

February 20, 2024  
Energy Division  
Tariff Unit  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4004 San  
Francisco, CA 94102

**Re: Clean Coalition Protest of San Diego Gas & Electric Advice Letter 4383-E,  
Modifications to Interconnection Application Process Pursuant to Decision 23-11-068**

Dear Energy Division Tariff Unit,

**Introduction**

According to the California Public Utilities Commission (“the Commission”) General Order (“GO”) 96-B, the Clean Coalition submits this protest of San Diego Gas & Electric’s (“SDG&E”) Advice Letter (“AL”) 4382-E. AL 4383-E was submitted on January 31, 2024 for the purpose of modifying SD&GE’s Virtual Net Energy Metering (“VNEM”) and Net Energy Metering Aggregation (“NEM-A”) sub tariffs to meet the requirements of the Virtual Net Billing Tariff, in accordance with D. 23-11-068.

In accordance with General Rule 7.4.2(2), the Clean Coalition is protesting AL 4383. As currently written, the modifications in the advice letter do not provide sufficient information to allow an applicant to provision a facility taking service under the Virtual Net Billing Tariff with resilience in a standard and replicable fashion. The language adopted in D. 22-12-056 and SDG&E AL 4119-E-A makes clear that resilience is allowed but provides little detail on how to configure a system for resilience. AL 4838 contains no additional language or information to create a standard pathway for resilience. The lack of available options to meet the requirements for isolated operation in the sub tariff modifications proposed in AL 4383 makes resilience functionally out of reach for facilities utilizing the Virtual Billing Tariff. This AL perpetuates the existing lack of information about resilience without offering any solutions/workarounds. The Energy Division should reject AL 4383 without prejudice until SDG&E provides more information in the tariff or offers a timeline for developing standard options. Promoting the deployment of solar+storage without a cost-effective configuration available to enable resilience actively reduces the value of each deployment, ignoring the significant need for resilience in a rapidly electrifying society.

**Background**

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of distributed energy resources (“DER”) — such as local renewables, demand response, and energy storage — and we establish market mechanisms that realize the full potential of integrating these solutions for optimized economic, environmental, and resilience benefits. The Clean Coalition also collaborates with utilities, municipalities, property owners, and other stakeholders to create near-term deployment opportunities that prove the unparalleled benefits of local renewables and other DER.

## **Discussion**

There are several challenges when it comes to provisioning a multi-unit facility with resilience with a front-of-meter solar or solar+storage deployment under the Virtual Net Billing Tariff. First, there is no process in SDG&E’s service territory for a non-utility entity to utilize the distribution grid to deliver renewables-driven resilience to a multi-meter facility. A multi-meter site would need to deploy a grid isolation switch to enable a single property multi-meter site to be fully resilient. Of the three investor-owned utilities (“IOUs”), only Pacific Gas & Electric has an option available for Community Microgrids, through the Community Microgrid Enablement Tariff (“CMET”). As a result, the Commission authorized a temporary workaround in D. 22-12-056 to enable isolated operation at a VNEM site without allowing the deployment of a Community Microgrid. In AL 4119-E-A, SDG&E includes the phrase:

During isolated operation, participating accounts must be configured such that no load or generation is registered on the Generating or Benefitting Account meters. Prior to installing a new Eligible Generator or reconfiguring an existing Eligible Generator to provide backup services, the Owner or Operator must receive written approval from SDG&E...<sup>1</sup>

The language sets the precedent that a non-utility cannot operate utility grade meters during a grid outage, meaning that a multi-meter site cannot be resilient solely through the addition of energy storage to a standard VNEM configuration. Thus, the only option is added hardship and complexity for what should be a standard function of a solar+storage deployment: resilience. The prohibition of any load registering on the Generating Account or Benefitting Accounts suggests that a second set of wiring or controls could possibly be permitted. Yet, no further details are provided. The vagueness of cost implications and the addition hurdle of receiving written approval from SDG&E present a picture of an extremely uncertain process, unlikely to be utilized by the vast majority of Virtual Net Billing tariff projects. AL 4383 does not provide any additional information to clarify the vague language in AL 4119-E-A. There do not appear to be any additional forms, questionnaires, or technical specifications provided to illustrate what a cost-effective configuration that does not register load on the Generating Account or Benefitting Accounts looks like.

At a high level, the preservation of incentives for low-income ratepayers demonstrates the Commission’s continued interest in ensuring that the benefits of the Net Billing Tariff and Virtual Net Billing Tariff flow to low and medium-income (“LMI”) ratepayers and residents of disadvantaged vulnerable communities (“DVCs”). It is inconsistent with the Commission’s stated goals in the DER Action Plan 2.0 and the ESJ Action Plan to approve a tariff intended to enable resilience without a standard configuration that can be clearly presented to interested applicants. The lack of clarity in AL 4383 perpetuates existing inequalities for resilience between single-meter and multi-meter facilities. Single-meter facilities taking service under the Net Billing Tariff can deploy certain solar+storage configurations or a Solar Microgrid for resilience.

The Clean Coalition understands that the Commission is limited by Public Utilities Code §780.5, which requires individual metering for residential units at multi-unit housing facilities. However, it is worth noting that the most effective and streamlined solution for resilience at multi-meter

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<sup>1</sup> SDG&E AL 4119-E-A, at p. 5.

facilities is to deploy a master meter. AL 4119-E-A requires all loads served in the event of a grid outage to have the same point of common coupling. A master meter similarly could serve as a grid isolation switch at the point of common coupling, allowing a multi-meter facility to island without using grid infrastructure, much like a solar+storage microgrid deployed behind-the-meter at a single-meter facility. We recommend that SDG&E consider use cases that include the use of a master meter and to include more detail on how VNEM systems can be configured for resilience under the Virtual Net Billing tariff.

For these reasons, we urge the Commission to reject SDG&E’s Advice Letter.

### **Conclusion**

The Clean Coalition respectfully submits this comment letter on SDG&E AL 4383-E and looks forward to continuing the dialogue on the most effective ways to provision multi-meter facilities with resilience.

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