, for example, are 22%, 32%, and 46%, rather than 44%, 22%, and 33%, respectively.							
	Consumption				Cumulative Consumption			
Month	**Meter 1**	**Meter 2**	**Meter 3**	**Total**	**Meter 1**	**Meter 2**	**Meter 3**	**Total**
January	-	40,000	50,000	90,000	-	40,000	50,000	90,000
	0%	44%	56%	100%	0%	44%	56%	100%
February	-	40,000	50,000	90,000	-	80,000	100,000	180,000
	0%	44%	56%	100%	0%	44%	56%	100%
March	-	40,000	60,000	100,000	-	120,000	160,000	280,000
	0%	40%	60%	100%	0%	43%	57%	100%
April	-	40,000	60,000	100,000	-	160,000	220,000	380,000
	0%	40%	60%	100%	0%	42%	58%	100%
May	80,000	40,000	60,000	180,000	80,000	200,000	280,000	560,000
	44%	22%	33%	100%	14%	36%	50%	100%
June	80,000	40,000	60,000	180,000	160,000	240,000	340,000	740,000
	44%	22%	33%	100%	22%	32%	46%	100%
July	80,000	40,000	60,000	180,000	240,000	280,000	400,000	920,000
	44%	22%	33%	100%	26%	30%	43%	100%
August	80,000	40,000	60,000	180,000	320,000	320,000	460,000	1,100,000
	44%	22%	33%	100%	29%	29%	42%	100%
September	80,000	40,000	60,000	180,000	400,000	360,000	520,000	1,280,000
	44%	22%	33%	100%	31%	28%	41%	100%
October	-	40,000	60,000	100,000	400,000	400,000	580,000	1,380,000
	0%	40%	60%	100%	29%	29%	42%	100%
November	-	-	60,000	60,000	400,000	400,000	640,000	1,440,000
	0%	0%	100%	100%	28%	28%	44%	100%
December	-	-	60,000	60,000	400,000	400,000	700,000	1,500,000
	0%	0%	100%	100%	27%	27%	47%	100%
Total	400,000	400,000	700,000	1,500,000				

Monthly Allocation of kWh using NEMA tariff for a hyphothetical aggregation customer
Annual Production = Annual Aggregated Consumption = 1,500,000 kWh

SOLUTION TO ENSURE CORRECT ALLOCATION OF PRODUCTION

Step 2. For each meter, multiply cumulative load percentages from step 1 with cumulative production, to get cumulative allocations for the current period. For June, the cumulative allocations for meters 1, 2, and 3 are computed by multiplying 744,988 kWh by 22%, 32%, and 46%.

Step 3. For each meter, compute the current production allocation for the current period by subtracting the cumulative production allocation for the prior period from the cumulative production allocation for the current period. For June, the current period allocations of 76,762 kWh, 30,828 kWh, and 47,186 kWh for meters 1, 2, and 3, are computed by subtracting 84,316 from 161,078 for meter 1; 210,790 from 241,618 for meter 2; and 295,106 from 342,292 for meter 3.

	Cumulative Production					Production			
Month	**Meter 1**	**Meter 2**	**Meter 3**	**Total**	**Cum. Prod.**	**Meter 1**	**Meter 2**	**Meter 3**	**Total**
January	0%	44%	56%	100%		-	34,691	43,363	78,054
	-	34,691	43,363	78,054	78,054	0%	44%	56%	
February	0%	44%	56%	100%		-	43,068	53,836	96,904
	-	77,759	97,199	96,904	174,958	0%	44%	56%	
March	0%	43%	57%	100%		-	49,968	73,105	123,073
	-	127,728	170,303	123,073	298,031	0%	41%	59%	
April	0%	42%	58%	100%		-	55,859	82,128	137,987
	-	183,587	252,431	137,987	436,018	0%	40%	60%	
May	14%	36%	50%	100%		84,316	27,203	42,675	154,194
	84,316	210,790	295,106	154,194	590,212	55%	18%	28%	
June	22%	32%	46%	100%		76,762	30,828	47,186	154,776
	161,078	241,618	342,292	154,776	744,988	50%	20%	30%	
July	26%	30%	43%	100%		76,158	35,158	53,102	164,417
	237,236	276,775	395,393	164,417	909,405	46%	21%	32%	
August	29%	29%	42%	100%		72,402	32,862	49,711	154,975
	309,638	309,638	445,104	154,975	1,064,380	47%	21%	32%	
September	31%	28%	41%	100%		67,564	29,844	45,258	142,666
	377,202	339,482	490,362	142,666	1,207,046	47%	21%	32%	
October	29%	29%	42%	100%		8,778	46,498	69,308	124,584
	385,980	385,980	559,671	124,584	1,331,630	7%	37%	56%	
November	28%	28%	44%	100%		9,516	9,516	73,122	92,154
	395,496	395,496	632,793	92,154	1,423,784	10%	10%	79%	
December	27%	27%	47%	100%		4,504	4,504	67,207	76,216
	400,000	400,000	700,000	76,216	1,500,000	6%	6%	88%	
Total				1,500,000		400,000	400,000	700,000	1,500,000

Monthly Allocation of kWh using NEMA tariff for a hyphothetical aggregation customer
Annual Production = Annual Aggregated Consumption = 1,500,000 kWh

	SOLUTION TO ENSURE CORRECT ALLOCATION OF PRODUCTION							
	Result: Production is correctly allocated to each meter based on the proportionate allocation being computed each billing period.							
	Net (Consumption - Production)				Cumulative Net			
Month	Meter 1	Meter 2	Meter 3	Total	Meter 1	Meter 2	Meter 3	Total
January	-	5,309	6,637	11,946	-	5,309	6,637	11,946
February	-	(3,068)	(3,836)	(6,904)	-	2,241	2,801	5,042
March	-	(9,968)	(13,105)	(23,073)	-	(7,728)	(10,303)	(18,031)
April	-	(15,859)	(22,128)	(37,987)	-	(23,587)	(32,431)	(56,018)
May	(4,316)	12,797	17,325	25,806	(4,316)	(10,790)	(15,106)	(30,212)
June	3,238	9,172	12,814	25,224	(1,078)	(1,618)	(2,292)	(4,988)
July	3,842	4,842	6,898	15,583	2,764	3,225	4,607	10,595
August	7,598	7,138	10,289	25,025	10,362	10,362	14,896	35,620
September	12,436	10,156	14,742	37,334	22,798	20,518	29,638	72,954
October	(8,778)	(6,498)	(9,308)	(24,584)	14,020	14,020	20,329	48,370
November	(9,516)	(9,516)	(13,122)	(32,154)	4,504	4,504	7,207	16,216
December	(4,504)	(4,504)	(7,207)	(16,216)	-	-	-	-
Total	-	-	-	-				