

December 3, 2025
Energy Division
Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue, Room 4004 San
Francisco, CA 94102

Re: Clean Coalition Protest of Pacific Gas & Electric Advice Letter 7760-E, Updated PG&E Interconnection Application Fee for Net Energy Metering (NEM) and NEM Successor Tariff Customers with Systems Less Than or Equal to One Megawatt

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 Pacific Gas & Electric’s (“PG&E”) Advice Letter (“AL”) 7760-E. AL 7760-E was submitted on November 13, 2025 for the purpose of updating the interconnection application fee for PG&E’s NEM and NEM Successor Tariff Customers with systems sized below 1 MW. PG&E proposes an updated NEM application fee of \$155 for projects under 30 kW and an application fee of \$2,000 for projects over 30 kW.

In accordance with General Rule 7.4.2(2), the Clean Coalition is protesting AL 7760-E.

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

PG&E’s Advice Letter proposes two major departures from longstanding Commission policies that are inappropriate for the normal Advice Letter process. First, AL 7760-E suggests bifurcating the interconnection application fee for NEM projects sized below 30 kW and projects sized above 30 kW and below 1 MW (or with more than 10 kW or energy storage). Second, AL 7760-E presents an increased application fee for larger projects—above 30 kW—from \$145 to \$2,000, an increase of more than 13x. These proposed changes are exorbitant to the point of inhibiting the growth of customer-sited renewables in California, do not comply with the Commission’s directives in D. 22-12-056, and are being advanced by PG&E without providing the Commission with clear supporting evidence needed to make an informed decision.

In D. 22-12-056, the Commission explicit left the interconnection application fee unchanged, affirming that the fee must be structured in a way that is uniform and modest, simple for customers

to understand, and should not become a barrier to adopting clean energy.¹ The process for updating the interconnection fee laid out in D. 16-01-044 does not include a procedure for changing the application fee for certain types of interconnection applicants with systems under 1 MW. PG&E’s proposal is going beyond what the Commission envisioned and is therefore out of scope for what is appropriate for the Advice letter process. The correct venue for PG&E’s proposal is a full regulatory proceeding (R. 20-08-020 or R. 14-07-002) rather than an Advice Letter. The relief that PG&E is requesting requires a policy directive that diverges from the conclusions in D. 22-12-056, where the Commission rejected high-cost application fees and designating ‘complicated projects’. Until a Decision is issued by the Commission, the existing guidance that must be followed is in D. 22-12-056, which does not support changing the fee structure nor raising the fee for a certain subset of customers by 1,279.3%.

Importantly, the NEM application fee was never intended to provide full cost recovery. The Commission has declined adopting cost-based or substantially increased interconnection fees on numerous occasions because doing so would create additional barriers to customer-sited renewable generation. Interconnection costs are already partially recovered through general rates, and significantly increasing interconnection application fees for NEM and NBT customers would undermine statewide clean energy goals by erecting barriers to customer-sited deployments. A massive application fee increase following a reduction in compensation from NEM 2.0 to the NBT and then again with the adoption of the most recent Avoided Cost Calculator would be another negative signal to consumers about the value of customer-sited renewables, driving away potential adopters rather than incentivizing deployments. Adopting PG&E’s Advice Letter could also send the concerning message that a utility company does not need to demonstrate that cost increases are necessary, reasonable, or prudently incurred before charging customers more.

PG&E includes Attachment 1 to demonstrate the cost increases associated with NEM and NBT projects, particularly ‘complex projects’. However, the data set provided is inconclusive and may be more representative of process inefficiencies than anything else. Before even considering adopting such a significant fee increase, the Commission should require more granular and project specific data to clarify date timelines, project types, and where cost overages are occurring.

The biggest cost driver in Table 2 (the ‘complicated projects’) is NEM Processing & Administrative costs, not Distribution Engineering or Metering, Install, Inspection, or Commissioning costs. The latter two categories are what PG&E is claiming “require further project management and engineering resources.”² In addition, the greatest cost increase—\$2,472,330—occurred in the Processing & Administration category between years 2023 and 2024, despite that fact that the number of project applications in that category dropped from 7,732 applications in 2023 to 2,938 applications in 2024. PG&E fails to explain the substantial cost increase despite receiving only 38% of the applicants in 2024 compared to the previous year. Simply suggesting that these are projects of increased complexity leaves the Commission unclear as to what types of projects these are, why administrative costs have increased so much despite receiving fewer applicants, or whether internal PG&E processes issues have led to cost increases. Therefore, it is premature for the Commission to even consider adopting such a substantially increased application fee, let alone implementing an application fee for a new subset of customers

¹ D. 22-12-056, at p. 161. “Other elements of the rate structure remain the same as in the NEM 2.0 tariff. Interconnection fees remain unchanged from D.16-01-044.”

² AL 7760-E, at p. 6

without the Commission's explicit approval in a rulemaking.

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

Conclusion

The Clean Coalition respectfully submits this protest of PG&E AL 7760-E and argues that PG&E's proposal for bifurcated application fees and a new significantly higher interconnection application fee for projects over 30 kW must be rejected.

/s/ BEN SCHWARTZ

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