STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

CASE 14-M-0224 – Proceeding on the Motion of the Commission to Enable
Community Choice Aggregation Programs

DEPARTMENT OF PUBLIC SERVICE STAFF WHITEPAPER
ON COMMUNITY CHOICE AGGREGATION PROGRAMS

Dated: April 14, 2021

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1. **Introduction**

A well-designed Community Choice Aggregation (CCA) program can create benefits for participating communities and their residents, while supporting New York State's clean energy policies and the Public Service Commission's (Commission) efforts to build a cleaner, smarter, and more distributed electric system through the Reforming the Energy Vision (REV) initiative.[1] Access to CCA programs offers residential and small non-residential customers, generally described as "mass market customers," an opportunity to receive benefits that have not been readily available to them in the past, including more affordable or cleaner energy supply choices. Through the bargaining power that energy load aggregation provides, the expertise provided by municipal or consultant experts, and the competitive public process for choosing a supplier, CCA program participants may receive more attractive energy supply terms compared to what an individual customer could obtain. More importantly, CCA programs provide substantial opportunities for local, community, and individual engagement on topics related to energy needs, such as innovative energy programs, products, and services that promote and advance local goals as well as the achievement of the State's clean energy goals. Ensuring that the CCA programs are implemented with the proper consumer education and protections in place is imperative to the success of these programs.

This whitepaper describes the current status of New York's CCA programs, details the successes and challenges faced since the initiation of these programs, identifies potential program improvements, and presents recommendations based upon the experience of Department of Public Service Staff (Staff) in conducting oversight and monitoring of the CCA programs. This whitepaper also addresses barriers to data access and proposes solutions to incorporate distributed energy resources (DER), and the benefits they offer, into CCAs. As CCA programs have continued to develop and expand in the State, the requirements and processes for CCA Administrators and programs must evolve to keep pace with Commission actions and changes to energy markets and opportunities.

To provide a clear path forward that ensures uniformity, transparency, and clarity of CCA programs statewide, Staff recommends, among other things, the standardization of CCA program filing requirements, streamlining the filing process, and adopting additional requirements that will provide reassurance to consumers and municipalities that the appropriate protections are in

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[1] Case 14-M-0101, <u>Reforming the Energy Vision</u>, Order Instituting Proceeding (issued April 25, 2014).

place to safely participate in opt-out CCA programs. These recommendations will also enable Staff to efficiently and effectively continue program oversight and compliance. To provide an opportunity for CCA programs to invest in local clean energy and DER, Staff proposes the integration of a statewide Community Distributed Generation (CDG) program on an opt-out basis for CCA members. If adopted by the Commission, the recommendations outlined in this whitepaper would replace and expand upon existing requirements for authorized CCA Administrators and programs.

2. The Evolution of CCA

On February 26, 2015, in its SW Pilot Order, the Commission approved the implementation of a CCA demonstration program to be administered by Sustainable Westchester, Inc. (SW).[2] The SW Pilot Order provided a working model to enable the Commission to evaluate CCA programs and their potential benefits for consumers, municipalities, and utility systems. The SW Pilot, also known as Westchester Power, was launched in April 2016 and was renewed in 2018, allowing municipalities and consumers in Westchester County to continue to receive the benefits of participation.[3]

Subsequently, the Commission issued the CCA Framework Order, which authorized the establishment of CCA programs by municipalities statewide and instituted the process and CCA Rules for developing and implementing a CCA program.[4] The CCA Rules define requirements for, among other things, customer eligibility, low-income customer participation, customer outreach and education, and the provision of data. The Commission also recognized that the CCA Framework Order was a starting point for the development of the State's CCA program and that there may be a need for modifications, or expansion, of the initial requirements based upon program monitoring and lessons learned.

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[2] Case 14-M-0564, <u>Petition of Sustainable Westchester for Expedited Approval for the Implementation of a Pilot Community Choice Aggregation Program within the Count of Westchester</u>, Order Granting Petition in Part (issued February 26, 2015) (SW Pilot Order).

[3] Case 14-M-0224, <u>et al</u>., <u>Proceeding on Motion of the Commission to Enable Community Choice Aggregation Program</u>, Order Approving Renewal of Sustainable Westchester Community Choice Aggregation Program (issued November 15, 2018).

[4] Case 14-M-0224, <u>Proceeding on Motion of the Commission to Enable Community Choice Aggregation Programs</u>, Order Authorizing Framework for Community Choice Aggregation Opt-Out Program (issued April 21, 2016) (CCA Framework Order), Appendix D: CCA Rules Summary.

To date, the Commission has issued orders authorizing four CCA Administrators: Sustainable Westchester, Inc. (SW); Municipal Electric and Gas Alliance, Inc. (MEGA); Good Energy, L.P. (Good Energy); and Joule Assets, Inc. (Joule) (collectively, CCA Administrators). Each of the authorizing orders includes the approval of a Master Implementation Plan (MIP), as well as confirmation that the necessary cybersecurity and data privacy requirements will be in place to allow for the safe transfer of data needed to facilitate the CCA program. While the CCA Rules have served as the starting point and guidance for CCA programs, the subsequent orders that approved CCA Administrators included clarification and refinements to the CCA Rules to keep the CCA Rules consistent with relevant regulatory requirements and to ensure the necessary consumer protections are in place. These orders and the applicable changes are summarized below and discussed within this whitepaper.

In its MEGA Order,[5] the Commission, among other things, required:

- Additional outreach and education be held in each municipality after a contract had been awarded, but before starting the opt-out enrollment period, that included the terms of the contract;
- Removal of customer account numbers from the customer contact information data set;
- A compliance filing for CCA programs wanting to serve Assistance Program Participants (APP) customers, with details on necessary program components;
- Modifications to the Data Security Agreement (DSA) used for CCA program data; and
- Filing of any requests for proposal (RFP) or similar solicitation seeking Energy Service Companies (ESCOs) or other suppliers for commodity supply or any other services.

The Joule Order[6] introduced requirements for:

- Integrating an opt-out CDG component into a CCA program;
- Quarterly and annual reporting on CDG programs;
- Uniform Business Practices (UBP) compliant DER registration; and
- Green Energy products to meet the Environmental Disclosure Program (EDP) standards.

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[5] Case 16-M-0015, et al., Petition of Municipal Gas and Electric Alliance, Inc. to Create a Community Choice Aggregation Pilot Program, Order Approving Community Choice Aggregation Program and Utility Data Security Agreement with Modifications (issued October 19, 2017) (MEGA Order).

[6] Case 14-M-0024, et al., Proceeding on Motion of the Commission to Enable Community Choice Aggregation Program, Order Approving Joule Assets' Community Choice Aggregation Program with Modifications (issued March 16, 2018) (Joule Order).

2.1. CCA Round Table

On June 26, 2019, Staff convened a Round Table with the authorized CCA Administrators, the utilities, and the ESCOs which serve CCA program participants. The meeting was held to discuss program updates and lessons learned to date. The Round Table also enabled participants to voice their experiences with the State's CCA program, including any questions or concerns. Staff provided a CCA Reference Guide[7] that included an overview of requirements, clarification on certain program components, and checklists that could be used to ensure all necessary compliance items have been met. The meeting produced additional subject areas for Staff clarification and review, including, but not limited to, issues with data and the associated timeframes, DSA applicability, and the calculation of the CCA program price and utility price to be used for comparison. The unresolved topics identified during the Round Table have been included in this whitepaper for further discussion.

3. CCA Resources

Numerous resources have been developed and made available to the public to provide information and guidance to better understand New York's CCA program. As discussed below, Toolkits are available to assist CCA Administrators with program implementation, while a Guidance Document was published to define and clarify CCA Rules and requirements. Most recently, Staff created a CCA website which includes a CCA Geographic Information System (GIS) map that allows a user to track municipal participation and program attributes. These resources, as described below, are valuable tools for all parties and will continue to evolve as the CCA program advances.

3.1. NYSERDA CCA Toolkit

In the CCA Framework Order, the Commission directed the New York State Energy Research and Development Authority (NYSERDA) to assist municipalities with their outreach plans and CCA development by providing technical assistance for best practices for program

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[7] The CCA Reference Guide was provided to all participants, electronically and via hard copy. An updated version was filed with the Secretary to the Commission, on August 26, 2019, in Case 14-M-0224.

design, model solicitations and contracts, and other resources.[8] NYSERDA created a CCA Toolkit[9] that includes:

- A Fact Sheet;
- Step-by-Step Guidance;
- Links to Commission documents and Orders;
- Frequently Asked Questions;
- A Link to Community Energy Usage Data; and
- Templates for: Requests for Proposals, Implementation Plans, Authorizing Legislation, Inter-Municipal Agreements, Opt-out Letters, and Memorandums of Understanding.

3.2. CCA Guidance Document

Staff created a CCA Guidance Document that defined and clarified requirements, provided details for meeting those requirements, and defined Staff expectations of what is needed to be included in the filings.[10] The document included a summary of all CCA rules, checklists that could be used to ensure compliance with requirements, and specifically discussed areas that had shown to be challenging or had been modified since the adoption of the CCA Framework Order. Those areas include customer eligibility, Assistance Program Participant (APP) requirements, outreach and education, opt-out and opt-in processes, customer data, annual reporting, EDP labels, and verification of requirements. The CCA Guidance Document is periodically updated with any changes or modifications to CCA program requirements. When changes are made, the updated version is filed with the Secretary in Case 14-M-0224 and is posted on the CCA webpage.

3.3. CCA Webpage

In April 2020, the Department of Public Service (Department) launched its CCA webpage,[11] which serves as a valuable resource for consumers, municipal officials, CCA

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[8]   CCA Framework Order, p. 23.

[9]   Available at: https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Communities/Clean-Energy-Communities-Program-High-Impact-Action-Toolkits/Community-Choice-Aggregation

[10]   Available at: http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={8A2E6BF9-37D3-4E56-8217-051FE3508971}

[11]   Available at: http://www3.dps.ny.gov/W/PSCWeb.nsf/ArticlesByTitle/82F83CAC4E71F05D8525835900429D8F?OpenDocument

Administrators, market participants, and Staff alike. Resources include, among other things, a CCA GIS map, Program and Administrator information, Commission Orders, and contact information.

The CCA map is an interactive tool that provides easy access to information pertaining to a municipality's CCA program. The map color codes municipalities by program Administrator and provides search and zoom functionality for quick municipality identification. When clicked on, each municipality displays information relevant to its specific program, such as: program name, program Administrator, program supplier, the default supply product, contract period, and supply rates for each program option. The resource information on the webpage continues to be developed and expanded upon to ensure the most up-to-date details are available.

4. Status of CCA Statewide

As previously mentioned, there are currently four Commission approved CCA Administrators in New York. Amongst those CCA Administrators, there are 14 CCA program/aggregation groups statewide that include approximately 100 municipalities in various stages of joining or implementing a CCA program. Each CCA program offers a basic or renewable supply product option as the default supply product based on the choice of the municipality. Depending on the default supply product chosen, CCA members can opt-up to the renewable supply option, or opt-down to the basic option, allowing for additional customer control of their energy choices. While CCA programs can include electric and/or gas supply, up to this point, most programs have only included an electric supply component. The CCA Framework Order promotes the development of additional value-added program offerings for CCA participants, such as load management programs or DER options. Most of the existing CCA programs have already developed, or are currently exploring, additional opt-in offerings for their CCA participants, such as CDG and/or energy efficiency programs.

As can be seen in the table below, by the end of December 2019, there were 153,206 CCA participants statewide. This indicates a 61.21% growth in the number of CCA program participants from the previous reporting year.[12] This substantial increase during the 2019 reporting period was due to the activation of the MEGA, Good Energy, and Joule Assets CCA programs, as well as additional municipalities joining Westchester Power.

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[12] The numbers were obtained from the required Annual Report filings by each CCA Administrator in Matter 17-00974, In the Matter of Financial Reports for Community Choice Aggregations Programs.

January 2019 – December 2019 CCA Program Performance

| CCA Administrator | Program Began | Number of Programs or Aggregations | Number of Municipalities Served | Number of Accounts | | | | Supply Usage (kWh) | | % of Load* | Initial Opt-Out Rate* | 2019 Drop Rate* |
				January 2019 or Program Start Date	December-19	Standard	Green	Standard	Green			
Sustainable Westchester	2016	1	27	90,938	109,527	3	20	176,102,570	664,972,558	79%	6%	4% **
Municipal Electric Gas and Electric Alliance, Inc.	2019	1	21	17,795	17,349	15	6	31,415,701	17,843,471	36%	22%	3%
Joule Assets, Inc.	2019	2	7	26,356	21,633	0	7	153,209	1,494,317	91%	16%	18%
Good Energy, LLC.	2019	3	5	5,769	4697	5	0	Not Reported	Not Reported		23%	19%
CCA Statewide			60	140,858	153,206	23	33	207,671,480	684,310,346	77%	17%	11%

* Numbers have been rounded to nearest whole number
** Sustainable Westchester Drop Rate excludes NYSEG territory due to change that required drop of customers and impacted numbers for the reporting year.

Staff has been encouraged by the growing number of municipalities that have chosen, or are choosing to explore, the benefits of participating in a CCA program, as well as the number of municipalities that have selected a renewable supply product as their default offering. Staff anticipates that the increase in program participation, as well as the programs' associated benefits, will continue over time. While there have been some program obstacles during the first several years of the State's CCA program, CCA is proving to be a beneficial program for New York and, with some modifications and program improvements, could provide greater opportunities for CCA participants, including savings, while furthering the State's clean energy goals.

5. Challenges, Improvements and Recommendations

While there continues to be growth and success of CCA programs across the State, valuable opportunities for program improvements exist. The opportunity areas primarily fall into three categories: (a) creating additional consistency, transparency and clarity between, and amongst, each CCA Administrator's programs; (b) developing processes to clarify existing requirements and how to comply with those requirements; and (c) facilitating better integration of local DERs and renewable energy into CCA programs through program developments, such as a statewide opt-out CDG model and the availability of additional data.

Recognizing that program challenges exist, such as implementation inconsistencies and non-compliance with requirements, Staff has continued to work with all parties, including CCA

Administrators, Municipal Officials, ESCOs serving CCA programs, utilities, and other parties, to provide clarification, feedback, guidance, and resources to assist with the understanding of and compliance with the CCA Rules. These challenges have led to significant issues for Staff when performing the review and verification of each CCA compliance requirement filing, creating delays in the ability to approve filings, and in some cases, requiring significant modifications to CCA Administrator's filings before approval can be granted.

The current CCA program structure offers an opportunity for communities to achieve higher penetration of DER by integrating CCA and CDG, transitioning CCA into a "CCA 2.0" model. Together, CCA and CDG can significantly increase the deployment and generation of renewable energy resources in New York.

The challenges faced so far and the opportunities for future program improvements are discussed below and several recommendations designed to resolve the described issues and improve CCA program development and operation are proposed. By way of this whitepaper, Staff requests comments on whether these recommendations will effectively improve CCA programs in New York State, as well as suggestions for modifications to these recommendations or additional changes to the CCA Rules. Staff believes these recommendations will ensure clear, consistent, and accurate information is being provided to all customers, regardless of CCA Administrator or program, and allow for ease of comparison between programs by consumers, municipalities, and Staff. The recommendations will also advance the integration of clean energy and DERs into CCA programs.

5.1. Program Standardization and Uniformity

The Commission established requirements and processes to ensure that the full potential of benefits for CCA programs can be realized and that consumers are fully educated and informed, and not confused by a program's processes or information. Ensuring that prospective and participating municipalities, and their residents, are receiving clear and consistent program information is imperative to the success and understanding of CCA programs and the benefits they offer. While flexibility to tailor CCA programs to the needs and interests of individual municipalities is important, CCA Administrators must ensure that the programs are consistent with the CCA Rules and Commission direction, and that any differences between programs are based on appropriate reasons, are properly communicated to Staff, as well as detailed in education and outreach materials.

CCA Administrators have a filed and approved MIP that lays out the program structure, roles, and the specific details for that program, in compliance with the CCA Rules. With flexibility in the development, each MIP, and program, vary in structure and operation. Upon receiving a filing for review, verification and approval, Staff references the approved MIP for determining if the Administrator has followed their Commission approved plan for program implementation and verifies all necessary requirements have been met prior to issuing an approval.

Each CCA Administrator filing includes different information, typically in a dissimilar structure and format. Filings have been received that are missing pertinent details, include a significant amount of additional information that is unnecessary for the review process, or show changes to program names, websites, and program structure roles without notification or updated filings to Staff or, in some instances, program participants. This has led to confusion and an overall lack of clarity for both Staff and program participants.

In such cases, Staff has often spent a lengthy amount of time working through revisions with CCA Administrators to help them develop an updated filing that meets the requirements. However, in some cases, subsequent filings from the same CCA Administrators omit those revisions, with the subsequent filing apparently based on a previous unapproved version. The lack of standardized filing requirements has led to numerous issues and longer review times.

The information being conveyed to CCA participants also varies by CCA Administrator, such as, the calculation of utility pricing for comparison, Commission action information, and overall savings calculations. All CCA program participants should be receiving clear, concise, and accurate information regardless of what CCA program they are enrolled with.

Issues related to inconsistency between programs, incomplete filings, and unclear information has continued to be identified by Staff and have led to customer confusion and misunderstanding in the absence of substantial Staff review effort. Understanding that CCA is still a new program and that there will be areas for improvement, Staff has worked to resolve filing issues with each CCA program Administrator. As CCA programs have continued and the same issues persisted, in addition to continued feedback and assistance, Staff has created checklists and specifically outlined program requirements in the CCA Reference Guide and, recently, developed the CCA webpage. Despite these actions, filings are still requiring a significant amount of time to resolve issues with the CCA Administrators, before they can be approved by Staff approval.

To address these inconsistency issues and provide clarity and uniformity of CCA programs, Staff recommends the creation of standardized templates and specific guidelines for meeting program requirements, all of which would be available on the CCA webpage. To be clear, while Staff provides various templates in Appendix B designed to provide such clarity and uniformity, Staff is not asking the Commission to adopt specific templates or forms. Instead, Staff proposes that the Commission approve the use of standardized templates, allowing Staff the flexibility to modify templates as experience with CCA programs develops. Under this proposal, Commission action would not be required every time a change to such a form is necessary, thus allowing Staff to be efficient with its resources as well as dynamic in its oversight of CCA programs and administrators. Ultimately, this will ensure that:

- clear and consistent information is being conveyed statewide, regardless of program;
- opt-out letter requirements are being met;
- timelines for outreach and education are being appropriately followed;
- recording of necessary items are properly documented;
- filings can be efficiently reviewed and approved; and
- a streamlined filing process can be effectively developed.

Program Structure

The CCA Framework Order requires a CCA Administrator to receive Commission approval of their initial Implementation Plan, often referred to as MIP, and directed Staff to review for approval updates or supplements to their MIP. Generally, the MIP outlines the basic structure of the CCA program with the program details being submitted later in the form of updates or supplements to the MIP. The majority of CCA Administrators file appendices to their MIP that include program details for groups of municipalities. These appendices often differ by program name, geographical location, and/or supply contract terms.

To promote the standardization of program structure, Staff recommends developing a uniform filing structure that would reduce the need of duplicate filings by restructuring the required compliance filings a CCA Administrator must submit.

Outreach and Education

The outreach and education requirements are a significant, mandatory component of an opt-out CCA program. Ensuring opt-out eligible customers are properly educated on the CCA program and informed of their right to opt-out of participating, is an absolute necessity for the success of CCA programs and for the benefits of CCA to be fully realized by customers and

participating municipalities. The Commission requires Staff's review and approval of the education and outreach filings to ensure that the requirements are being met and that the information going out is clear and will not lead to confusion or misunderstanding of opt-out CCA programs.

Staff review of filings has shown instances of proposed CCA program education and outreach material, which is not always created or distributed by the CCA Administrator, misidentifying the CCA Administrator, program information, or primarily focusing on other opt-in offerings rather than the opt-out CCA program itself. These documents include, but are not limited to, opt-out letters, newly eligible letters, FAQs, and outreach materials. Opt-out letters and FAQs have been a significant challenge for Staff to approve as content continues to be changed from one submittal to the next. The opt-out letters, on occasion, miss information that is required by the Commission, do not clearly identify additional program offerings as opt-in products, and, at times, include inconsistent or inaccurate information.

The CCA Rules requires multiple forms of outreach and education over a period of no less than 60 days but do not specify what precisely meets those requirements or what proof is needed to validate that proper notification about meetings and events was provided to municipal residents. The intention was to allow the municipalities and CCA Administrators flexibility in designing their CCA program to meet the needs of eligible program participants. However, this flexibility has led to disagreement as to whether education and outreach packages satisfy Commission requirements. The ability to design a program around municipal needs is important but, without defining what meets those requirements, Staff cannot ensure that the proper outreach and education is performed and, therefore, cannot determine whether to approve program filings.

Staff recommends the Commission require use of standardized outreach and education templates and guidelines for what can be included in consumer communications. This will ensure all requirements have been met, necessary information has been captured, and ensures consumers are being properly educated about their municipality's opt-out CCA program. Examples of the proposed templates and guidelines are provided in Appendix B.

Inconsistency of CCA Program Rate

When a customer joins the CCA after the initial opt-out period, in some instances, they are being charged a higher rate compared to the CCA advertised rate and contracted price. Information regarding the higher rate is not found on program websites or disclosed in any CCA Administrator filings or reporting, including potential participant opt-out letters. Staff believes

that this practice is detrimental to CCA programs and expects that it may cause customer confusion and dissatisfaction. Additionally, it leads to misinformation being provided, albeit unintentionally, to potential participants when they research the CCA rate before opting-in. Moreover, this practice creates issues with price reporting requirements. Though the annual reporting requirements include supply pricing, none of the Administrators included the price a customer paid when they opted-in to the CCA program in their recent annual reports.

Staff recommends requiring CCA programs to enroll all program participants in the same rate class under the same rate, regardless of when they joined the CCA, unless they voluntarily choose a different option such as a green opt-up. Clarity and transparency of the program and its rates is essential to proving meaningful information to participants, thereby reducing confusion and dissatisfaction with programs.

Program and Administrator Websites

While each CCA Administrator has information about its program on a website, whether the information is on the CCA Administrator's site, a separate program site, or on the ESCO's site varies by program. The CCA Rules did not provide specific requirements or guidelines for what information must be included on websites or how they should be structured. However, since outreach and education materials, opt-out letters and other program materials generally include links to these sites, Staff performs a thorough review of these sites before issuing approvals of those documents.

Currently, there is no consistency between or among the program websites – even under the same CCA Administrator – which means there is not a clear means by which a consumer or municipality can compare programs or Administrators. Some sites have little to no information regarding the CCA program, while others have multiple links to other sites, making it difficult to navigate and find information. Staff's reviews of the websites have revealed misinformation, incorrect identification of CCA Administrators, different descriptions of what CCA is and where it exists, and several other concerns. While CCA Administrators have generally been receptive to Staff requests for changes to these sites, there is still a significant amount of work to be done in order to ensure clear, concise information is being provided for all programs.

Staff recommends issuance of set guidelines for what is required to be on program websites and further recommends modifying the program verification and approval process to formally include Staff review of program websites. The proposed guidelines for program and administrator websites are included in Appendix B.

5.2. Utility Standardization and Process

As CCA programs have expanded and grown into multiple utility service territories, Staff has become aware of inconsistencies between utilities regarding the CCA information they are providing and the processes for dealing with problems that have arisen. As a result of these inconsistencies, there have been issues that have impacted large numbers of CCA participants and required Staff intervention to mediate and correct. As with the CCA Administrators, utilities also need to provide clear and consistent information and have standardized processes for Administrators that apply generally. In order to address the lack of standardized processes and increase utility communication with Administrators, Staff recommends instituting utility-side requirements that include the use of uniform and defined CCA information on websites and customer communications, processes on how to deal with billing and enrollment issues, implementing communication protocols, and Staff notification and approval of customer communications that pertain to CCA programs before use. The proposed guidelines for utilities are included in Appendix B.

Utility Website CCA Information

Staff reviewed the information available on the utility websites and found, in most instances, little to no information for consumers, municipalities, or Administrators on CCA programs or processes. For CCA programs to be successful, there must be consistency and clarity of information, regardless of whether that information is coming from the utility, the CCA Administrator, or Staff.

Staff recommends establishing set requirements of what must be included on utility websites about CCA. This information would include, at a minimum, CCA Administrator and program information, links to the CCA webpage and the NYSERDA CCA Toolkit, utility points of contact for Administrators, and a clear price to compare.

Price Information

The ability to provide clear and accurate price comparisons between the utility and the ESCO is an integral part of the retail access and CCA market. Without an established standard, CCA Administrators and utilities calculate the price to compare differently. This has led to inconsistent price to compare reporting between what the utility is publishing and what the CCA Administrator is providing to the municipality and its residents. One such instance of this created confusion for a significant number of consumers in a municipality that was beginning its opt-out period and required Staff involvement to address the issue. This type of inconsistency

leads to consumer confusion and, subsequently, consumers choosing to not participate in CCA programs based on confusion or uncertainty rather than as an informed choice.

In its Retail Access Change Order, stressing the importance of empowering customers to make informed choices with easily accessible and accurate price comparisons, the Commission directed Staff to collaborate with the utilities and develop a timely and cost-effective Joint Billing Plan.[13] The plan will include individualized utility plans for implementation of a clear price comparison as well as establishing itemized billing of ESCO charges on the customer utility bill.

Staff recommends defining the price to compare for the CCA market (to be used by utilities and CCA programs) as the utility rate + Merchant Function Charge (MFC) + any other defined adder that applies to utility supply customers but not ESCO customers. The price to compare should be a consistent calculation across all CCA programs and utilities and should be clearly posted on utility and CCA program websites. Additionally, as the utility billing changes are made, and the ability to include an ESCO price to compare is provided on the bill, Staff recommends that this information also be provided on CCA participant bills for the ESCO that is supplying the CCA program.

CCA Program Identification on Utility Bills

A customer who is enrolled with an ESCO, outside of a CCA program, will see the name of that ESCO under the supplier information section of their bill. With CCA program participants being served by an ESCO as well, they, in most instances, see the same information – the name of the ESCO. However, the inability of some customers to identify the supply charges, and the serving ESCO, as being part of the CCA program they chose to participate in, has led to significant customer confusion and increased the number of customers opting out of the CCA program. Many of these customers, upon being educated that the ESCO is serving the CCA, have had to go through the challenges of the CCA opt-in process to re-enroll and receive the benefits of participating in a CCA program. While some utilities have tried to address this by providing a supplier name that either identifies the CCA program or includes the CCA program name, this has not been consistent across utility territories, primarily due to differences in utility IT system capabilities.

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[13] Case 15-M-0127, et al., In the Matter of Eligibility Criteria for Energy Service Companies, Order Adopting Changes to the Retail Access Energy Market and Establishing Further Process (issued December 19, 2019) (Retail Access Change Order).

To ensure that customers understand that the supply charges relate to their participation in a CCA program and are not due to being enrolled with an ESCO without their authorization, thereby reducing the number of CCA program drops due to customer confusion, Staff recommends each utility be required to include the CCA program name where the ESCO supplier name is currently provided on the customer's utility bill. Additionally, the ESCO contact information section should be consistent with the approved MIP for each program and confirmed with the CCA Administrator prior to customers receiving billing for the CCA program.

Billing Errors

CCA participants can continue to stay enrolled in utility billing programs which they were participating in before joining a CCA program, such as payment agreements and budget billing plans. A budget billing plan is required to be offered by all utilities; the specifics of these plans vary by utility. Staff was informed that there are variances in the timeframe for when a customer's budget plan is reviewed and in the adjustment procedure.

After a municipality had completed opt-out enrollment of eligible customer accounts, Staff was notified by a CCA Administrator of a billing error that was impacting new CCA program participants that were also on the utility budget billing program. The customer's first bill after being enrolled with the CCA program showed double billing of their supply charges, which led to the belief that the CCA program was far more expensive than the utility supply service. Staff worked with utilities and Administrators to get the impacted customer's bills corrected and, lacking established requirements or processes for this issue, developed requirements for the utilities to:

- Ensure utility customer service representatives (CSR) were trained not only on the budget billing issue but also on CCA programs overall;
- Credit customer accounts on the following bill, after overbilling;
- Notify Staff and CCA Administrators of any issues; and
- Provide proper notification and communication to municipalities and impacted customers.

Staff recommends establishment of standardized processes and requirements for billing errors to include utility requirements regarding communications and error correction with regard to Staff, CCA Administrators (and the serving ESCO), municipalities, and customers. Implementing specific processes and requirements for customer billing errors, as they pertain to

CCA programs, ensures that if another billing issue arises, there is existing guidance available about what must be done and by whom.

Customer Enrollment Errors

CCA programs have also seen customer enrollment errors where customers should have been enrolled and weren't, as well as where customers who shouldn't have been enrolled were. These issues typically arise due to incorrect data being provided to the CCA Administrator by the utility, who is responsible for providing eligible customer data for the facilitation of CCA programs.

The establishment of standardized processes and requirements for how to handle customer enrollment errors is necessary to ensure that the customer is not penalized as the result of any incorrect action on the part of the CCA Administrator, supplier, or utility. These processes should be consistent with what is established through the UBP and any other Commission guiding documents. Staff recommends the following requirements:

- In the event a customer has been incorrectly enrolled, and the customer has not been billed yet, the account should be backdated to correct the error as soon as possible;

- If the account has already been billed, the account should be corrected and, if the customer was billed more than they should have been, the utility should immediately credit the account overcharge and send a letter to the customer explaining the error and subsequent correction;

- If the customer was charged less, the account should not be charged the difference and the customer should be notified of the error; and

- When the customer was improperly not enrolled, the utility should credit the account if the customer was charged more and send an approved notification letter to the customer. If the customer was undercharged, the account should not be charged the difference and the customer should be sent an approved notification letter.

Notification Letters

Upon enrollment with an ESCO, a letter is automatically generated by the utility that provides information regarding the switch to an alternative energy supplier. During CCA enrollments, the notification letter has led to customer confusion as it does not indicate the switch was done due to their enrollment in the CCA program. Consistent with the above described issues with customer confusion, customers dropped from CCA programs upon

receiving this notification letter, many of whom opted back into the program once they were educated. To address this issue, Staff met with utilities and alternative notification letters were created. With the differences in utility IT systems, the ability to quickly modify the letters was not consistent and led to different versions going out at that time.

Staff recommends requiring a standardized and uniform utility notification letter template that clearly indicates the notification letter is for enrollment in the CCA program. The notification letter should also include the CCA program contact information and the information to contact utility CSRs who have been trained on CCA programs. This letter should notify the customer that they have been enrolled with the CCA program and direct questions and opt-out requests to the CCA or ESCO for handling. If the CCA program is going through a contract renewal, CCA program participants should not receive a new notification letter, even if the ESCO serving the program changes.

Utility Role in CCA Program Opt-Out Requests

The utilities' role in CCA is generally limited to providing the necessary data for CCA programs and generating accurate billing for participants. Where a utility is contacted by a customer with questions about CCA, utility representatives should be capable of explaining what the CCA program is to ensure that the customer understands their choice and should not discourage the customer from participating in CCA programs. If the customer informs the utility that they do not wish to participate, the utility may place an ESCO enrollment block on a customer account if the customer so requests, but should also ensure that the opt-out request is communicated to the CCA Administrator or their designee to ensure that the customer's choice to not participate is recognized and avoid confusion regarding the customer's status. This will also ensure that reporting on opt-out numbers is accurate.

To ensure the customer's choice to opt-out is recognized and the required opt-out numbers are accurately recorded, Staff recommends that, during a CCA program opt-out period, the utility be required to maintain a record of every customer that contacts them to opt-out or to have an ESCO enrollment block placed on their customer account for the purpose of CCA program opt-out. This CCA opt-out report should be provided by the utility to the CCA Administrator at the end of the opt-out period. Additionally, this report should include the opt-out categories, as described in Section 5.6 Annual Reporting, below.

5.3. Streamlined Filing Process

Filing Process

There are specific filings required throughout the implementation, authorization, review, and approval of the CCA Administrators and CCA programs. Currently, these filings are submitted by email to Staff and filed with the Secretary to the Commission, reviewed by Staff and, if found to be compliant, an approval is sent by Staff to the CCA Administrator and filed on the Department's Document Matter Management (DMM) system in the CCA Case, 14-M-0224. With some of the CCA Administrators having a separate initial petition case number, in addition to the primary CCA case number, filings are not always recorded in the right case, which may delay the process. Staff reminds CCA Administrators to file all documents, excluding annual reports,[14] in the primary CCA Case, 14-M-0224, and recommends implementation of a streamlined filing process that includes specific requirements for filings themselves, including defining what will be accepted as part of the filing.

Staff is currently evaluating options for upgrading internal technology that would enable streamlining the filing process and lessen the likelihood of any issues or delays related to it. One such option is examining the viability of establishing a process like what is currently used for DER Oversight whereby the CCA Administrator would submit the filing directly in DMM, which would trigger an automatic email notification to appropriate Staff for review. This DMM option would also allow for compliance requirements to be established, fulfilled, and reported on, and would further provide a mechanism for associating each municipality, and its supporting documentation, to the applicable CCA Administrator. An electronic filing process will also benefit the public by ensuring program transparency across the state. Currently, tracking of CCA programs and requirements are done through spreadsheets and referencing files in DMM. The proposed process will not only streamline the filing process, but will also create transparency of the programs, making it easy to see which municipalities are participating in what program and enabling Staff to more effectively manage CCA statewide.

Staff recommends continued evaluation, and adoption, of a streamlined filing and tracking process for CCA documents that enables efficient and timely filing by Administrators. Additionally, after establishment, the process as described above would create an automated process that supports Staff oversight of and reporting on CCA programs by providing a public

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[14] Annual reports are filed in Matter 17-00974: In the Matter of Financial Reports for Community Choice Aggregation Programs

centralized CCA tracking database that could easily be queried, track compliance, and record program information. Staff also recommends the creation of a public facing CCA database dashboard to better understand and analyze the performance of CCA programs.

5.4. Modification of Requirements

<u>Strategic Use of Energy Related Data</u>

On March 19, 2020, the Commission instituted a new proceeding to consider the strategic use of energy related data and directed Staff to file two whitepapers.[15] One of the whitepapers, which pertained to the development of a data access framework, was filed on May 29, 2020. If adopted by the Commission, the proposed data access framework will incorporate all existing data access requirements into a single source for data access policies. The framework discusses, among other things, data quality and integrity standards, relationships and responsibilities, enforcement and dispute processes, cybersecurity and privacy requirements, and available data. If adopted, the framework would identify all data access requirements associated with CCA and ensure the proper cybersecurity and privacy protections are in place prior to data access.

5.4.1. Provision of Customer Data

The ability to effectively implement and manage a CCA program is directly related to the quality and timeliness of the data being provided by the utility to the CCA. Without the data necessary to facilitate a program, CCA - and its associated benefits - would not exist. Throughout program operations, there have been consistent issues related to data. Some of the issues have been resolved through trial and error, as was to be expected during initial implementation. However, issues regarding data continue to directly impact CCA programs and participants. While some of the data issues and errors have been described in the previous section, such as customer enrollment errors, there are additional items, described below, that Staff provides recommendations for in order to enable access to data necessary for CCA programs.

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[15] Case 20-M-0082, <u>Proceeding on the Motion of the Commission Regarding Strategic Use of Energy Related Data</u>, Order Instituting Proceeding (issued March 19, 2020) (Strategic Use Order)

Data Security Agreement

The CCA Framework Order required the development and implementation of a CCA DSA for parties to agree to before data would be released by the utility to the CCA Administrator. The CCA DSA was formalized and adopted in the MEGA Order and is still being used for determination of requirements for release of data for CCA purposes. The CCA DSA included requirements for cybersecurity and privacy protections to protect both the utility IT systems and the customers data.

In its Cybersecurity Order,[16] the Commission adopted minimum cybersecurity and privacy protections necessary for access to customer data. The Cybersecurity Order did not address how, or if, the existing CCA DSA should continue to be used. At the time the CCA DSA was put into place, a standardized document had yet to be developed that could be applied to address CCA data needs. To ensure consistent treatment of parties and that the correct requirements are in place to protect customers and utility IT systems, Staff recommends that the CCA DSA be replaced with the requirements established in the Cybersecurity Order, which would also ensure the requirements could be expediently updated upon Commission decision.

Data Access Fees

In the CCA Framework Order, the Commission recognized that, until fully automated systems were developed to produce and transfer aggregated data, costs would be incurred by the utility to manually gather and process the data for each CCA program. Therefore, the utilities were permitted to charge a fee for access to aggregated community load data, as well as the customer information needed to facilitate opt-out mailings.[17] The data access fees for access to aggregated community load data, as well as the customer information needed for CCA programs were implemented in the Data Access Fees Order, which also continued the 15/15 privacy screen for the Residential group and adopted a 6/40 privacy screen for the Small Commercial and Other group, both for CCA aggregated data and for the Utility Energy Registry.[18] In the Data Access

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[16]   Case 18-M-0376, et al., Proceeding on Motion off the Commission Regarding Cyber Security Protocols and Protections in the Energy Market Place, Order Establishing Minimum Cybersecurity and Privacy Protections and Making Other Findings (issued October 17, 2019) (Cybersecurity Order).

[17]   CCA Framework Order, pp. 45-46.

[18]   Case 17-M-0315, et al., In the Matter of the Utility Energy Registry, Order Establishing Community Choice Data Access Fees (issued December 14, 2017) (Data Access Fees Order); see also Case 17-M-0315, et al., In the Matter of the Utility Energy Registry, Order Adopting Utility Energy Registry (issued April 20, 2018) (UER Order).

Fees Order, the Commission established a uniform fee, for all utilities, of $0.80 per account. The fee was apportioned 20% to requests to utilities for aggregated data and 80% to request to utilities for customer lists.

CCA Administrators have been paying the data access fees and complying with applicable data access requirements. However, there have been significant lag times for receiving the data, as well as data quality and accuracy concerns, which have impacted the ability to implement CCA programs.

Staff recommends eliminating the data access fees associated with CCA programs. Utility system capabilities have evolved and are now able to automate data processing, eliminating the basis for the fees. Additionally, this action is consistent with the recommendations in the proposed Data Access Framework whitepaper.

Aggregated Data

The first data set provided for CCA programs is an aggregated data set that includes: (1) the number of customers by service class; (2) the aggregated peak demand by month for the past 12 months, by service class to the extent possible; and (3) the aggregated energy for electricity or volumetric consumption for gas by month for the past 12 months, by service class. There have been inconsistencies with respect to how the aggregated data is being pulled, aggregated, and provided by utilities, which has resulted in inaccuracy, leading to errors in enrollments. Specifically, one CCA program reported an 8% data error rate pertaining to the correct identification of municipal boundaries. These errors created a significant challenge for the implementation of the CCA program as it pertains to the identification of eligible customers. Additionally, Staff has been notified that the aggregated demand in this instance was not separated out from the overall aggregated load, skewing the total load calculation. Finally, at the CCA Round Table, the need for data regarding the distribution of meter reading cycles was discussed and agreed upon to be provided.

Staff recommends that the distribution of meter reads be provided in the aggregated data set, and to recognize utility responsibility for accuracy of the data being provided, Staff further recommends the utilities be required to determine the most accurate means by which CCA eligible accounts' meter read dates can be pulled.

Privacy Screens

To ensure that customer data and IT systems are protected, the CCA Rules require a signed DSA before a CCA program can receive any data. The DSA includes cybersecurity and privacy controls that address the risk to both the utility IT systems and customer privacy.

Current CCA requirements require that, in addition to the signed DSA, aggregated data must also pass a privacy screen before it can be released by the utility to the CCA Administrator. Privacy screens are used to prevent re-identification of an individual customer who has not consented to share their information. The use of the privacy screens, while necessary in some use cases, is unnecessary for CCAs where consent has already been provided by the municipality. Additionally, the aggregated data used to facilitate CCA programs only contains eligible customers and is already anonymized. Staff recommends removal of the requirement for CCA aggregated data to pass privacy screens before being released.

Customer Specific Contact Information

Through discussions with CCA stakeholders, Staff has determined that the ability to process enrollments, and correctly bill accounts, requires additional data that should be included in the customer specific contact information. No participants opposed these expansions to the data set. Staff recommends including the following data with the customer specific contact information data set:

- meter read data to include bill cycle and period code;
- tax-exempt status;
- net metered/VDER/solar account indicator; and,
- dual meter indicator.

Opt-out CDG Program Data

When integrating an opt-out CDG program, Staff recommends excluding customers from the aggregated data and customer specific contact information if they:

- have an active onsite or remote net metering account;
- are already subscribed to a CDG project; or
- are otherwise deemed ineligible for CDG enrollment in accordance with applicable regulations.

Timeframe Expectations

The CCA Framework Order details expected timeframes for when the utility should provide data after a request. While these timeframes were provided, a process for what to do when those timeframes were not met was not addressed. Staff has worked with parties to address these issues as they have arisen, however, lags in receiving data still exist.

Staff recommends further detailing utility expectations for providing accurate data in the required timeframes and establishing a dispute resolution process. Staff also recommends

applying the timeframes adopted in the CCA Framework Order for all CCA Administrator data request, including the data necessary for the implementation of an opt-out CDG program.

Proxy ID Numbers

The use of account numbers to associate a customer has been shifting toward the use of proxy identification (ID) numbers. The use of proxy ID numbers is a means to mitigate the risk to data privacy associated with the sharing of customer account numbers. While CCA data sets have been provided by the utility with the use of proxy ID numbers, those ID numbers are only associated with the customer during the initial opt-out period and do not stay with that specific account throughout the life of the account. This has led to the inability to match the proxy ID number to the same customer during subsequent CCA program actions, such as during contract renewal periods. If a customer has previously opted-out of CCA participation, the CCA program should not be sending them another opt-out letter at renewal. However, the CCA is unable to easily match the proxy ID number of customers who have previously opted-out with a new list of customer proxy ID numbers, since the numbers do not stay with the customer.

Staff recommends that the utility assign a proxy ID number for each potential CCA program customer account and that this proxy ID number remain for the life of the utility account. This action will address the current difficulty and lays the foundation for possible future modifications determined by the Data Access Framework. Ideally, each utility customer in New York would be assigned a unique identifier that stays with them, regardless of utility. This would enable portability, remove the need for account numbers for enrollment purposes, and further ensure data privacy.

5.4.2. Customer Eligibility

Appendix C of the CCA Framework Order details the eligible gas and electric service classes, by utility, that are eligible for opt-out enrollment in CCA programs.[19] CCA programs can be designed to include any service class the municipality chooses; however, those outside of Appendix C can only be enrolled on an opt-in basis. Recognizing the complexity of certain service classes, the Commission excluded any customer, regardless of service class, from being enrolled on an opt-out basis if: (1) they are taking service subject to riders or other special rate treatments; (2) it would interfere with a choice the customer has already made; (3) they are already an ESCO customer; or (4) there is an ESCO block on their account.

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[19]   CCA Framework Order, Appendix C – List of Opt-Out Eligible Service Classes by Utility.

While Appendix C of the CCA Framework Order defines the opt-out eligible service classes, the rate classes or sub-classes included in each service class do not appear to be wholly consistent between utilities, and in some instances, include accounts that may not be eligible for opt-out enrollment in a CCA program. As an example, the opt-out eligible residential service class for one utility also includes time-of-use accounts, which are not eligible for opt-out enrollment. During one CCA program's implementation, these accounts were erroneously enrolled and billed under the CCA program rate, instead of being removed from the opt-out eligible account list. This led to incorrect billing and caused that program to receive a high rate of opt-outs.

Staff recommends that each utility compile a filing that details it's specific opt-out eligible service class, as specified in Appendix C of the CCA Framework Order, and defines all sub-classes for those service classes. The filing should also explain how each utility intends to handle the identification and separation of sub-classes that should not be eligible for opt-out enrollment.

Service Class Data

The CCA Framework Order recognized the complexity of certain electric and gas service classes and limited opt-out enrollment to just the residential and small non-residential service classes found in Appendix C. In facilitating CCA programs, there have been instances of CCA data being provided by the utility that included demand usage or accounts that included a demand component.

As there is flexibility in determining what service classes the CCA program is going to provide service to, the utility should work with the CCA Administrator to ensure the correct groups are being identified and enrolled. Staff recommends requiring the utilities to use any available data points to properly identify and remove those accounts that are not eligible for opt-out treatment or those that have been identified by the CCA Administrator as needing to be excluded, before providing the data sets.

New Service Classes and Rate Structures

With the continued development and expansion of options for customers to have more awareness and control of their usage, and the resulting bill, new rate classes and structures have been implemented in some utility territories and are being considered in others. These new rate classes are predominantly demand-based rates and while many of them include requirements that automatically disqualify CCA participants, this is not true of all of them.

Staff anticipates the continued expansion of rate offerings by the utilities, including those with demand components, and as such, provides the following recommendations regarding newly implemented service classes and rate structures as they apply to CCA programs and participants.

- If a CCA intends to serve a new rate structure, the CCA Administrator must first submit to Staff, for approval, a filing detailing the CCA product offering and showing how it will benefit the customer over the new utility rate structure.

- New rate structures are not eligible for opt-out treatment unless a) they are a sub-class of a service class included in Appendix C of the CCA Framework Order, and b) there is a comparable product being offered by the CCA that the customer will benefit from.

- Current CCA customers are excluded from being opt-out enrolled in a new utility service class or rate structures without demonstration by the utility that the customer will receive a higher benefit by leaving the CCA. Such information should be provided to the Commission as part of any petition for approval of a new utility service class or rate structure.

- When an eligible service class includes demand customers, and a demand customer does not opt-out of the program, the CCA participant should remain enrolled with the CCA even if their service class subsequently changes to one that is not eligible for opt-out treatment.

- The utility should communicate with the CCA Administrators and Staff regarding possible enrollment of current CCA participants into any new service classes, to determine where the customer may receive the most benefit.

5.4.3. Opt-Out Process

Eligible Customers

The CCA Rules define the process and requirements for opt-out enrollment of eligible service classes. However, there are areas that are not fully addressed in the current CCA Framework Order. Specifically, treatment of eligible customers at a CCA's contract renewal period who had previously opted-out.

With programs now being active long enough to be entering into another contract, and with the subsequent issuance of new opt-out letters, there needs to be clarification on how eligible customers who previously opted-out should be treated at contract renewal. At this point in time, there has not been any steps taken to determine how to treat an eligible customer during contract renewal who initially opted-out.

The CCA Framework Order recognized the customer's right to choose and excluded those who had already done so, by choosing ESCO service for example, from being opt-out eligible. To ensure CCA programs are not interfering with customer choice, Staff recommends that customers who have opted-out in the past have that choice recognized for the life of the CCA program. The CCA Administrator should be required to maintain a listing of such customers, to be used for identifying those customers as ineligible for opt-out enrollment. This should not exclude customers from opting-in to a CCA program. However, it saves the customer from continually having to opt-out of a program they have already made a decision on.

To provide additional clarity on the treatment of ineligible opt-out customers, such as ESCO customers and customers who have a customer-initiated block on their account, FAQs should include language that states who is ineligible for opt-out treatment within the body of the opt-out letter.

Newly Eligible Process

The CCA Framework Order allowed CCA Administrators to request a monthly listing of newly eligible customers from the utility for the purpose of capturing eligible customers who moved to the municipality during a CCA program's contract term. The decision as to whether these newly eligible customers should be enrolled on an opt-in or opt-out basis was left to each participating municipality to decide.

Staff has been informed that the monthly newly eligible list, provided by the utility, includes additional customers beyond those who have a new account. These lists have also included accounts that have had name changes or rate class changes, and there is no indicator specifying why the customer account qualifies as newly eligible. While recognizing that the utility should not have to manually review each account generated on the list, there does need to be some ability to determine which accounts should in fact be included on the list and eligible for opt-out participation in the CCA program, if the municipality is enrolling newly eligible customers on an opt-out basis.

The CCA Framework Order did not speak to rate class changes or name changes, and, if those accounts were initially eligible, they should have been given the ability to enroll at that

time and may have opted out. Therefore, these account changes should not prompt the accounts to be included on the newly eligible list. Only those accounts that are for a new customer establishing an account, at a new premise, should be considered newly eligible for opt-out enrollment.

Staff recommends that the utilities establish a process to eliminate any incorrect customer accounts from the newly eligible list or add an identifier that defines why the account is included on the newly eligible list. The CCA can then proceed with enrollment for the appropriate newly eligible customer accounts.

Additional Meeting Requirement

In the MEGA Order, the Commission required that an additional education meeting be held, with verification provided to Staff, after the supply contract was awarded but before opt-out letters were mailed, ensuring that the specific information about the contract is conveyed to program participants. With the differences in CCA program structures and timelines, not all programs begin their required outreach and education prior to the supply contract being awarded. In those instances, the requirement has led to delays in the ability to mail opt-out letters. To address this, Staff recommends modifying this requirement to allow for the notification, or announcement, of the contract-specific informational meeting to be included in the opt-out letter, with the letter being sent before the meeting is held with the meeting taking place during the opt-out period. This modification would only apply to initial program implementation when outreach and education has recently been performed. The additional meeting will still need to be held for contract renewals to ensure that sufficient outreach is being done regarding the contract changes.

5.4.4. Opt-In Process

Recognizing that customers who were not eligible for opt-out treatment may still want to receive the benefits of participating in a CCA program, the CCA Framework Order allowed opt-in enrollment with a process consistent with the customer enrollment requirements of the UBP. CCA Administrators have worked with their selected ESCO to develop and implement an opt-in process consistent with the requirements of the CCA Framework Order and the UBP. However, one of the requirements has proven to be problematic, frustrating customers and, in many cases, leading them to not participate because of it. The Customer Agreement, Section 5(B)(1), of the UBP requires that for an ESCO to enroll a customer, it must obtain and record the customer authorization via telephone, electronic, or written means. While the CCA Framework Order

suspends this requirement for opt-out enrollment, it does not for opt-in CCA program enrollments.

CCA Administrators initially attempted to use the specified questions included in the UBP, however, there were many questions that were not applicable to CCA participants. Customers requesting to opt-in expressed confusion as to why they were being asked such questions. Staff was able to provide an alternate set of questions that provided the required information under the UBP; however, a requirement remained problematic.

When a customer contacted the CCA to opt-in, the program was discussed, and enrollment information was obtained. The customer would then to be placed on hold, the ESCO would be contacted before a third-party could complete verification. This process, though many variations were attempted, caused significant frustration for customers wanting to opt-in to the program. There were considerable hold times, repeated information, and overall dissatisfaction with the difficulty in trying to participate.

The UBP requirements for customer enrollment were developed to protect customers from any fraudulent enrollments. There is an inherent difference between a customer initiating contact to opt-in to a CCA program, thereby enrolling with the CCA ESCO, versus an enrollment request coming from an ESCO that may, or may not, have been initiated by the customer. Staff recommends suspending the customer authorization verification requirement of the UPB Section 5(B)(1) for CCA opt-in purposes only, while retaining the ability to reinstitute these requirements if an issue with unauthorized enrollment develops in the CCA market.

5.4.5. Product Pricing

Fixed Rate with a Price Limit

Due to changes in supply markets and the need for CCA Administrators to provide a competitive price that protects CCA participants from paying a higher supply rate when compared to the utility rate, Staff recommends adopting a 5% cap on commodity product offerings. Fixed-rate products should be limited to a price no greater than the trailing 12-month average utility supply rate plus a premium of no more than 5%. The price cap should apply to all commodity fixed-rate products. Additionally, this whitepaper seeks stakeholder input regarding the application of additional price restrictions on CCA product offerings.

5.5. CDG Opt-Out with Consolidated Billing Process

The Joule Order introduced requirements for integrating an opt-out CDG component into a CCA program, which included the submittal of a CDG Implementation Plan (IP) for review and approval that detailed the:

- Magnitude of participating CDG projects;

- Target subscription class;

- Scope and structure of the guaranteed savings;

- Billing arrangement; and

- Additional outreach and education.

In addition to the requirement for a CDG IP, the Commission also implemented quarterly and annual reporting requirements for the CDG programs. While the Commission recognized the potential benefits of integrating an opt-out CDG component to a CCA program, it did not authorize opt-out CDG components of CCA programs at that time, due to the potential separate billing issues that would not be resolved until consolidated billing was available.[20]

Consolidated Billing

In its Consolidated Billing Order, the Commission adopted a net crediting model for consolidated billing and provided details and implementation instructions. In discussing CCA, the Commission directed Staff to work with stakeholders to determine what issues need to be addressed for the integration of CCA and CDG, including for the use of an opt-out CDG component of a CCA program.

CCA Programs with an Opt-Out CDG Component

Staff is proposing that Commission approved CCA Administrators be permitted to integrate an opt-out CDG component to their existing CCA programs by submitting an updated CCA program MIP that includes the CDG IP and details the proposed opt-out CDG component, for Staff's review and approval. This will enable all the CCA Administrators to offer comparable products and services to existing and prospective municipalities. Understanding that additional rules or requirements must be developed to ensure that an integrated CCA/CDG program will

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[20] Joule was able to submit an opt-out CDG implementation plan for Staff approval following the adoption of consolidated billing in the Commission's Consolidated Billing Order; Case 19-M-0463, In the Matter of Consolidated Billing for Distributed Energy Resources, Order Regarding Consolidated Billing for Community Distributed Generation (issued December 12, 2019) (Consolidated Billing Order)

benefit all New Yorkers, and not just CCA participants, Staff is seeking comments on what those rules should be and what, if any, other programmatic items should be considered.

CDG Implementation Plan

The Joule Order required submittal of a CDG IP for Staff review and approval to ensure the program will not produce customer confusion and will comply with Commission requirements before enrolling customers in a CDG program on an opt-out basis.[21] The CDG program must be designed in a way that always creates a savings for participants, does not require a credit check, provides necessary outreach and education, and, when possible, provides equity to APP customers.

Outreach and education requirements that increase consumer awareness and understanding of the program, and its benefits, are integral to the success of the program. Opt-out CCA programs have demonstrated that robust outreach and education programs lead to a larger number of informed consumers making the decision to participate in the program. With the addition of another program component to CCA, and the possible confusion related to billing, it is more important than ever that consumers are receiving appropriate education about these programs. Staff recommends establishing CDG IP requirements that build upon those adopted in the Joule Order and are consistent with CCA Orders, the CCA's MIP. and should include filing requirements for programmatic items such as customer outreach and education, RFP's, and Energy Service Agreement (ESA). Modification to these requirements should be done consistent with the CCA Framework Order.

Uniform Business Practices for Distributed Energy Resource Suppliers (UBP-DERS) Exclusions

Consistent with the actions necessary for enabling ESCOs to provide supply service to CCA programs, Staff recommends review of the UBP-DERS and any other DERS requirements to determine if there are provisions that the Commission will need to exempt DERS from to facilitate opt-out enrollment and a CCA program.

Additional Program Offering Requirements

With more CCA programs and participating municipalities exploring options for additional CCA program offerings, consistent with the CCA Framework Order, Staff recommends establishing requirements that would apply not only for an integrated CDG component, but for any other CCA program offerings as well. These requirements should be clearly defined and integrated into the CCA Rules by the Commission to assist with Staff review

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[21] Joule Order, p. 16.

and approval. The modification of the CCA Rules to include additional program offering requirements supports consistent implementation and understanding of all program requirements. All product offerings that are opt-in should be listed as such on all communications with CCA participants and should only be included in communications, such as the opt-out letter, if they are part of the CCA Administrator's program.

To increase the benefits available to program participants, Staff supports the integration of additional program offerings within CCA programs, on both an opt-in and opt-out basis. Recognizing that these additional offerings may need requirements that vary from CCA supply requirements, Staff is seeking stakeholder input on what the additional requirements should be for the inclusion of opt-out offerings, as well as what requirements, if any, should be in place for opt-in offerings to ensure program participants are receiving the benefits being marketed to them through the CCA program.

Renewable Energy Certificates

CCA Administrators have notified Staff of the recent rise in Renewable Energy Certificates (REC) market prices which has caused a significant issue for CCAs to be able to offer their participants a green supply product or renew an existing green supply contract. Staff is seeking input on ways for CCAs to more easily procure RECs in order to offer their CCA participants EDP compliant renewable supply. With many CCA program contracts currently going through contract renewal periods, Staff has been advised that due to the inability to obtain affordable EDP compliant RECs for a compliant renewable supply product and the currently low standard supply pricing from the utilities, municipalities are choosing to leave the CCA program. Many of the participating municipalities would rather leave the CCA program than choose a standard product that might not be less than the utility supply rate. When EDP compliant requirements were adopted for use in CCA program renewable product offerings it was not foreseen that current utility supply pricing would be so low or that EDP compliant RECs would be difficult to obtain for a reasonable price. Recognizing this has the potential to significantly impact CCA program participation, Staff is seeking input on alternative product structures that, while potentially not EDP compliant, would still allow a municipality the ability to choose an environmentally beneficial product offering on an opt-out basis for its constituents.

Additionally, Staff is encouraging CCA Administrators, ESCOs, and generators to utilize the New York Generation Attribute Tracking System (NYGATS) Bulletin Board.[22] The

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[22] https://www.nyserda.ny.gov/-/media/Files/Programs/NYGATS/Operating-Rules.pdf.

NYGATS provides the Bulletin Board Sub-Account, where Account Holders can post RECs available for purchase. The Bulletin Board also allows Account Holders to post an interest in purchasing RECs. The Bulletin Board can be viewed by all Account Holders from the list of public reports.

To promote the adoption of new products and offering that might not have been envisioned or reachable at the time the Commission approved a CCA Administrator's MIP, this whitepaper is proposing that new products and offerings - not detailed in MIPs - should be clearly detailed and filed with the Secretary for Staff review and approval. This would allow for CCA Administrator flexibility and innovation.

Opt-Out CDG Only Program

Staff is also seeking comments on whether the Commission should explore the development of a program similar to a traditional CCA supply program that would allow municipalities to pass local legislation to enable CDG enrollment for all eligible members within their community on an opt-out basis. This would be a standalone program that would not be integrated with a CCA supply product. Staff is seeking input on the development of an opt-out CDG program, the necessary rules for such a program, and its association or disassociation with the traditional CCA program model.

5.6. Annual Reporting

The CCA Framework Order includes requirements for annual reporting, which is to be filed with the Secretary in Matter 17-00974: In the Matter of Financial Reports for Community Choice Aggregation Programs, by March 31 and must cover the previous year. Annual reports are to include, at a minimum:

- number of customers served; number of customers cancelling during the year; number of complaints received by the CCA liaison; commodity prices paid; value-added services provided during the year (e.g. installation of DER or other clean energy services); and administrative costs collected. The first report shall also include the number of customers who opted out in response to the initial opt-out letter or letters.
- If a CCA supply contract will expire less than one year following the filing of the annual report, the report must identify current plans for soliciting a new contract, negotiating an extension, or ending the CCA program.

In 2019, Staff received annual reports from all four CCA Administrators. While most provided the required information, the ability to correlate the data from one program to the next, or look at the individual aggregations within a CCA program, was not possible due to inconsistency in how the information was provided and lack of aggregation-specific details. These filings showed, among other things, reporting under different categories, inconsistent timeframes, incorrect metrics, and items completely omitted. In addition to the challenges with the existing requirements, additional reporting requirements have been established through other Commission Orders that should be included in the CCA program annual reporting requirements. These additional requirements include opt-out CDG program and APP program reporting. While annual reporting provides an opportunity for a thorough review of the CCA programs' activity over the previous calendar year, there is lack of current, or near real-time, information on the performance of CCA programs. The ability for Staff, municipalities, CCA program participants, and other stakeholders to analyze more recent data – such as participation numbers, load details, and complaints – potentially by municipality, could provide additional benefits and allow for a more accurate evaluation of a CCA program. This information would be made available to the public on the CCA webpage and, in turn, improve program transparency.

Currently, Staff is unable to provide up-to-date accounting when reporting on the State's CCA program status and, instead, must rely on outdated information, such as shown in the diagram above which includes data from the 2019 program year. With the continued growth of CCA programs, Staff needs the ability to see actual data for the program's operation. With the opt-out CDG program requiring quarterly reporting, it makes sense to align additional CCA program reporting with these quarterly reports.

Staff recommends the expansion and modification of the existing annual reporting requirements to include standardized and detailed reporting requirements, categories, clear guidelines, the incorporation of additional reporting requirements established after the CCA Framework Order, and the development and implementation of a reporting mechanism that would allow for quarterly reporting of both CCA supply and CDG data. These recommendations will ensure all CCA Administrators are accurately capturing, and providing, the necessary information for the current status of CCA programs in addition to the annual reporting. Concise and standardized reporting is needed for Staff to analyze the data, provide comparisons of programs, and provide the necessary transparency of program operations for all stakeholders. To facilitate the standardization of annual reporting, Staff recommends providing CCA Administrators a form in which CCA Administrators will enter all relevant reporting information

on a quarterly basis for both CCA supply and CDG which will allow the required data for annual reports to be generated from the completed quarterly reporting. As there are other non-numerical items required as part of the annual reporting, CCA Administrators would still need to fill in the other annual report information on the form before submitting. With the growth in CCA and program offerings, having a Staff provided reporting form allows inclusion of new reporting requirements. An Annual Report Summary example is included in Appendix B.

Complaint Reporting

CCAs must report on the number of complaints received by the CCA liaison. Staff has found that the avenues for which complaints may be received is broader than what was anticipated and as such, Staff recommends the complaint reporting requirements in the CCA Rules be expanded to include all complaints received, including, but not limited to, those received by the ESCO, DER, CCA Administrator, and Municipality. These complaint numbers will be combined with the complaint information received by the Department's Office of Consumer Services, for an overall reporting of consumer complaints which will be posted on the Department's CCA webpage.

Complaint Categories

Consumer complaint reporting received has proven difficult to analyze due to the lack of defined reporting categories. In order to properly capture the complaint concerns, uniform complaint categories needed to be established. For the 2018 annual report, Staff developed three primary complaint categories: enrolled without notice, difficulty with enrolling or dropping enrollment with the CCA, and dissatisfaction with the pricing or terms of the CCA product. Though this helped to properly capture the complaints received in a more organized manner, the categories and process still need additional work.

When discussing complaints, it's necessary to keep in mind that though a customer may not be satisfied with the opt-out enrollment treatment authorized through its municipality, and while they are able to file a complaint, it may not be an actionable complaint item – meaning that it may not count against the program or be used as an indicator of program performance. These numbers should still be recorded and can be used as an indicator that more outreach and education may need to be done to increase consumer awareness, which is increasingly more important as additional programmatic offerings become available.

Staff recommends expansion of the CCA Rules to include standardized and defined complaint categories for use by all CCA programs. Staff also recommends that the CCA Administrator be required to include complaint numbers from all sources, under these categories,

in the annual report and define possible actions Staff or the Commission may take in response to these complaint statistics.

Opt-Out Reporting and Categories

The number of customers who chose to opt-out of the CCA program in response to initial opt-out letters is required to be included in the annual reporting but as discussed previously, the reason for that opt-out has not been previously defined. While this information can provide greater understanding to customer choice, a customer should not be required to answer the question about why they chose to opt-out. In order to properly identify any possible areas for improvement, Staff recommends the following categories for opt-out reporting:

1) Does not agree with opt-out enrollment of a CCA program offering;

2) Is unfamiliar with the program or its offerings;

3) Does not like the CCA program or Administrator;

4) Does not feel they will benefit from the CCA program; and,

5) Other.

6. Environmental Disclosure Program Label

On August 17, 2018, Sustainable Westchester (SW) submitted a petition[23] to the Commission requesting, among other things, modification of the EDP to allow for separation of the CCA load from the total load of the ESCO serving the CCA, in order to facilitate the creation of a CCA specific label. SW asserted that the lack of a CCA specific EDP label that accurately reflects the energy purchases and assignments, including fossil energy has resulted in CCA participant confusion. CCA participants, who typically pay a premium for ESCO green offerings, want to see the CCA supply product fuel mix, and to be assured that their commitment of resources to support green energy within New York state is met. Currently, these CCA specific EDP labels are not able to be generated through the existing process.

Until such time that the creation of CCA EDP labels can be integrated into the automated generation process, Staff recommends working with the CCA ESCO to manually create the CCA specific EDP label which would then be posted on the DPS website, as currently done for other

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[23] Case 14-M-0224, Petition to Modify the Environmental Disclosure Program to Provide Separate Labels for Municipalities in Community Choice Aggregation and to Increase the Frequency of Data Reporting, Sustainable Westchester, submitted August 17, 2018.

manually created labels. In order for manual labels to be created Staff will need the CCA programs to file the detailed load information in its annual reporting, as described above.

7. Enforcement Mechanism

For the CCA market to grow and continue to offer communities the many benefits a CCA program might offer, CCA Administrators must act in good faith when it comes to marketing and program administration. Understanding that CCAs are a competitive market, Staff seeks comment on the development of an enforcement to ensure that all CCA market participants act fairly and conduct business in a way that will protect the CCA market and, in turn, create a more positive, robust CCA program for the State as a whole.

8. Long Island CCA Participation

With the growth of CCA, municipalities on Long Island have also begun exploring the potential benefits of implementing a CCA program. The CCA Framework Order did not outline the necessary requirements for implementation and operation of a CCA program on Long Island. However, though the Long Island utility structure and market may be different than other parts of the State, it is still necessary for Staff to review and approve those programs, to ensure that consumers are still being educated and protected, and that the program is compliant with the CCA Rules. As such, Staff recommends CCA programs on Long Island be reviewed and approved consistent with existing processes as well as those proposed in this whitepaper.

9. Closing

This whitepaper proposes recommendations intended to resolve program challenges, remove barriers to data access, and provide solutions to incorporate DER, and the benefits they offer, into a CCA program, thereby ensuring uniformity, transparency, and clarity of CCA programs statewide, and supporting the evolution of program offerings and benefits, into a CCA 2.0 model. To provide even greater opportunities for CCA participants, including savings, while furthering our clean energy goals, Staff recommendations include the following:

- Standardizing CCA program filing requirements;
- Streamlining the filing process;
- Modifying existing requirements; and,
- Adopting additional requirements.

These recommendations will provide reassurance to consumers and municipalities that the appropriate protections are in place to safely participate in an opt-out CCA program, enable Staff to efficiently and effectively continue program oversight and compliance, and provide an opportunity for CCA programs to invest in local clean energy and DER.

This whitepaper is being issued for public comment. When submitting comments, Staff urges stakeholders to utilize the organizational structure of this whitepaper in order to facilitate the analysis of issues presented in each section. To facilitate easy review of the recommendations included in this whitepaper, the recommendations have been summarized in the attached Appendix A and the proposed guidelines and templates are provided in Appendix B.

Appendix A: Summary of Staff Recommendations

5.1 Program Standardization and Uniformity

Staff recommends the creation of standardized templates and specific guidelines for meeting program requirements, all of which would be available on the CCA webpage. To be clear, while Staff provides various templates in Appendix B designed to provide such clarity and uniformity, Staff is not asking the Commission to adopt specific templates or forms. Instead, Staff proposes that the Commission approve the use of standardized templates, allowing Staff the flexibility to modify templates as experience with CCA programs develops. Under this proposal, Commission action would not be required every time a change to such a form is necessary, thus allowing Staff to be efficient with its resources as well as dynamic in its oversight of CCA programs and administrators.

Program Structure

To promote the standardization of program structure, Staff recommends developing a uniform filing structure that would reduce the need of duplicate filings by restructuring the required compliance filings a CCA Administrator must submit.

Outreach and Education

Staff recommends the Commission require use of standardized outreach and education templates and guidelines for what can be included in consumer communications. This will ensure all requirements have been met, necessary information has been captured, and ensures consumers are being properly educated about their municipality's opt-out CCA program. Examples of the proposed templates and guidelines are provided in Appendix B.

Inconsistency of CCA Program Rates

Staff recommends requiring CCA programs to enroll all program participants in the same rate class under the same rate, regardless of when they have joined the CCA, unless they voluntarily choose a different option such as a green opt-up.

Program and Administrator Websites

Staff recommends issuance of set guidelines for what is required to be on program websites and further recommends modifying the program verification and approval process to formally include Staff review of program websites. The proposed guidelines for program and administrator websites are included in Appendix B.

5.2 Utility Standardization and Process

Staff recommends instituting utility-side requirements that include use of defined CCA information on websites and customer communications, processes on how to deal with billing and enrollment issues, implementing communication protocols, and Staff notification and approval of customer communications that pertain to CCA programs before use. The proposed guidelines for utilities are included in Appendix B.

Utility Website CCA Information

Staff recommends establishing set requirements of what must be included on utility websites about CCA. This information would include, at a minimum, CCA Administrator and program information, links to the CCA webpage and the NYSERDA CCA Toolkit, utility points of contact for Administrators, and a clear price to compare.

Price Information

Staff recommends defining the price to compare for the CCA market (to be used by utilities and CCA programs) as the utility rate + Merchant Function Charge (MFC) + any other defined adder that applies to utility supply customers but not ESCO customers. The price to compare should be a consistent calculation across all CCA programs and utilities and should be clearly posted on utility and CCA program websites. Additionally, as the utility billing changes are made, and the ability to include an ESCO price to compare is provided on the bill, Staff recommends that this information also be provided on CCA participant bills for the ESCO that is supplying the CCA program.

CCA Program Identification on Utility Bills

Staff recommends each utility be required to include the CCA program name where the ESCO supplier name is currently provided on the customer's utility bill. Additionally, the ESCO contact information section should be consistent with the approved MIP for each program and confirmed with the CCA Administrator prior to customers receiving billing for the CCA program.

Billing Errors

Staff recommends establishment of standardized processes and requirements for billing errors to include utility requirements regarding communications and error correction with regard to Staff, CCA Administrators (and the serving ESCO), municipalities, and customers. Implementing specific processes and requirements for customer billing errors, as they pertain to CCA programs, ensures that if another billing issue arises, there is existing guidance available about what must be done and by whom.

Customer Enrollment Errors

Staff recommends the following requirements:

- In the event a customer has been incorrectly enrolled, and the customer has not been billed yet, the account should be backdated to correct the error as soon as possible;

- If the account has already been billed, the account should be corrected and, if the customer was billed more than they should have been, the utility should immediately credit the account overcharge and send a letter to the customer explaining the error and subsequent correction;

- If the customer was charged less, the account should not be charged the difference and the customer should be notified of the error; and

- When the customer was improperly not enrolled, the utility should credit the account if the customer was charged more and send an approved notification letter to the customer. If the customer was undercharged, the account should not be charged the difference and the customer should be sent an approved notification letter.

Notification Letters

Staff recommends requiring a standardized and uniform utility notification letter that clearly indicates the notification letter is for enrollment in the CCA program. The notification letter should also include the CCA program contact information and the information to contact utility CSRs who have been trained on CCA programs. This letter should notify the customer that they have been enrolled with the CCA program and direct questions and opt-out requests to the CCA or ESCO for handling. If the CCA program is going through a contract renewal, CCA program participants should not receive a new notification letter, even if the ESCO serving the program changes.

Utility Role in CCA Program Opt-Out Requests

Staff recommends that, during a CCA program opt-out period, the utility be required to maintain a record of every customer that contacts them to opt-out or to have an ESCO enrollment block placed on their customer account for the purpose of CCA program opt-out. This CCA opt-out report should be provided by the utility to the CCA Administrator at the end of the opt-out period. Additionally, this report should include the opt-out category, as described in Section 5.6 Annual Reporting, below.

5.3 Streamlined Filing Process

Staff recommends continued evaluation, and adoption, of a streamlined filing and tracking process for CCA documents that enables efficient and timely filing by Administrators. Additionally, after establishment, the process as described above would create an automated process that supports Staff oversight of and reporting on CCA programs by providing a public centralized CCA tracking database that could easily be queried, track compliance, and record program information. Staff also recommends the creation of a public facing CCA database dashboard to better understand and analyze the performance of CCA programs.

5.4 Modification of Requirements

5.4.1 Provision of Customer Data

Data Security Agreement

Staff recommends that the CCA DSA be replaced with the requirements established in the Cybersecurity Order, which would also ensure the requirements could be expediently updated upon Commission decision.

Data Access Fees

Staff recommends eliminating the data access fees associated with CCA programs. Utility system capabilities have evolved and are now able to automate data processing, eliminating the basis for the fees. Additionally, this action is consistent with the recommendations in the proposed Data Access Framework whitepaper.

Aggregated Data

Staff recommends that the distribution of meter reads be provided in the aggregated data set and to recognize utility responsibility for accuracy of the data being provided, Staff recommends the utilities be required to determine the most accurate means by which CCA eligible accounts' meter read dates can be pulled.

Privacy Screens

Staff recommends removal of the requirement for CCA aggregated data to pass privacy screens before being released.

Customer Specific Contact Information

Staff recommends including the following data with the customer specific contact information data set:

- meter read data to include bill cycle and period code;
- tax-exempt status;
- net metered/VDER/solar account indicator; and,

- dual meter indicator.

Opt-out CDG Program Data

When integrating an opt-out CDG program, Staff recommends excluding customers from the aggregated data and customer specific contact information if they:

- have an active onsite or remote net metering account;
- are already subscribed to a CDG project; or
- are otherwise deemed ineligible for CDG enrollment in accordance with applicable regulations.

Timeframe Expectations

Staff recommends further detailing utility expectations for providing accurate data in the required timeframes and establishing a dispute resolution process. Staff also recommends applying the timeframes adopted in the CCA Framework Order for all CCA Administrator data request, including the data necessary for the implementation of an opt-out CDG program.

Proxy ID Numbers

Staff recommends that the utility assign a proxy ID number for each potential CCA program customer account and that this proxy ID number remain for the life of the utility account. This action will address the current difficulty and lays the foundation for possible future modifications determined by the Data Access Framework. Ideally, each utility customer in New York would be assigned a unique identifier that stayed with them, regardless of utility. This would enable portability, remove the need for account numbers for enrollment purposes, and further ensure data privacy.

5.4.2 Customer Eligibility

Staff recommends that each utility compile a filing that details it's specific opt-out eligible service class, as specified in Appendix C of the CCA Framework Order, and defines all sub-classes for those service classes. The filing should also explain how each utility intends to handle the identification and separation of sub-classes that should not be eligible for opt-out enrollment.

Service Class Data

Staff recommends requiring the utilities to use any available data points to properly identify and remove those accounts that are not eligible for opt-out treatment or those that have been identified by the CCA Administrator as needing to be excluded, before providing the data sets.

<u>New Service Classes and Rate Structures</u>

Staff anticipates the continued expansion of rate offerings by the utilities, including those with demand components, and as such, provides the following recommendations regarding newly implemented service classes and rate structures as they apply to CCA programs and participants.

- If a CCA intends to serve a new rate structure, the CCA Administrator must first submit to Staff, for approval, a filing detailing the CCA product offering and showing how it will benefit the customer over the new utility rate structure.

- New rate structures are not eligible for opt-out treatment unless a) they are a sub-class of a service class included in Appendix C of the CCA Framework Order, and b) there is a comparable product being offered by the CCA that the customer will benefit from.

- Current CCA customers are excluded from being opt-out enrolled in a new utility service class or rate structures without demonstration by the utility that the customer will receive a higher benefit by leaving the CCA. Such information should be provided to the Commission as part of any petition for approval of a new utility service class or rate structure.

- When an eligible service class includes demand customers, and a demand customer does not opt-out of the program, the CCA participant should remain enrolled with the CCA even if their service class subsequently changes to one that is not eligible for opt-out treatment.

- The utility should communicate with the CCA Administrators and Staff regarding possible enrollment of current CCA participants into any new service classes, to determine where the customer may receive the most benefit.

5.4.3 Opt-Out Process

<u>Eligible Customers</u>

Staff recommends that customers who have opted-out in the past have that choice recognized for the life of the CCA program. The CCA Administrator should be required to maintain a listing of such customers, to be used for identifying those customers as ineligible for opt-out enrollment. This should not exclude customers from opting-in to a CCA program.

However, it saves the customer from continually having to opt-out of a program they have already made a decision on.

<u>Newly Eligible</u>

Staff recommends that the utilities establish a process to eliminate any incorrect customer accounts from the newly eligible list or add an identifier that defines why the account is included on the newly eligible list. The CCA can then proceed with enrollment for the appropriate newly eligible customer accounts.

<u>Additional Meeting Requirement</u>

Staff recommends modifying this requirement to allow for the notification, or announcement, of the contract-specific informational meeting to be included in the opt-out letter, with the letter being sent before the meeting is held with the meeting taking place during the opt-out period. This modification would only apply for initial program implementation when outreach and education has recently been performed. The additional meeting will still need to be held for contract renewals to ensure that sufficient outreach is being done regarding the contract changes.

5.4.4 Opt-In Process

Staff recommends suspending the customer authorization verification requirement of the UPB Section 5(B)(1) for CCA opt-in purposes only, while retaining the ability to reinstitute these requirements if an issue with unauthorized enrollment develops in the CCA market.

5.4.5 Product Pricing

Staff recommends adopting a 5% cap on commodity product offerings. Fixed-rate products should be limited to a price no greater than the trailing 12-month average utility supply rate plus a premium of no more than 5%. The price cap should apply to all commodity fixed-rate products. Additionally, this whitepaper seeks stakeholder input regarding the application of additional price restrictions on CCA product offerings.

5.5 CDG Opt-Out with Consolidated Billing Process

<u>CCA Programs with an Opt-Out CDG Component</u>

Staff is proposing that the Commission approved CCA Administrators be permitted to integrate an opt-out CDG component to their existing CCA programs by submitting an updated CCA program MIP that includes the CDG IP and details the proposed opt-out CDG component, for Staff's review and approval.

CDG Implementation Plan

Staff recommends establishing CDG IP requirements that build upon those adopted in the Joule Order and are consistent with CCA Orders, the CCA's MIP. and should include filing requirements for programmatic items such as customer outreach and education, RFP's, and Energy Service Agreement (ESA). Modification to these requirements should be done consistent with the CCA Framework Order.

Uniform Business Practices for Distributed Energy Resource Suppliers (UBP-DERS) Exclusions

Staff recommends review of the UBP-DERS and any other DERS requirements to determine if there are provisions that the Commission will need to exempt DERS from to facilitate opt-out enrollment and a CCA program.

Additional Program Offering Requirements

Staff recommends establishing requirements that would apply not only for an integrated CDG component, but for any other CCA program offerings as well. These requirements should be clearly defined and integrated into the CCA Rules.

Staff supports the integration of additional program offerings within CCA programs, on both an opt-in and opt-out basis. Recognizing that these additional offerings may need requirements that vary from CCA supply requirements, Staff is seeking stakeholder input on what the additional requirements should be for the inclusion of opt-out offerings, as well as what requirements, if any, should be in place for opt-in offerings to ensure program participants are receiving the benefits being marketed to them through the CCA program.

Renewable Energy Certificates

Staff is seeking input on ways for CCAs to more easily procure RECs in order to offer their CCA participants EDP compliant renewable supply. Staff is seeking input on alternative product structures that, while potentially not EDP compliant, would still allow a municipality the ability to choose an environmentally beneficial product offering on an opt-out basis for its constituents.

To promote the adoption of new products and offering that might not have been envisioned or reachable at the time the Commission approved a CCA Administrator's MIP, this whitepaper is proposing that new products and offerings - not detailed in MIPs - should be clearly detailed and filed with the Secretary for Staff review and approval. This would allow for Administrator flexibility and innovation.

Staff is encouraging CCA Administrators, ESCOs, and generators to utilize the New York Generation Attribute Tracking System (NYGATS) Bulletin Board.

Opt-Out CDG Only Program

Staff is also seeking comments on whether the Commission should explore the development of a program similar to a traditional CCA supply program that would allow municipalities to pass local legislation to enable CDG enrollment for all eligible members within their community on an opt-out basis. This would be a standalone program that would not be integrated with a CCA supply product. Staff is seeking input on the development of an opt-out CDG program, the necessary rules for such a program, and its association or disassociation with the traditional CCA program model.

5.6 Annual Reporting

Staff recommends the expansion and modification of the existing annual reporting requirements to include standardized and detailed reporting requirements, categories, clear guidelines, the incorporation of additional reporting requirements established after the CCA Framework Order, and the development and implementation of a reporting mechanism that would allow for quarterly reporting of both CCA supply and CDG data. These recommendations will ensure all CCA Administrators are accurately capturing, and providing, the necessary information for the current status of CCA programs in addition to the annual reporting. Concise and standardized reporting is needed for Staff to analyze the data, provide comparisons of programs, and provide the necessary transparency of program operations for all stakeholders. To facilitate the standardization of annual reporting, Staff recommends providing CCA Administrators a form in which CCA Administrators will enter all relevant reporting information on a quarterly basis for both CCA supply and CDG which will allow the required data for annual reports to be generated from the completed quarterly reporting. As there are other non-numerical items required as part of the annual reporting, CCA Administrators would still need to fill in the other annual report information on the form before submitting. With the growth in CCA and program offerings, having a Staff provided reporting form allows inclusion of new reporting requirements. An Annual Report Summary example is included in Appendix B.

Complaint Reporting

Staff recommends the complaint reporting requirements in the CCA Rules be expanded to include all complaints received, including, but not limited to, those received by the ESCO, DER, Administrator, and Municipality.

Complaint Categories

Staff recommends expansion of the CCA Rules to include defined complaint categories for use by all CCA programs. Staff also recommends that the CCA Administrator be required to

include complaint numbers from all sources, under these categories, in the annual report and define possible actions Staff or the Commission may take in response to these complaint statistics.

Opt-Out Reporting and Categories

Staff recommends the following categories for opt-out reporting:

1) Does not agree with opt-out enrollment;
2) Is unfamiliar with the program or its offerings;
3) Does not like the CCA program or Administrator;
4) Does not feel they will benefit from the CCA program; and,
5) Other.

6. Environmental Disclosure Program Label

Staff recommends working with the CCA ESCO to manually create the CCA specific EDP label which would then be posted on the DPS website, as currently done for other manually created labels. In order for manual labels to be created Staff will need the CCA programs to file the detailed load information in its annual reporting, as described above.

7. Enforcement Mechanism

Staff seeks comment on the development of an enforcement to ensure that all CCA market participants act fairly and conduct business in a way that will protect the CCA market and, in turn, create a more positive, robust CCA program for the State as a whole.

8. Long Island CCA Participation

Staff recommends CCA programs on Long Island be reviewed and approved consistent with existing processes as well as those proposed in this whitepaper.

Appendix B: Proposed Templates and Guidance

Outreach and Education

Outreach and Education Record Template

Frequently Asked Questions Template

Opt-Out Letter Template

Consumer Communication Guidelines

Program and Administrator Websites Guidelines

Utility Guidelines

Website CCA Information Guidelines

Customer Communication Guidelines

Billing and Enrollment Error Guidelines

Notification Letter Guidelines

Customer Eligibility Utility Filing Guidelines

Annual Reporting Guidelines and Template

Outreach and Education

Outreach and Education Record

Outreach and Education needs to be specific to the municipality and its CCA program, be performed by the CCA Administrator, and must occur over a period of no less than 60 days. Submittals must include proof for notification of meetings/events, advertisements, meetings/events being held, and supporting documentation of all other municipal specific outreach and education. Example information has been provided below.

Outreach and Education Record

CCA Administrator _____

CCA Program _____

Municipality _____

Date Local Law Passed _____

Date Administrator Selected _____

Municipality Authorization Action

Public Hearing for Local Law	8/10/2020	Public Notice provided 8/1/2020
Public Meeting Selecting Administrator	8/15/2020	Public Notice provided 8/12/2020

Program Outreach and Education

Type of Outreach and Education	Location	Date	Notice Date & Source*	Number of Participants
Program Website Launched	www.ccaprogram.com	8/16/2020	All communications	N/A
Flyers	Community Center	8/19/2020	N/A	N/A
Information Session	Municipal Library	8/20/2020	Local Paper, Advertisement on 8/11/2020 and 8/19/2020	25
Information Session	Zoom	8/21/2020	Municipal Website, Radio Ad, and Flyers.	50
Program Information	Municipal Email, E-Newsletter, and Facebook Page	8/18/2020	N/A	Email sent to 400 municipal residents
Program Information	Senior Center	8/17/2020	Flyers at Senior Center, Community Center, and local Government Offices.	60

* A minimum 15 day notice

Post Award Information

Date Contract Awarded _____

Winning Provider _____

Contract Period _____

Offering Type _____

Type of Outreach and Education	Location	Date/Time	Notice Date & Source*	Number of Participants
Information Session	WebEx	8/29/2020	8/25/2020 Municipal Website, postcard, and advertisement.	70
Flyer	Town Hall, Library	8/29/2020	N/A	N/A

* A minimum 15 day notice

Opt-Out Letter

Date Submitted to Staff _____

Opt-Out Period _____

Postmark Date _____

Frequently Asked Questions (FAQs)

Below are the Staff proposed FAQs that would be included on the standardized FAQs to be used by all CCA administrators and their programs. This document is intended to address consumer questions regarding CCA as a whole and is not meant to be administrator specific. The proposed questions will ensure that all consumer statewide are receiving consistent education and information about CCA, no matter which administrator or program is serving their municipality.

What is Community Choice Aggregation?

Who Approved the CCA Program?

What is a CCA Administrator?

What does opt-out enrollment mean?

Who is eligible to participate?

Will I be opt-out enrolled?

How is CCA different than ESCO supply service?

Does the CCA Program replace my utility company?

Will I save money?

How will my bill change?

What products are available?

How do I opt-out?

Can I participate if I opted out previously?

Is there a fee for cancellation or opting-out?

What account information is being shared?

How is my information being protected?

Who can I contact to report a problem?

Opt-Out Letter

Staff is proposing the use of an opt-out letter template that includes:

- Clear identification of the CCA administrator and program;
- An opening paragraph that is specific to 1 of the 3 types of opt-out letters: Initial Opt-Out Letter for when a program is starting up; Renewal Opt-Out Letter for customers who are

already participating and a new contract is beginning; and Newly Eligible Opt-Out Letter for those who have become newly eligible to participate in the existing program;

- Details on the available supply options and identification of the default product;
- Details about the selected ESCO and contract including rates, services, contract terms, and cancellation fees;
- Information on the CCA program, methods for opting-out of the program, and the opt-out date;
- It must explain that customers that do not opt-out will be enrolled in ESCO service under the contract terms and that information on those customers, including energy usage data and APP status, will be provided to the ESCO;
- The letter shall be addressed as a letter from the municipality and use an envelope and letterhead that identify it as such; and
- Clear price to compare information.

Consumer Communication Guidelines

- CCA Administrator must be clearly identified on all communications;
- FAQs must be included with opt-out letter;
- Opt-out letter should not include offerings not part of the CCA program; and
- Communications that have not previously been approved must be submitted for review previous to use.

Program and Administrator Website Guidelines

CCA websites should provide necessary program information in a clear and easy to find manner. To ensure this, there should be a single CCA Administrator website that serves as the source for CCA participants. The CCA Administrator website can have separate pages for each of its programs/aggregations and any additional opt-in offerings available to program participants.

CCA Administrator Website must include:

- CCA Administrator name and their contact information
- List and link to all CCA Programs and customer contact information
- Additional opt-in offering link (must be clearly identified as opt-in)
- Link to DPS CCA webpage and NYSERDA CCA resource information

CCA Program Webpage must include:

- CCA Program name and customer contact information, including clear information on the options available for complaints
- Participating municipalities
- Municipality CCA contact name and phone number
- Contract information including prices, serving ESCO, and price to compare information
- Notification of any upcoming events

- Identification of and contact information for incumbent utility
- Approved FAQs

Utility Guidelines

Website CCA Information Guidelines

Utility websites must include information pertaining to CCA programs. At a minimum, this information would include:

- CCA Administrators and program information such as phone numbers and websites
- Link to the DPS CCA webpage and the NYSERDA CCA Toolkit
- Utility points of contact for Administrators
- Clear price to compare

Customer Communication Guidelines

CCA related customer communications should be submitted to Staff previous to intention to mail them for Staff review and to ensure Administrator and Municipality are aware of mailing and if mailing is deemed necessary.

Billing and Enrollment Error Guidelines

Billing Errors

- Ensure utility customer service representatives (CSR) are trained on the billing issue but also on CCA programs overall;
- Credit customer accounts on the following bill, after overbilling;
- Notify Staff and CCA Administrators of any issues; and
- Provide proper notification and communication to municipalities and impacted customers.

Enrollment Errors

- In the event a customer has been incorrectly enrolled, and the customer has not been billed yet, the account should be backdated to correct the error ASAP;
- If the account has already been billed, the account should be corrected and, if the customer was billed more than they should have been, the utility should immediately credit the account overcharge and send a letter to the customer explaining the error and subsequent correction;
- If the customer was charged less, the account should not be charged the difference and no notification will be necessary; and
- When the customer was improperly not enrolled, the utility should credit the account if the customer was charged more and send an approved notification letter to the customer. If the customer was undercharged, the account should not be charged the difference and no notification will be necessary.

Notification Letter Guidelines

- Clearly indicates the notification letter is for enrollment in the CCA program

- Include the CCA program contact information

- Provide the utility contact number for CSRs who have been trained on CCA programs

- Notification to the customer that they have been enrolled with the CCA program and direct questions and opt-out requests to the CCA or ESCO for handling

- If the CCA program is going through a contract renewal, CCA program participants should not receive a new notification letter, even if the ESCO serving the program changes.

Customer Eligibility Utility Filing Guidelines

- Joint Utilities should compile a filing that details each utility's specific opt-out eligible service class, and include all eligible service classes' sub-classes, as specified in the CCA Framework Order's Appendix C (Appendix C).

- Filing should identify all opt-out eligible service classes and their sub-classes that were omitted from Appendix C.

- Filing should identify all opt-out eligible services classes and their sub-classes listed in Appendix C that were misidentified as eligible for opt-out enrollment and specify the reason why.

- Filing should explain how each utility intends to handle the identification and separation of sub-classes that should not be eligible for opt-out enrollment.

- Filing should be filed with the Department for Staff review and approval.

- Approved filing will replace existing Appendix C of CCA Framework Order.

- Utilities will need to notify Staff of newly formed rate classes and include a description of the rate class.

Annual Reporting Guidelines and Template

The Annual Reporting form will be a fillable document that the CCA Administrator will use to record the necessary information on the CCA program(s). This information will be reported on a program municipality level and the form will roll the information up to be reported as program and Administrator total. Below is an example of the Summary Annual Report that would be generated based upon the municipality level data entered.

Account Counts & Program Attrition

Program/Aggregation	Beginning Account Total	End of Year Account Total	Net Change	Net Change (%)
Program 1	0	0	0	
Program 2	0	0	0	
Program 3	0	0	0	
Total	0	0	0	

Total Usage During Reporting Period

	Option 1	Option 2	Option 3	Option 4	Total Usage
Program 1	0	0	0	0	0
Program 2	0	0	0	0	0
Program 3	0	0	0	0	0
Total	0	0	0	0	0

Utility Supply Prices

Service Class, Supply Option	Average	Option 1	Option 2	Option 3	Option 4
Program 1		0	0	0	0
Program 2		0	0	0	0
Program 3		0	0	0	0

Complaint Count

Category/Received By	ESCO	DER	Administrator	Municipalities	Total
Enrolled Without Notice				0	
Does not agree with opt-out enrollment					0
Is unfamiliar with the program or its offerings					0
Does not like the CCA program or Administrator					0
Does not feel they will benefit from the CCA program				0	
Other				0	
Total	0	0	0	0	0

Program Financials

Aggregation Name			
Revenue			
Aggregation			
Other income			
Total revenue	$-	$-	$-
Expense			
Advertising & Marketing			
Contractors			
Data Services & IT			
Direct Program Expenses			
Operations			
Outside Services			
Salaries and Related			
Total Expense	$-	$-	$-
Net Revenue	$-	$-	$-
Data Services & IT			
Direct Program Expenses			
Operations			
Outside Services			
Salaries and Related			
Total Expense			
Net Revenue			