

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

Company name/CPUC Utility No. California Pacific Electric Company, LLC/U 933- E

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Andy Ling

Phone #: 905- 465- 4545

E- mail: andy.ling@liberty- energy.com

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **8- E**

Subject of AL: Revisions to CalPeco NEM Schedule in Compliance with Assembly Bill 920 and Decision 11- 06- 016

Keywords (choose from CPUC listing): _____

AL filing type: Monthly Quarterly Annual One- Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL?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Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: filing date on or before
September 22, 2011

No. of tariff sheets: 9

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

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: Schedule No. NEM Schedule

Pending advice letters that revise the same tariff sheets:

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

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

ijnj@cpuc.ca.gov and mas@cpuc.ca.gov

Utility Info (including e- mail)

California Pacific Electric Company, LLC

Attention: Advice Letter Protests

933 Eloise Avenue

South Lake Tahoe, CA 96150

Email: [sharon.niles@liberty- energy.com](mailto:sharon.niles@liberty-energy.com)



California Pacific Electric Company, LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
Fax: 905-465-4514

VIA EMAIL AND HAND-DELIVERY

August 8, 2011

**Advice Letter 8-E
(U 933-E)**

California Public Utilities Commission
Attn: Energy Division, 4th Floor
505 Van Ness Avenue
San Francisco, CA 94102-3298

Subject: Revisions to CalPeco NEM Schedule in Compliance with Assembly Bill 920 and Decision 11-06-016

California Pacific Electric Company, LLC (U 933-E) (“CalPeco”)¹ hereby submits this advice letter to revise its NEM schedule in compliance with Assembly Bill (“AB”) 920 and Decision (“D.”) 11-06-016, as well as to make a number of clean-up revisions.

Background

AB 920 required that the Commission adopt a net surplus electricity compensation valuation and to ensure the compensation of a net surplus customer generator for net surplus electricity generated by an eligible customer-generator and delivered to the grid.

On March 15, 2010, Sierra Pacific Power Company (“Sierra”) filed Application 10-03-010 proposing a Net Surplus Compensation (“NSC”) rate, as well as other program implementation details pursuant to AB 920.

On October 28, 2010, the Commission issued D.10-10-017, which approved Sierra’s transfer to CalPeco of the California electric distribution facilities and the Kings Beach Generating Station that Sierra had previously owned and operated. The transfer from Sierra to CalPeco was completed effective January 1, 2011. As of that date, CalPeco began operations as the utility with responsibility for serving the electric customers within Sierra’s former California service territory.

CalPeco has procured all of its electricity, including its renewable power, from NV Energy through a 5-year power purchase agreement (“PPA”). In the event that CalPeco is not able to independently secure sufficient power at competitive prices after the PPA with NV Energy expires, NV Energy has committed to negotiate and “enter the necessary agreements” to continue to provide all of CalPeco’s electricity needs, for a period of up to five years. Sierra has also

¹ CalPeco also does business in California as “Liberty Energy - California Pacific Electric Company.”

committed to charge CalPeco for any such power at rates based on Sierra's average system cost to provide the scope of service that CalPeco may request.

The PPA with NV Energy delivers power to CalPeco based on 2 prices. These rates are derived (on a monthly basis) as follows:

$$\text{Rate} = 80\% * \left[\frac{\text{Net F \& PP Cost} - \text{Renewable Cost}}{\text{Net System MWh} - \text{Renewable MWh}} \right] + 20\% * \left[\frac{\text{Renewable Cost}}{\text{Renewable MWh}} \right]$$

where:

“Net F&PP Cost” is the total net system fuel and purchased power cost for NV Energy, excluding the cost for any purchased power contracts from coal-fired resources. Net fuel and purchased power costs shall include costs in FERC accounts 501, 547, 555, and 565, less revenues received from non-requirements sales for resale in FERC account 447.

“Renewable Cost” is the total cost for renewable energy purchased by NV Energy.

“Net System MWh” is the total system energy produced and purchased by NV Energy, excluding the energy for any purchased power contracts from coal-fired resources, less energy for non-requirements sales for resale.

“Renewable MWh” is the total renewable energy purchased by NV Energy.

As a result of this calculation, a monthly energy cost number for non-renewable power and a separate monthly energy cost number for renewable power is derived.

The Commission issued D.11-06-016 on June 9, 2011 to fulfill the requirement of AB 920. Pursuant to Ordering Paragraph 6, CalPeco was to file an advice letter within 30 days of the effective date of D.11-06-016 to 1) revise its net energy metering tariffs to incorporate the net surplus compensation rate, terms, and conditions set forth in D.11-06-016, and to 2) either provide their calculations for net surplus compensation rate based on their default load aggregation point prices or notify the Commission they will use the net surplus compensation rate to be adopted for Pacific Gas and Electric Company (“PG&E”).

CalPeco requested a 30-day extension by email to Executive Director Clanon to comply with Ordering Paragraph 6, and Administrative Law Judge Duda orally granted the request.

Tariff Revisions

CalPeco hereby notifies the Commission that it will base its net surplus compensation rate on PG&E's DLAP price methodology as applied to CalPeco's Commission-approved rates under CalPeco's power purchase agreement with NV Energy as described above. CalPeco's proposed tariff changes, provided with this filing, incorporate this provision in the additions to the Rates section.

In further accordance with AB 920 and D.11-06-016, CalPeco proposes to true up the NEM customers on a monthly basis (whenever their normal reading date is) and the calculation will be monetized and carried forth as a credit on the customer's next bill. Payments will be made at the end of the 12 month period, namely after the December bill. The minimum threshold for payment at the end of the true up period will be \$25 and amounts less than \$25 will be carried over to the next 12 month period. These changes are reflected in the wholesale changes made to the Billing section.

CalPeco also proposes a few additions under Special Conditions to ensure that the eligibility guidelines reflected in D.11-06-016 are included in the tariff.

In addition to these changes, CalPeco also proposes to clean up the tariff to reflect that biogas customers are no longer served under this schedule and that fuel cell customers are served under this schedule. A number of tariff changes are made throughout the tariff to reflect this clean-up of the nomenclature around Customer-Generators.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or by email, any of which must be received no later than **August 29, 2011**, which is 20 days after the date of this filing. The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, CA 94102
Facsimile: (415) 703-2200
Email: mas@cpuc.ca.gov and jnj@cpuc.ca.gov

The protest also should be sent via email and U.S. Mail (and by facsimile, if possible) to CalPeco at the addresses show below on the same date it is mailed or delivered to the Commission.

California Pacific Electric Company, LLC
Attn.: Advice Letter Protests
933 Eloise Avenue
South Lake Tahoe, CA 96150
Fax: 905-465-4514
Email: andy.ling@liberty-energy.com

With a copy to:
Steven F. Greenwald
Vidhya Prabhakaran
Davis Wright Tremaine LLP
505 Montgomery Street, Suite 800

San Francisco, CA 94111

Fax: 415-276-6599

Email: stevegreenwald@dwt.com

Email: vidhyaprabhakaran@dwt.com

Effective Date

CalPeco submits this as a Tier 3 advice filing effective after Commission approval. CalPeco respectfully requests that the Commission issue a resolution approving this advice letter on or before September 22, 2011.

Notice

In accordance with General Order 96-B, Section 4.3, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list.

If additional information is required, please do not hesitate to contact me.

Sincerely,

/s/

Andy Ling

VP Commodity Procurement

California Pacific Electric Company, LLC

Attachments

cc: CalPeco Advice Letter Service List

SCHEDULE NO. NEM
NET METERING SERVICE
(Continued)

RATES

1. Net Energy Metering. All rates charged under Schedule NEM will be in accordance with the Customer-Generator's otherwise-applicable metered rate schedule ("OAS"). A Customer-Generator served under this Schedule is responsible for all charges from its OAS including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges on the net consumption of electricity supplied by the Utility. (C)
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2. An eligible Customer-Generator who elects to receive compensation under this Schedule will receive a rate (the "Surplus Compensation Rate") that will mirror the actual cost of non-renewable energy supplied to Utility that is displaced by the generator for the applicable month. The Surplus Compensation Rate will be based on the Pacific Gas and Electric Company methodology used to determine its Default Load Aggregation Price as applied to the Utility's Commission-approved power purchase agreement rates. The Surplus Compensation rate will be defined as the rate in effect on the Calendar month in which the customer receives the meter reading. (N)
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3. The power factor charge, when it applies on the OAS, will be based on the average power factor over the past 12 billing months of operation prior to starting on this rate schedule. Customer-Generators without 12 billing months of power factor history, will have their power factor estimated based on the type of the connected facilities and their hours of operation. Power factor charges will be applied to the Customer-Generator's bill until the Customer-Generator demonstrates to the Utility's satisfaction that a specified correction has been provided. The Utility will continue to monitor and review the power factor and if warranted, change the power factor correction charge on the Customer-Generator's bills. (T)
4. The voltage and transformer adjustment, when it applies on the Customer-Generators OAS shall be as stated on the OAS. (T)

(Continued)

Advice Letter No. 8-E

Issued by
Bob Dodds
Name
President and General Manager
Title

Date Filed August 8, 2011

Decision No. _____

Effective _____

Resolution No. _____

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SCHEDULE NO. NEM
NET METERING SERVICE
(Continued)

1. Metering:

A Net Energy Metering. The following applies to all Customer-Generators.

- (1) Single Meter. Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. If the eligible Customer-Generator's existing electrical meter is not capable of measuring the flow of electricity in two directions, the eligible Customer-Generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions.
- (2) Dual Meter. An additional meter or meters, installed in a dual meter socket ("dual metering"), to monitor the flow of electricity in each direction may be installed with the consent of the Customer-Generator, at the expense of the Utility, and the dual metering shall be used only to provide the information necessary to accurately bill or credit the customer according to the Customer-Generator's OAS or to collect generating facility performance information for research purposes. The Utility shall determine whether dual metering is required under this provision. If dual metering is installed, the Net energy metering calculation shall yield a result identical to that of a single meter capable of measuring the flow of electricity in two directions.
- (3) The Utility shall not require dual metering except where necessary for billing accuracy. If none of the normal metering options available at the Utility's disposal which are necessary to render accurate billing are acceptable to the Customer-Generator, the Utility shall have the right to refuse interconnection under this schedule.

B. TOU metering. The following applies to all Customer-Generators with a rating of over 200 kilowatts but not exceeding 1,000 kilowatts

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Advice Letter No. 8-E

Issued by
Bob Dodds
Name
President and General Manager
Title

Date Filed August 8, 2011

Decision No. _____

Effective _____

Resolution No. _____

(T)

(T)

SCHEDULE NO. NEM
NET METERING SERVICE
(Continued)

1. Metering: (Continued)

B TOU Metering (Continued)

1. TOU Metering shall be accomplished using a TOU meter capable of separately registering the flow of electricity in two directions. If the Customer-Generator's existing meter is not capable of separately measuring the flow of electricity in two directions, the Customer-Generator shall be responsible for all expenses involved in purchasing below. If an eligible customer-generator terminates service under this rate schedule, or experiences a change in electric service provider prior to the end of any 12-month period, the Utility shall reconcile the customer's consumption and production of electricity and bill the customer as described below, as if it were the end of the normal 12-month period and installing a meter that is able to separately measure electricity flow in two directions. If dual metering is installed, the metering calculation shall yield a result identical to that of a single meter capable of separately measuring the flow of electricity in two directions.
 - a. If none of the normal metering options at the Utility's disposal that are necessary to render accurate billing are acceptable to the Customer-Generator, the Utility shall have the have the right to refuse interconnection under this Schedule.
 - b. All TOU metered service account(s) serving operations that are located on property adjacent, or contiguous, are eligible for aggregation under Special Condition All such accounts must be under the same ownership and in the Customer-Generator's name.

2. Billing

Billing for Eligible Customer-Generators Using Net Energy Metering. The following applies to Customer Generators using a solar generating facility or wind generating facility at or below 1000 kilowatts or solar/wind hybrid generating facility at or below 1000 kilowatts:

- A. Net energy is defined as the difference between the electricity supplied by the Utility through the electric grid to the Eligible Customer-Generator and electricity generated by an Eligible Customer Generator and fed back into the electric grid over a 12 -month period or part,such that the end of the Relevant Period ends in December of each year ("Relevant Period").
- B. At the end of each Relevant Period, the Eligible Customer-Generator will receive a true up for net energy exported to the utility :

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Bob Dodds
Name

Date Filed August 8, 2011

(T)

Decision No. _____

President and General Manager
Title

Effective _____

(T)

Resolution No. _____

- (1) In the event that the value of the electricity supplied by the Utility at the end of the Relevant Period exceeds the electricity generated by the Eligible Customer-Generator during the same period, the Eligible Customer-Generator is a net electricity consumer and the Utility shall bill the Eligible Customer-Generator for the net consumption during the Relevant Period based on the Eligible Customer-Generator's OAS.
- (2) In the event that the value of the electricity supplied by the Utility at the end of the Relevant Period is less than the electricity generated by the Eligible Customer-Generator at the end of the Relevant Period, the eligible Customer Generator will be paid at the applicable Surplus Compensation Rate applicable at the end of the Relevant Period.
- (3) The minimum threshold for monetary payment at the end of the true up period will be \$25 and amounts less than \$25 will be carried over to the next 12 month period.

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SCHEDULE NO. NEM
NET METERING SERVICE(Continued)

Billing: (Continued)

- C. Monthly Billing. If the Utility supplies the Customer-Generator with electricity, the Utility shall provide the Customer-Generator with net electricity consumption information with each regular bill. That information shall include the current monetary balance owed the Utility for the net electricity consumed since the last Relevant Period ended. For, Customer-Generators, the net balance of all moneys owed must be paid on each monthly billing cycle; when they are a net electricity producer over a monthly billing cycle, any excess kilowatt-hours generated during the billing cycle shall be carried over to the following billing period as a monetary credit, at the applicable Surplus Compensation Rate and appear as a credit on the Customer -Generator's account, until the end of the Relevant Period.
- D. Billing for Customer-Generators Using TOU Metering. The following applies to Customer -Generators using a wind generating facility or a solar/wind hybrid generating facility, , or a Fuel Cell generating facility using TOU Metering:
 - 1) The generation of electricity provided to the Utility by a Customer-Generator shall result in a credit to the Customer-Generator valued in accordance with the generation component of Schedule A-3 or above TOU schedule, as applicable. All electricity supplied to the Customer-Generator by the Utility shall be priced in accordance with either Schedule A-3 or the above TOU rates, as applicable.
 - 2) Time of Use Rates. For Customer-Generators taking service on OAS TOU, any net consumption or production shall be valued monthly as follows:
 - 3) If the Customer-Generator is a net consumer during any discrete time-of-use period, the net kWh consumed shall be billed in accordance with that same TOU period in the Customer-Generator's OAS.
 - 4) If the Customer-Generator is a net generator during any discrete TOU period, the net kWh produced shall be valued at the Surplus Compensation Rate per kWh of the same TOU period in the Customer Generator's OAS

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Advice Letter No. 8-E

Issued by
Bob Dodds
Name

Date Filed August 8, 2011

(T)

Decision No. _____

President and General Manager
Title

Effective _____

(T)

Resolution No. _____

SCHEDULE NO. NEM
NET METERING SERVICE(Continued)

Billing (Continued)

- E. To calculate the maximum generation credit for a Customer-Generator, the Utility will, at the end of each Relevant Period, determine the credit for energy based on the following equation:
- F. Credit (\$) = Total energy fed back to the Utility (kWh) during the relevant period x Surplus Compensation Rate for the relevant period.
- G. The Utility shall provide the Customer-Generator with gross energy (kWh) consumption and net energy (kWh) consumed/produced information with each monthly billing statement.
- H. The Utility's written approval of the Customer-Generator's protection-isolation method to ensure generator disconnection in case of a power interruption from the Utility is required before service is provided under this Schedule NEM.
- I. Payment at end of 12 month relevant Period. Utility will true up the Customer-Generators who elects service under this Schedule at the end of the 12 month period, which will be set on the basis of a calendar year and paid after the December bill. The minimum threshold for monetary payment at the end of the true up period will be \$25 and amounts less than \$25 will be carried over to the next 12 month period.

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Advice Letter No. 8-E

Issued by
Bob Dodds
Name
President and General Manager
Title

Date Filed August 8, 2011

Decision No. _____

Effective _____

Resolution No. _____

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(T)

SCHEDULE NO. NEM
NET METERING SERVICE (Continued)

3. Special Conditions

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- 1) A visible disconnect switch is required to isolate the generating facilities from the Utility's distribution system. The disconnect switch shall be furnished and installed by the customer. The device must be accessible to Utility personnel and be capable of being locked in the open position.
- 2) Generating facilities shall not be operated in a manner that interferes with the Utility's operations or service to other customers. The Utility retains the right to disconnect service to maintain safety and quality of service to other customers.
- 3) The Utility will ensure that requests for establishment of net energy metering service for solar, wind and solar/wind hybrid generating facilities are processed in a time period not exceeding 30 working days from the date that the Utility receives a completed application for service hereunder, including a signed interconnection agreement from the Customer Generator and the electric inspection clearance from the governmental authority having jurisdiction. The Utility shall notify the Commission if it cannot interconnect within such period.
- 4) QF Status – Customers receiving net surplus compensation must first demonstrate to CalPeco that they are Qualifying Facilities in order to receive service under this Schedule.

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Advice Letter No. 8-E

Issued by

Bob Dodds

Name

Date Filed August 8, 2011

(T)

Decision No. _____

President and General Manager

Title

Effective _____

(T)

Resolution No. _____

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Advice Letter No. 8-E

Decision No. _____

Issued by

Bob Dodds

Name

President and General Manager

Title

Date Filed August 8, 2011

Effective _____

Resolution No. _____

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(T)

CalPeco
Advice Letter Filing Service List

A.08-08-004 Service List

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A.09-10-028 and A.10-04-032 Service List

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PGETariffs@pge.com

Manager of Regulatory Affairs
 San Diego Gas & Electric Company
 P.O. Box 1831 - Room 10-A
 San Diego, CA 92112

Director of Regulatory Affairs
 Southwest Gas Corporation
 P.O. Box 98510
 Las Vegas, NV 89193-8510

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Truckee, CA 95734

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