



# Decision on excess behind the meter production proposal

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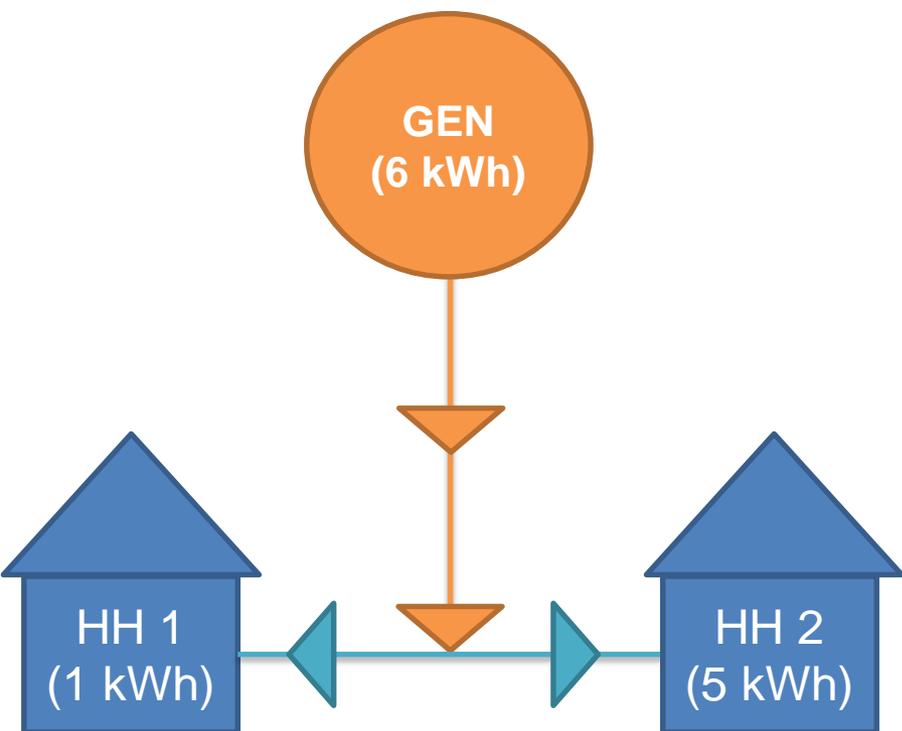
# Proliferation of rooftop solar has highlighted an inconsistency in reporting load to the ISO.

- Behind the meter solar production is rapidly growing in California
- Excess behind the meter production occurs when behind the meter generation exceeds the host load
- Some load serving entities are providing gross load data while other provide load net of excess behind the meter production

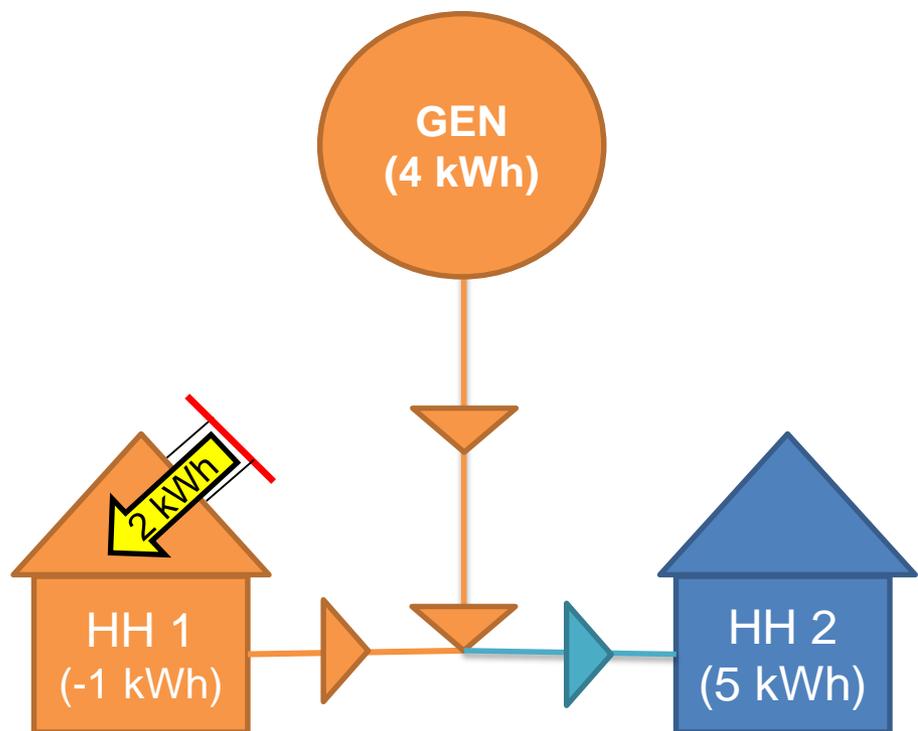
*Load serving entities must have clear rules for reporting load*

Excess behind the meter production occurs when rooftop solar production exceeds a local load.

Without Rooftop Solar



With Rooftop Solar



## Management's proposal addresses three primary issues:

- Ensure consistent reporting of “Gross Load” by clarifying its definition in the ISO tariff
  - Gross load is not net of excess behind the meter production
- Creates a new tariff definition for excess behind the meter production
  - The amount of generation that exceeds host consumption
- Specifies how excess behind the meter production must be reported to the ISO and how it is settled
  - Paid the locational marginal price

Proposal also addresses how gross load and excess behind the meter production will be used to allocate costs.

- Gross load will be used to allocate reliability-based charge codes
- The net load will be used to allocate energy-based charge codes
- Excess behind the meter production will receive credit for offsetting distribution losses

## Stakeholders are generally supportive of the proposal.

- DMM, PAO, and SCE concerned about exempting some publicly owned utilities and metered subsystems
  - Exemptions are only for entities with grandfathered agreements for reporting load to the ISO and many do not have necessary metering
  - Exempted entities make up 13% of load, the impact on charges allocated by gross load under the proposed rules will likely be small
- PG&E would like more accurate accounting for losses
  - Proposed methodology closely accounts for losses offset by excess BTM production
  - Loss factors may need to be reviewed more holistically in the future as the system continues to evolve
- WPTF requests publication of excess BTM production values
  - Management will post excess behind the meter production values

Management recommends the Board approve the excess behind the meter production proposal.

- Clarifies rules for load serving entities to report load to the ISO
- Provides increased transparency of grid supply and demand
- Provides more accurate accounting for gross load and excess behind the meter production
- Results in equitable allocation of related charges