

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 19-M-0463 - In the Matter of Consolidated Billing for
Distributed Energy Resources.

ORDER REGARDING CONSOLIDATED BILLING FOR
COMMUNITY DISTRIBUTED GENERATION

Issued and Effective: December 12, 2019

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At a session of the Public Service
Commission held in the City of
New York on December 12, 2019

COMMISSIONERS PRESENT:

John B. Rhodes, Chair
Diane X. Burman, dissenting
James S. Alesi
Tracey A. Edwards
John B. Howard

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BY THE COMMISSION:

INTRODUCTION

On July 17, 2015, the Public Service Commission (Commission) authorized Community Distributed Generation (CDG) in New York State, enabling customers for whom rooftop solar was not a viable option to directly participate in and enjoy the benefits of renewable energy programs.¹ In the CDG program, a CDG Sponsor develops an eligible generation project, usually a solar photovoltaic (PV) system, connected to a utility distribution network, and enrolls a group of customers served by that utility, as members. When the CDG project injects

¹ Case 15-E-0082, Policies, Requirements and Conditions for Implementing a Community Net Metering Program, Order Establishing a Program and Making Other Findings (issued July 17, 2015) (CDG Order).

electricity into the utility system, the utility applies credits to the bills of the members of that CDG project. Generally, those members pay the CDG Sponsor a monthly subscription fee, which may be fixed or variable, in return for the benefit of credits they receive.

On March 9, 2017, the Commission issued the VDER Transition Order, which enabled the transition to a distributed, transactive, and integrated electric system by compensating distributed energy resources (DERs), including CDG projects, based on the actual, calculable benefits provided by those resources.² The VDER Transition Order was followed by the VDER Implementation Order, which provided the details needed to produce actual, effective tariffs based on the Value Stack compensation method developed in the VDER Transition Order.³

In both the VDER Transition Order and the VDER Implementation Order, the Commission discussed the importance of reducing or eliminating soft costs associated with the development of DERs in general and CDG in particular. A major category of soft costs identified in those Orders was customer management costs, and in particular billing and collection costs. Those Orders started consideration of a consolidated billing system for CDG, under which the utility would add the monthly subscription charge to the utility bill of CDG members and would remit payment received for those charges to the CDG Sponsor. This form of consolidated billing is currently used

² Case 15-E-0751, Value of Distributed Energy Resources, Order on Net Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters (issued March 9, 2017) (VDER Transition Order).

³ Case 15-E-0751, supra, Order on Phase One Value of Distributed Energy Resources Implementation Proposals, Cost Mitigation Issues, and Related Matters (issued September 14, 2017) (VDER Implementation Order).

for the provision of electric and gas supply service by independent energy suppliers, called energy service companies (ESCOs). In a related order, the Commission directed the development of a plan related to a Bill Discount Pledge (BDP) program, which would allow low-income customers to use a bill discount to pay for a CDG subscription fee.⁴

On June 18, 2019, the Secretary to the Commission (Secretary) issued a Notice Seeking Comments Regarding Consolidated Billing for Community Distributed Generation (Consolidated Billing Notice), which requested comments on the development of consolidated billing for CDG. A number of comments were received, including a comment from the Joint Utilities recommending a specific consolidated billing model called "net crediting."⁵ In addition, following the filing of extensive and robust comments on the Consolidated Billing Notice by a variety of stakeholders, on September 11, 2019, Niagara Mohawk Power Corporation d/b/a National Grid (National Grid) filed a Petition for Authority to Implement Community Distributed Generated Platform (National Grid Petition or CDG-P Proposal).

In this Order, the Commission adopts the net crediting model for consolidated billing proposed by the Joint Utilities in their comment and in the National Grid Petition and supported by a number of CDG Sponsors and other commenters. This Order provides details and implementation instructions on the net

⁴ Case 15-E-0751, supra, Order Adopting Low-Income Community Distributed Generation Initiative (issued July 12, 2018) (BDP Order).

⁵ The Joint Utilities are Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), New York State Electric & Gas Corporation (NYSEG), National Grid, Orange and Rockland Utilities, Inc. (Orange & Rockland), and Rochester Gas and Electric Corporation (RG&E).

crediting model and related issues. In addition, this Order denies National Grid's proposal to supplement the net crediting program with a customer acquisition and turnover management program.

BACKGROUND

The VDER Transition Order directed Department of Public Service Staff (Staff) to confer with the Joint Utilities and market participants and evaluate and report to the Commission on the following topics: (1) whether utilities should enable utility consolidated billing for CDG projects; (2) the actions required to do so; and, (3) the conditions required to make such billing work properly and to ensure consumers and ratepayers are appropriately protected. Subsequently, in the VDER Implementation Order, the Commission identified consolidated billing as an important opportunity to reduce soft costs associated with CDG. The Commission directed the Joint Utilities to file, within 60 days of the issuance of the VDER Implementation Order, an automation and billing report, including, among other things, an evaluation of practicality, cost, and timeline for implementing consolidated billing. The utilities each filed their automation and billing reports on November 13, 2017 in Case 15-E-0751.

On June 18, 2019, the Secretary issued a Notice Seeking Comments Regarding Consolidated Billing for Community Distributed Generation, which requested comments on the development of consolidated billing for CDG. Additionally, Staff sought specific comments in the notice on the following questions:

1. Should consolidated billing use the purchase of receivables (POR) model? Should the purchase of receivables be with or without recourse?

2. Should consolidated billing require that the subscription charge for each member be set at a percentage of value of the credit received by the CDG member (e.g., a subscription charge equal to 90% of value of the credits, varying each billing period based on the credit value) or should other billing models also be enabled?
3. Should a limit be set on the amount of charges, such as a requirement that the subscription charge be less than the bill credit value?
4. Should consolidated billing be limited to specific service classes or available to all customers?
5. Should any special provisions apply to consolidated billing of low-income customers?
6. Should utilities recover the costs associated with consolidated billing through retaining a percentage of the billed amount or through another method such as a per customer fee? At what level or how should the amount of the percentage or other fee be set?
7. How should the information necessary for consolidated billing be communicated between the CDG Sponsor and the utility?
8. Are additional consumer protection rules necessary for the institution of consolidated billing, beyond those currently in the Uniform Business Practices for Distributed Energy Resource Suppliers (UBP-DERS)?
9. Beyond CDG, what other DER products and services should consolidated billing be considered for?

SUMMARY OF NATIONAL GRID PETITION

In its Petition, National Grid requests authority to implement a CDG "Platform" program intended to reduce market barriers that it states have impeded development of CDG in the

company's service territory. The petition states that although other electric utilities in New York have experienced significant CDG activity, development has not been robust in National Grid's service territory. As of August 27, 2019, only 23.746 MW of the 72.11 MW of CDG projects for Tranches 0-2 in National Grid's service territory had been interconnected.⁶

Several factors are suspected to have contributed to the initial slow CDG growth, according to National Grid, including the need under the current program structure for multiple customer bills and the credit risk faced by CDG Sponsors because they are required to contract directly with CDG satellites for subscription fee payments. Bill credits appear directly on CDG subscribers' utility bills, but the CDG Sponsor must send the customer a separate bill for the subscription charge. CDG Sponsors are therefore exposed to individual customer credit risk and tend to contract only with customers with excellent credit profiles. This can create a barrier for low-and-moderate income (LMI) customers to participate in CDG projects, according to National Grid.

In order to address these issues, the CDG-P Proposal includes both a consolidated billing and a customer outreach component. The consolidated billing component would include the development of a "net crediting" model of consolidate billing, which would split the bill credits between the CDG Sponsor and subscribers, with a portion of the Sponsor's credit retained by the utility to recover the costs of the billing system. The benefits of this model, according to National Grid, are: administrative simplicity; the elimination of the need for two

⁶ The company indicates in the petition that the introduction of the Community Credit appears to have increased CDG market activity recently, with approximately 294 MW of capacity in the company's interconnection queue across 79 projects that qualified after July 26, 2018.

bills; and, the reduction in risk for CDG Sponsors, who will receive subscription payments directly from the utility. The company proposes that it would share 80% of the "market-based" revenues from this billing platform with ratepayers, while retaining the rest as performance incentives.

In addition, National Grid proposes to offer "Customer Acquisition and Turnover Management" services (Supplemental Services), where the company would use its brand recognition to enroll customers with solar CDG Sponsors and manage ongoing customer turnover. National Grid proposes that under its Supplemental Services the standardized solar CDG offering would include a CDG satellite discount of 10 percent off of participating customers' retail bill, which would assure that all participating customers pay less to participate in CDG than they otherwise would, according to the company. National Grid would similarly share 80% of the revenues from this proposal with ratepayers and retain the remainder.

National Grid estimated the revenue requirement associated with implementation costs will be \$6 million dollars in the first year and decline to approximately \$2.1 million per year subsequently. The revenue requirement associated with the offerings includes carrying costs on capital expenditures, and operating expenses related to marketing, internal labor, as well as IT and billing system implementation. National Grid proposes to defer the revenue requirement associated with providing these services for recovery in its next rate case. In developing the revenue requirement, National Grid applied a pretax weighted average cost of capital (WACC) of 7.99 percent, which equates to a post-tax WACC of 6.45 percent. The WACC assumptions are based on the Commission-approved WACC for fiscal year 2021, the last year of National Grid's current rate plan.

National Grid proposes to implement the CDG-P program in two phases: (1) the company would launch the net crediting billing platform approximately six months following Commission approval; and (2) the Supplemental Services would be launched approximately ten months following Commission approval. National Grid proposes to provide an annual CDG-P report to the Commission to detail program information and progress, and requests that the Commission act on the petition by January 1, 2020 in order to meet its proposed implementation timeline.

SUMMARY OF BILL DISCOUNT PLEDGE PROPOSAL

In the VDER Transition Order, the Commission directed Staff to work with utilities and interested stakeholders to develop solutions to facilitate an increase in low-income customer participation in CDG under the VDER Phase One tariffs.⁷ In accordance with that directive, a Low-Income Working Group was established and met over the course of several months to identify and address barriers limiting CDG access for low-income customers and develop recommendations to increase access and participation. Using information and suggestions from that collaboration, a Staff report titled the Low-Income Community Distributed Generation Proposal was submitted to the Commission on December 18, 2017.

On July 12, 2018, following the Staff report, the Commission directed establishment of the BDP program, which allows a low-income customer to choose to pledge all or a portion of his or her utility-provided low-income discount to a CDG subscription, with the utility directly sending the revenue otherwise used to discount the low income customer's bill to the

⁷ Case 15-E-0751, supra, VDER Transition Order.

developer.⁸ The developer would use the revenue received from the utility to credit the low-income customer's supply bill. On December 10, 2018, after requesting and receiving an extension, the Joint Utilities submitted, for Commission approval, a Billing Discount Pledge Implementation Plan (the BDP Plan) to establish the framework regarding administration of the program.

The BDP Plan is broken down into six sections that identify steps to be addressed and a common set of processes the utilities would need to undertake in order to implement the BDP program. While section I and II are introductory, section III, titled CDG Host Participation in BDP Program, discusses how the enrollment process will be initiated, the roles and responsibilities of the host and the utility, the transfer of funds, the limitation of the utility's responsibility beyond the pledged low-income discount credit, and other applicable provisions.⁹

Section IV, titled Bill Discount Pledge Program, discusses customer enrollment, confirmation of eligibility, initiation and treatment of host-initiated changes, eligibility changes, and income verification service options. This section also discusses customer billing and host compensation.

Section V of the BDP Plan addresses program administration; specifically, who will address customer inquiries and what information the utility will report to the CDG host on a monthly basis. The utilities will continue to respond to general inquiries from customers but will direct the customer to the host for questions that are specific to the

⁸ Case 15-E-0751, supra, Order Adopting Low-Income Community Distributed Generation Initiative (BDP Order) (issued July 12, 2018).

⁹ Case 15-E-0751, supra, Bill Discount Pledge Program Implementation Plan (filed December 10, 2018) at p. 5.

program and the agreement between the customer and the host. In addition to the monthly report the utilities will provide the hosts described above, the Joint Utilities will provide an annual report to the Commission detailing BDP program participation, as directed by the Low-Income CDG Order.¹⁰

Section VI of the BDP Plan discusses the estimated cost and proposed recovery for each utility. The BDP Plan states the Joint Utilities considered what changes would need to be made to each utility's billing system in order to facilitate the administration of the BDP Program, but it did not provide specifics changes or processes that would need to occur.

NOTICES OF PROPOSED RULE MAKING

Pursuant to SAPA §202(1), a Notice of Proposed Rulemaking regarding consolidated billing was published in the State Register on July 3, 2019 [SAPA No. 19-M-0463SP1]. Comments were due by September 3, 2019. A Secretary's Notice Seeking Comments Regarding Consolidated Billing for Community Distributed Generation (Consolidated Billing Notice) was also issued on June 18, 2019, with comments due on September 3, 2019; over 60 comments were submitted and are summarized in Appendix A.

In addition, a Notice of Proposed Rulemaking was published in the State Register on October 2, 2019 regarding National Grid's Petition [SAPA No. 19-M-0463SP2]. Comments on the Petition were due by December 2, 2019; 10 comments were submitted and are also summarized in Appendix A.

¹⁰ BPD Order at p. 17.

LEGAL AUTHORITY

As described in the VDER Transition Order, the Commission has the authority to direct the treatment of DERs by electric corporations pursuant to, inter alia, Public Service Law (PSL) Sections 5(2), 66(1), 66(2), and 66(3). Pursuant to the PSL, the Commission determines what treatment will result in the provision of safe and adequate service at just and reasonable rates consistent with the public interest.

DISCUSSION

Following the implementation of the Value Stack, New York State has experienced robust DER development, including a record year for solar PV deployment in 2018 and enough projects in development to double distributed solar capacity. However, to meet New York's ambitious clean energy goals and to ensure that all customers are able to participate in the benefits of the clean energy economy, activity to reduce project costs, increase participant benefits, and promote clarity and simplicity for customers must continue. The Commission has identified consolidated billing as an opportunity to reduce the need for two bills and, therefore, the soft costs associated with CDG and thereby allow greater customer participation in the program. Furthermore, consolidated billing will benefit customers, who often find it confusing and cumbersome to pay two bills for electricity and have reservations about submitting banking or other payment information to a third-party.

The direct contracting arrangement that is presently used also exposes the CDG Sponsor to risk of non-payment from individual CDG members. Currently the CDG member receives its full proportional credit on its utility bill and is required to separately make payment to the Sponsor under the terms of the subscription contract. As a result, CDG Sponsors typically

contract only with customers with good credit histories. Eliminating the dual-bill system would address this and other problems while allowing subscribers to receive one energy bill monthly.

Consolidated billing in its traditional form would enable the Sponsor to instead inform the utility of the subscription charge, which would then be added to the utility bill and remitted to the Sponsor by the utility. This method is already used extensively in New York for customers who choose to purchase their energy supply from an ESCO. In addition, a wide range of commenters support the use of consolidated billing for CDG.

Net Crediting Model

The Commission adopts the net crediting model of consolidated billing proposed in the Joint Utilities' comments and in Platform 1 in the National Grid Petition. Under the net crediting model, the CDG Sponsor would enroll a project in net crediting and would designate the CDG Savings Rate for that project, which represents the percentage of the project's monthly value that will be provided to members after the subscription charge is subtracted out. For example, if the total value of credits generated by a project in a particular month is \$10,000, the CDG Savings Rate for that project is 10%, and that project is evenly divided among ten members, each member of the project would receive a Net Member Credit on his or her bill of \$100, for a total of \$1,000 in Net Member Credits, while the CDG Sponsor would receive a Sponsor Payment of \$9,000 from the utility in the form of a direct monetary payment. Because CDG Savings Rate will always be greater than zero, the members are guaranteed to save money on their bills each month. This use of a specified percentage benefit for CDG members each month is already a common method familiar to CDG

Sponsors, but the ability to effectuate it through the utility bill will substantially reduce costs and complexity.

The Commission agrees that this method is simpler administratively and reduces risks for both CDG Sponsors and the Joint Utilities as compared to other models. Therefore, the Joint Utilities are directed to implement net crediting as a billing option for all CDG projects, both existing and new. As compared to the more traditional consolidated billing used for ESCOs, where the ESCO identifies a charge for the utility to put on the customer's bill and the utility collects that charge on behalf of the ESCO,¹¹ the net crediting model avoids putting the utility in the position of collecting a higher charge than it would have applied to the customer by guaranteeing savings to the customer. Therefore, it can be assumed that any partial payment or nonpayment would have happened even in the absence of the customer's CDG membership and there is no risk that the amount of uncollectibles or the utility's exposure will increase. Furthermore, as discussed in more detail below, net crediting can be implemented with limited changes to the physical bill, as compared with other consolidated billing models.

To ensure that customers achieve reasonable benefits from CDG membership, it is appropriate to set a minimum CDG Savings Rate. While a CDG Savings Rate of 10% is common among CDG projects currently using this pricing model, and the Commission expects that some CDG Sponsors will be able to provide an even higher CDG Savings Rate based on the savings resulting from net crediting and other recent policy savings, the Commission also recognizes that there is a significant

¹¹ Or, in practice, purchases the receivable associated with that charge from the ESCO and collects the charge on its own behalf.

diversity in costs and benefits among utility territories and that lower CDG Savings Rates may be necessary to ensure the viability of projects in utility territories where the Value Stack provides a lower level of compensation. Therefore, the Commission will set the minimum CDG Savings Rate at 5%. The Commission anticipates that, in areas where it is financially viable, CDG Sponsors will compete to attract customers by offering higher CDG Savings Rates and directs Staff to carefully monitor CDG marketing to ensure that CDG Sponsors provide clear and accurate information about CDG Savings Rates, as well as other aspects of net crediting.

To avoid unnecessary complication in implementing the net crediting model, for each individual project for which net crediting is used, the utility may require the CDG Sponsor to use net crediting for all customers of that project. To ensure that this does not prevent large customers from participating in CDG, net crediting should be available for all customer classes. However, to the extent that it can be done without significantly increasing the implementation timeline or costs, each utility should also consider allowing a CDG Sponsor to exclude one large, anchor customer from a net crediting arrangement in a project where all other customers are included in a net crediting arrangement. The Joint Utilities should identify whether they are able to include this option in the Implementation Plan filings directed below.

Similarly, the same CDG Savings Rate must be used for all net crediting customers of a particular project. As contractual arrangements with large customers participating in CDG projects are likely to be different and more complex than with mass market customers, CDG Sponsors are permitted to engage in additional contractual and financial transactions with large customers receiving net crediting outside of the net crediting

arrangement. However, for mass market customers billed under the net crediting arrangement, CDG Sponsors may not charge any additional fee or otherwise require additional payment outside of the net crediting arrangement.

The provisions of the CDG Order and relevant VDER orders creating general rules for CDG projects, including regarding minimum membership and subscription size, maximum allocation, and credit banking process and restrictions, will continue to apply to CDG projects participating in net crediting. To the extent that the application of those provisions is specifically relevant to net crediting, the Joint Utilities should include those provisions in the implementation filings directed below as appropriate.

All CDG projects, including projects already interconnected, are eligible to employ the net crediting model. CDG Sponsors should be able to sign up for net crediting at any time once it has been implemented by the Joint Utilities, though the Joint Utilities may impose a reasonable timeline on the onboarding of CDG Sponsors. CDG Sponsors should also be permitted to remove a project from net crediting on reasonable notice, which must also include notice by the CDG Sponsor to project members. However, the Joint Utilities may impose a significant waiting period before any project that is removed from the net crediting program may be added back to the program.

While the Joint Utilities suggest that net crediting should only be available to CDG projects receiving Value Stack compensation and not to CDG project receiving kWh credits (i.e., Tranche 0 projects), they provide no justification for that recommendation. This proposal is rejected as it would unreasonably limit the availability of net crediting. However, the timeline for CDG projects receiving kWh credits may differ from that of Value Stack projects, as the Sponsor Payment may

not be determinable until bills have been generated for each member.

The Commission emphasizes that net crediting is an optional program and that CDG Sponsors are under no obligation to participate. In addition, a CDG Sponsor may choose to use net crediting for some projects it owns or manages but not for others. The Commission encourages CDG Sponsors to continue exploring innovative product options.

Applicability to Low-Income Customers

The net crediting model will facilitate the inclusion of low-income customers in the CDG program and ensure that participating low-income customers will benefit. Because the net crediting model allows customers to cover the full cost of their subscription by paying their utility bill and guarantees that the utility bill will always be lower than it would be if the customer was not a CDG member, it meets the objectives of the BDP program and renders the implementation of a separate BDP program unnecessary. Therefore, low-income customers will be able to receive their low-income bill discount while also receiving a further reduction in their bill through the Net Member Credit from a CDG project. The net crediting methodology should also reduce or eliminate a CDG Sponsor's reluctance to enroll customers based on creditworthiness or nonpayment concerns because the CDG Sponsor will receive the Sponsor Payment each month regardless of whether the customers pay their bill in full or on time. Furthermore, because the net crediting model guarantees the bill will decrease as a result of CDG membership, it will benefit both the member and the utility by lowering the chance of underpayment or nonpayment. Ensuring that customers on budget billing programs can benefit from CDG is also important to inclusion of low-income customers, as well as inclusion more generally; the Joint Utilities should ensure

that customers on budget billing also see an immediate reduction in their bill on joining a net crediting CDG project.

The Commission directs Staff to continue to monitor the participation of low-income customers in CDG programs and recommend further actions as necessary to encourage robust low-income customer participation. The Commission notes that several initiatives to increase low-income participation are underway, including the New York State Energy Research and Development Authority's (NYSERDA) Solar for All program,¹² Con Edison's Shared Solar Pilot,¹³ and National Grid's Buffalo Fruit Belt Neighborhood Solar Partnership.¹⁴ As discussed further below, CDG Sponsors, utilities, and other stakeholders are encouraged to propose other innovative methods of increasing low-income participation.

Purchase of Receivables and Payment to Sponsors

The use of the net crediting model would eliminate the need for a POR method for subscription fees, since subscription fees would be withheld automatically from bill credits and paid directly to the CDG Sponsor. This will reduce cost, complexity, and risks for both the utility and the CDG Sponsor.

While this will simplify the relationship between the utility and the CDG Sponsor, as compared to the relationship between ESCOs and utilities in a POR system, an agreement between the utility and each CDG Sponsor will still be necessary

¹² Information on the Solar for All program is available at <https://www.nyserda.ny.gov/All-Programs/Programs/NY-Sun/Solar-for-Your-Home/Community-Solar/Solar-for-All>.

¹³ Case 16-E-0622, Petition of Consolidated Edison Company of New York, Inc. for Approval of a Pilot Program for Providing Shared Solar to Low-Income Customers.

¹⁴ Information on the Fruit Belt Solar Partnership is available at <https://www.nationalgridus.com/new-energy-solutions/Community-Projects/New-York/Buffalo-Fruit-Belt-Neighborhood-Solar-Partnership>.

to cover the terms of the participation in the program and Sponsor Payments. The Joint Utilities shall file a proposed Sponsor Net Crediting Agreement by March 1, 2020 and shall convene, with the support of Staff, a collaborative process to receive input from CDG Sponsors and other stakeholders on the proposed Agreement. The Joint Utilities shall file a final Sponsor Net Crediting Agreement by June 1, 2020. If any CDG Sponsors believe that the final Sponsor Net Crediting Agreement does not properly reflect the decisions in this Order, they may file a request that the Commission review the Agreement.

Cost Recovery

As the implementation of the net crediting model will create a substantial cost savings for participating CDG Sponsors by essentially eliminating their billing and collections costs, it is appropriate for the costs of implementation to be covered by those participants, rather than socialized among non-participating ratepayers. This can be accomplished through a similar model to that used for collecting the cost of ESCO consolidated billing from participating ESCOs, which is primarily accomplished through the utility applying a discount rate to the payment to the ESCO and retaining the amount equal to that discount rate to cover consolidated billing costs. Discount rates for ESCO consolidated billing and POR significantly vary among utilities and change over time but are generally between 1% and 5%. Because a substantial portion of those costs represents POR charges not applicable in the net crediting model, and because overall costs are likely to be moderated by the simplicity of the net crediting model, a discount rate at the bottom of that range is appropriate.

At this time, the Commission directs that the Joint Utilities implement the net crediting model with a discount rate equal to 1% of the total value of the credits, subtracted from

the Sponsor Payment.¹⁵ Each utility is directed to track costs associated with the implementation and operation of the net crediting model, as well as the amount recovered through the discount rate, and file an annual report on March 31 of each year for the preceding year, beginning with March 31, 2021. The annual report should also include the number of CDG Sponsors participating in net crediting, as well as the number and capacity of projects and the number of participating customers.

After the implementation of the net crediting model, and based on actual data about costs and recovery, a utility or utilities may file a proposal for a change to the discount rate. The costs associated with the program and the discount rate may also be reviewed in utility rate cases.

Each utility may defer the revenue requirement impacts of prudent, necessary, and incremental costs incurred before billing starts or prudent, necessary, and incremental ongoing costs in excess of recovery through the discount rate and accrue interest at the other customer provided capital rate, unless the utility rate plan currently in effect specifies a different rate. Recoveries through the discount rate should be used to offset such deferrals. Any remaining deferrals, as well as any over-recovery through the discount rate, should be reviewed in each rate case.

The Commission neither adopts National Grid's proposal to treat net crediting as a Platform Service Revenue and allow National Grid to retain a portion of the revenue, nor does it

¹⁵ That is, if the total credit attributable to a CDG project in a particular billing period is \$10,000 and the CDG Sponsor is using the net crediting model with a 10% Net Member Credit, the members should receive a total of \$1,000 divided based on the allocation to each member, the utility should retain \$100 through the discount rate, and the utility should make a Sponsor Payment of \$8,900.

adopt the proposal to price the services based on market rates. Billing is a fundamental component of utility services, and the net crediting model does not rise to the level of innovative services that would persuade the Commission to provide performance incentives like revenue sharing. Indeed, consolidated billing has been required for years in the context of third-party energy supply service, where costs are recovered in a similar fashion to other core utility services. The net crediting method is consistent with these longstanding billing methods and will use much of the same infrastructure that is used in those other arrangements.

Bill Presentation

A number of commenters discuss issues related to on-bill presentation of consolidated billing in general and the net crediting model specifically. The net crediting proposal envisions the use of a single bill line showing only the Net Member Credit. This does provide customers with the basic information necessary to understand the benefits of their CDG membership. However, ultimately, customers should be able to see both the total value of the credits generated by their portion of the CDG project and the subscription fee associated with their membership. Therefore, while the Joint Utilities may initially implement net crediting using only a single line showing the Net Member Credit, they are directed to work towards a more detailed presentation, as further described in the Implementation Section below.

Commenters also suggest increased visibility of CDG membership on other parts of the bill, including the inclusion of name of the CDG Sponsor and/or the CDG project on the bill and the setting aside of a space on the bill for the CDG Sponsor to place text. While both of these ideas have merit, they will likely require significant additional work and their

implementation should not delay the implementation of net crediting. However, with respect to bill text, there currently is space available on the bills of ESCO customers for a bill message from the ESCO. The Joint Utilities and the EDI Working Group shall explore the feasibility of allowing a CDG Sponsor participating in net crediting to use that bill message for customers not served by an ESCO, as well as for customers also served by the ESCO if the ESCO is not using a bill message. The results of this consideration should be included in the CDG EDI Report directed in the Communications section below. In the Implementation section below, each utility is directed to provide additional information on the potential for including additional details related to customers' CDG membership on their bills.

Communications and Data Sharing

The implementation of net crediting requires only limited additional communications and data sharing between CDG Sponsors and the Joint Utilities as compared to the current CDG requirements. For example, for each project, a CDG Sponsor must already provide the applicable utility with a list of customers, including the portion of the project allocated to each customer. To effectuate net crediting, the only additional information a CDG Sponsor must include is whether or not the project should be compensated using net crediting and the amount of the CDG Savings Rate. Since neither of these factors should change frequently, no significant changes in how CDG Sponsors provide information to utilities are necessary.

Similarly, utilities should continue to ensure that CDG Sponsors receive all information relevant to the production and compensation of their project and customers each month, including a breakdown of the Value Stack and information on the value of credits appearing on each customer's bill, as well as

any relevant information on banking of credits. Adding details on net crediting to this reporting, including the Net Member Credit for each customer, should be relatively straightforward.

However, both CDG Sponsors and the Joint Utilities agree that more robust and standardized communication channels could be useful in many cases. EDI has the potential to serve as the primary communication channel for interested CDG Sponsors. The EDI Working Group, in collaboration with interested CDG Sponsors, is directed to develop and file a CDG EDI Report by May 1, 2020 identifying what changes or additions to EDI would be appropriate to ensure that it has the potential to serve CDG Sponsors, including net crediting participants. As discussed above, the CDG EDI Report should also include a discussion of the potential use of the existing bill message field by CDG Sponsors. CDG Sponsors should be permitted to access EDI even if they are not using the net crediting model, though some data fields and transactions may only apply to CDG Sponsors using net crediting. As the consolidated billing program and other DER programs involving data exchanges evolve, there should be further consideration of whether EDI should continue to be a primary communications channel for such uses or whether other communications protocols, such as application programming interface (API), should be developed by the utilities.

Customer Protections

Participation in the net crediting model will be limited to CDG Sponsors that have registered with the Commission consistent with the Uniform Business Practices for DER Suppliers (UBP-DERS). All relevant requirements of the UBP-DERS will continue to apply to CDG Sponsors participating in the net crediting model, including the requirement that each customer be provided with a Standard Disclosure Form that clearly divulges

price, benefits, and other relevant details about the project, as well as the requirement that the CDG Sponsor send each customer an annual report showing the subscription fee paid and credits earned by that customer every year. All relevant information about net crediting, and particularly the CDG Savings Rate, must be clearly stated on the Disclosure Form. Staff is directed to file updated Disclosure Forms to be used for net crediting projects by February 1, 2020. In addition, each CDG Sponsor must provide its customers with monthly updates including the total value of the credits generated by their allocated portion of the project and the subscription cost received by the CDG Sponsor through the Sponsor Payment.

Customers will also be protected by the requirements described above that all customers of a project be subject to the same CDG Savings Rate and by the requirement that no additional fee or other additional payment be charged of mass market customers participating in net crediting. Furthermore, a CDG Sponsor may not reduce the CDG Savings Rate applied to a project without the affirmative consent of all affected customers.

Implementation of Consolidated Billing

National Grid states in its Petition that it can implement net crediting by July 1, 2020, while the other utilities do not provide details of potential implementation timelines. The Commission expects that the implementation of net crediting, while simpler than other forms of consolidated billing, will still require a significant amount of work at each utility, and understands that National Grid is likely further along in development than other utilities. To provide transparency regarding the implementation process at each utility, each utility is directed to file an Implementation Plan by February 1, 2020 that includes an anticipated timeline for

implementation of net crediting as well as a cost estimate.¹⁶ The Commission expects that National Grid's timeline will be similar to the one provided in the Petition. Other utilities may have longer timelines for implementation, but the Commission directs each utility to make all reasonable efforts to develop a timeline that allows for implementation of net crediting by January 1, 2021. If a utility's Implementation Plan provides for implementation later than January 1, 2021, the utility must specifically explain why implementation by January 1, 2021 is not feasible.

To ensure clear and consistent rules and processes for net crediting, each utility shall file a Net Crediting Manual and net crediting tariff leaves by June 1, 2020. The Net Crediting Manual should contain the relevant rules for net crediting participation as well as guidance for CDG Sponsors participating in net crediting, including what information must be submitted to the utility in what method and on what timelines as part of joining and participating in the net crediting program. The Joint Utilities should consult with Staff, NYSERDA, and CDG Sponsors in developing the Net Crediting Manual and net crediting tariff leaves. The Joint Utilities should make the terms of participation as consistent as possible across utilities.

By July 1, 2020, each utility shall file a Billing Upgrade Report discussing the feasibility and potential timeline for: (a) upgrading the net crediting model to include the total credit value and subscription cost on the customer bill in addition to the net credit; (b) noting on the customer's bill on

¹⁶ Cost estimates shall include both operating and capital costs and identify those that are incremental to current rate recoveries. Utilities are directed to also file an accounting plan for deferral of incremental revenue requirements as well as cost recoveries.

the first page or in another prominent location that the customer is a CDG member and providing the name of the CDG Sponsor and/or the CDG project; and, (c) providing the CDG Sponsor with the ability to include a bill message. The Commission understands that these changes are likely to take longer than the initial implementation of net crediting. Each report should explain what, if any, bill or billing system upgrades are currently underway or anticipated at the utility and whether these changes can be accomplished as part of those upgrades.

At this time, the Commission will restrict this new billing method to CDG projects only. Both on-site VDER projects, such as residential rooftop solar, and other DERs, such as demand response and energy efficiency resources, present a more complicated proposition for consolidated billing because a significant part of the customer benefit is a reduction in consumption at the utility meter and the utility generally does not have full information on the cause of that reduction. This will allow Staff to monitor the implementation more effectively and ensure that the new billing method is applied correctly. The Commission will revisit the applicability to other programs in a timely manner after sufficient opportunity to evaluate the implementation of the provisions in this Order.

Community Choice Aggregation Participation

A number of commenters discuss the potential of pairing the Community Choice Aggregation (CCA) program, in which a municipality aggregates the energy purchases of its residents on an opt-out basis, with the CDG program using consolidated billing. As described in the Joule Order, the Commission believes this pairing has significant potential to benefit

customers.¹⁷ However, further consideration is needed prior to changing CCA rules. Staff is directed to work with stakeholders to determine what issues need to be addressed for the integration of CCA and CDG, including for the use of the CCA opt-out model for CDG membership, and to file recommendations for Commission consideration by March 1, 2020. This will provide the opportunity for appropriate generic rules to be developed before net crediting is fully implemented and ensure that all CCA Administrators are operating under the same paradigm.

National Grid Customer Acquisition Proposal

The Commission denies Platform 2 of the National Grid Petition, the Customer Acquisition and Turnover Management proposal. As commenters argue, National Grid's proposed customer acquisition activity would crowd out the private market, rather than supplementing market activity or correcting for a market failure. The proposal would allow National Grid to take advantage of its monopoly status and privileged access to customers in a way that would discourage investment and activity from competitive providers. The CDG market has been robust in New York, although billing issues have prevented the full potential of the program from developing. The Commission therefore sees no compelling reason to recommend modifying longstanding Commission policy on encouraging third-parties to provide DER services.

As discussed above, the Commission is open to innovative proposals, including from the utilities, to increase low-income participation in and benefit from the CDG program. While National Grid's proposal contains some discussion of low-

¹⁷ Case 14-M-0224, Community Choice Aggregation, Order Approving Joule Assets' Community Choice Aggregation Program With Modifications (issued March 16, 2018) (Joule Order).

income customers, it is not sufficiently limited to avoid unreasonably encroaching on other market segments. The Commission encourages National Grid to work with stakeholders, as well as Staff and NYSERDA, to consider a modified proposal focused entirely on low-income customers.

CONCLUSION

The implementation of consolidated billing, through the net crediting model, will significantly reduce costs for CDG projects in New York State while also increasing benefits and clarify for CDG members and the potential for low-income customers to participate in and benefit from the CDG program. These changes, coupled with the other decisions made by the Commission in the VDER proceeding in 2019, will spur the development of more than 1,000 MW of additional CDG in New York State in the near future. This represents a meaningful step towards achievement of the State's goals for a cleaner, more distributed electric system. The Commission will continue to evaluate the performance of the VDER and CDG programs and take action to encourage further development to the benefit of customers.

The Commission orders:

1. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation (collectively, the Joint Utilities) are directed to file Implementation Plans by February 1, 2020 that include anticipated timelines for implementation of net crediting as well as cost estimates, including estimates of costs that are incremental to current rate recoveries as well as

an accounting plan for deferral of incremental revenue requirements. If a utility's Implementation Plan provides for implementation later than January 1, 2021, the utility must specifically explain why implementation by January 1, 2021 is not feasible.

2. Department of Public Service Staff (Staff) is directed to file by February 1, 2020, updated Disclosure Forms to be used for net crediting projects.

3. The Joint Utilities shall file a proposed Sponsor Net Crediting Agreement by March 1, 2020, and shall convene, with the support of Staff, a collaborative process to receive input from CDG Sponsors and other stakeholders on the proposed Agreement.

4. Department of Public Service Staff is directed to file recommendations for the integration of Community Choice Aggregation and Community Distributed Generation by March 1, 2020 for Commission consideration.

5. The EDI Working Group, in collaboration with interested CDG Sponsors, is directed to develop and file a CDG EDI Report by May 1, 2020, identifying what changes or additions to EDI would be appropriate to ensure that it has the potential to serve CDG Sponsors, including net crediting participants.

6. The Joint Utilities shall file a final Sponsor Net Crediting Agreement by June 1, 2020.

7. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall each file a Net Crediting Manual, consistent with the discussion in the body of this Order, by June 1, 2020.

8. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall file net crediting tariff leaves, consistent with the discussion in the body of this Order, on not less than 30 days' notice, to become effective on July 1, 2020.

9. The Joint Utilities shall file a Billing Upgrade Report, consistent with the discussion in the body of this Order, by July 1, 2020.

10. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall each track costs associated with the implementation and operation of the net crediting model, as well as the amount recovered through the discount rate, and file an annual report on March 31 of each year for the preceding year, beginning with March 31, 2021, including that information as well as additional information on net crediting participation, as discussed in the body of this Order.

11. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation are authorized to defer costs associated with net crediting implementation, at the other customer provided capital rate unless the utility rate plan currently in effect specifies a different rate, as discussed in the body of this Order, and are directed to use amounts

recovered through the net crediting to discount rate to offset those deferred costs.

12. The requirements of Public Service Law §66(12)(b) and 16 NYCRR §720-8.1, related to newspaper publication of the tariff amendments described by Ordering Clause 8, are waived.

13. In the Secretary's sole discretion, the deadlines set forth in this order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least one day prior to the affected deadline.

14. This proceeding is continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS
Secretary

SUMMARY OF COMMENTS

Binghamton Regional Sustainability Coalition, Central New York
Regional Planning and Development Board, and Sane Energy
Project (Alliance for a Green Economy or AGE)

Ampion

Arcadia Power (Arcadia)

Pace Energy and Climate Center, Binghamton Regional
Sustainability Coalition, Fossil Free Tompkins, Natural
Resources Defense Council, Solstice and WEACT for
Environmental Justice (Association for Energy Affordability or
AEA)

Town of Bedford (Bedford)

Bedford 2020

Catskill Mountainkeeper Renewable NY (Catskill)

Alliance for Clean Energy New York, Coalition for Community
Solar Access, Natural Resources Defense Council, New York
Solar Energy Industries Association, Renewable Energy Long
Island, Solar Energy Industries Association and Vote Solar
(Clean Energy Parties or CEP)

The City of New York (The City)

Climate Mama and Papas (Climate Mama)

Citizens for Local Power (CLP)

Town of Clinton (Clinton)

Village of Croton (Croton)

Direct Energy

Distributed Sun

Eligo Energy NY (Eligo)

Energy Mark

Environmental Action Team of Presbyterian New England
Congregational Church (EAT)

Energize Bedford

Town of Geneva (Geneva)

Green Business Partnership (GBP)

Town of Harrison (Harrison)

Village of Hastings (Hastings)

Healthy Yards

High Peaks Solar

Hudson River Sloop

Hudson Valley Regional Council (HVRC)

Local Efficiency

Central Hudson Gas & Electric Corporation, Consolidated Edison
Company of New York, Inc., New York State Electric & Gas
Corporation, Niagara Mohawk Power Corporation, Orange and
Rockland Utilities, Inc., Rochester Gas and Electric
Corporation (Joint Utilities or JU)

Joule Assets (Joule)

InterGenerate

Village of Lima (Lima)

Town of Mamaroneck (Mamaroneck)
Village/Town of Mount Kisco (Mount Kisco)
Mianus River Gorge (Mianus)
National Fuel Gas (NFG)
New Castle Sustainability Advisory Board (NCSAB)
City of New Rochelle (New Rochelle)
New York Power Authority (NYPA)
Town of Philipstown (Philipstown)
Riverkeeper
Town of Red Hook (Red Hook)
Roctricity
Saw Mill River Audubon (Saw Mill)
New York Atlantic Chapter of Sierra Club (Sierra Club)
Solar Simplified
Sustainable Saratoga
Sustainable Westchester
The Climate Reality Project Capital Region Hudson Valley and
Westchester Chapters (Climate Reality Project)
Village of Victor (Victor)
WE ACT for Environmental Justice (WE ACT)
City of Yonkers (Yonkers) Senator Shelly Mayer, NYS Senate, 37th
District (Senator Mayer)
Westchester County Board of Legislators (Westchester County)
Fourteen private individuals

Comments

ACE is in favor of consolidated billing and the POR model. The model can accelerate the attractiveness of CDG to additional financiers. ACE believes it would be beneficial to have utilities handling collection because they are equipped to efficiently handle delinquent payments, further reducing risk profiles of CDG projects to financiers. ACE cautions against being overly prescriptive when it comes to the subscription charge as it could stifle the CDG industry, reduce options in the marketplace and ultimately make consolidated billing an unattractive option. ACE states there should be no limit set on the amount of charges and that consolidated billing should be available to all customers. ACE does not see a need for special provisions for consolidated billing of low-income customers. ACE believes it is appropriate for utilities to take a percentage of the billed amount instead of a per customer fee. If a per customer fee is implemented, adjustments should be based on market experience and be bounded within a predictable range. ACE contends that secured electronic communications is necessary (via an Application Programming Interface (API), Electronic Data Interchange infrastructure (EDI), etc.). ACE maintains that no additional consumer protection rules are necessary for implementing UCB-POR.

AGE supports the transition to consolidated billing and believes there should be an opt-in/opt-out structure. AGE advocated for the commission to play a central role in ensuring transparency and protection from bad actors in all areas of the industry. AGE supports a version of consolidated billing that does not rely on a credit score check on customers. If a POR model is adopted, it will reduce risk to CDG providers and enables the sale of CDG subscriptions without credit barriers. AGE supports utilities taking a percentage of value of the credit received by the CDG member although the commission should strictly regulate the fee to ensure it is done in a just fashion and implements penalties for bad actors.

Ampion does not support the transition to consolidated billing. Ampion believes the POR model is not an ideal billing methodology and believes consolidated billing is not the solution. Ampion believes each CDG provider should be able to develop their own subscription model/fee structure to accommodate their own business model. Ampion contends that a limit on the amount of charges would serve as a barrier in the CDG market. Ampion recommends that supplier consolidated billing for all CDG customers should be the commission's approach. Ampion states that supplier consolidated billing is capable of billing low-income customers. Ampion does not support the

methodology of utilities recovering costs in consolidated billing via taking a percentage of the billed amount or any other means. Ampion believes the utilities should focus on improving the interconnection process rather than investing in improving billing systems. Ampion supports that data sharing should be done in a manner that is secure, cost effective, timely, and accurate. Ampion states that if CDG consolidated billing is required and is based on EDI transactions, additional consumer protections will be required. Ampion believes Green Button Connect would be effective in setting a standard such that additional consumer protections are not needed.

Arcadia supports a transition to utility consolidated billing for CDG but believes it must be paired with a POR model. They believe the fee structure referenced in the Notice should not be the only subscriber billing model. If the commission implements consolidated billing for CDG, the charge information should be sent to the utility in a bill ready format. Arcadia states that costs associated with UCB should be recovered as a percentage of the billed amount since this creates an even market between projects with many and few subscribers. Arcadia claims that the state should take the opportunity to improve data flow between the utility and CDG providers, and encourages the Commission to move data transfer away from today's EDI system and toward an API. Arcadia suggests the data sent from the CDG provider to the utility should be in a bill-ready format, and that no additional consumer protection rules are necessary because utility consolidated billing for CDG does not change the amount of risk exposure for consumers. If the consolidated billing is not paired with POR, the UBP-DERS should be amended to include rules on how collections and disconnects are performed.

AEA supports consolidated billing for community DER, and states that community DER has an important role to play in meeting the State's emission reduction targets. Facilitating the ease of enrollment and payment would be an important element for encouraging developers to focus on New York.

Bedford is in favor of consolidated billing for CDG. Facilitating consolidating billing such that a single billing statement among all electricity providers and distributors would reduce uncertainty, lower cost and open a vast market for local renewable energy.

Bedford 2020 is in favor of consolidated billing being required for CDG. Bedford 2020 believes consolidated billing would remove the greatest barrier to the growth of renewable energy usage in New York. Consolidated billing would result in

opt-out community solar eliminating the need for individual customer community solar contracts and credit checks because all customers would subscribe through Community Choice Aggregation (CCA) and get billed through the utility. Consolidated billing would support the CCA pilot program in Westchester county and further the goal of 100% renewable energy supply.

Catskill Mountainkeeper strongly supports consolidated billing for CDG projects since it will simplify the customer's process for subscribing to CDG while reducing soft costs for projects. Catskill Mountainkeeper states that for many potential customers, two bills was seen as too complicated. Eliminating the dual-bill system and embracing consolidated billing would address this and other problems while allowing subscribers to receive one energy bill monthly.

The City is in favor of consolidated billing. The City recommends the commission allow for a POR model that allows for options both with or without recourse, with different discount levels to reflect the differences in each option. The City states that should the Commission determine that a POR model is the best course of action, the City submits that a CDG Sponsor should be able to make a one-time yearly election on which POR model (with or without recourse) it will use for the coming year. As a general matter, the City reiterates that the CDG marketplace should be given enough flexibility to determine the appropriate product offerings. The City therefore recommends against prescriptive pricing schemes. The City recommends that all service classes that are eligible to participate in CDG projects should be similarly eligible to receive a consolidated bill. The City is not aware of any abuses by CDG sponsors or developers that would warrant special provisions, and does not foresee a reason why transitioning to a consolidated billing model would increase a low-income customer's risk.

The City acknowledges that consolidated billing may impose additional costs on utilities, although there is no information on potential costs. The Commission should direct utilities to examine the potential costs of consolidated billing and file those costs for review. They recommend that the utilities and CDG sponsors use the existing EDI framework currently used by ESCOs and the utilities to transmit information. The City goes on to comment that whatever electronic data transmission platform is used, the utilities should be required to distribute CDG credits on a timely basis. The City supports no utility shut-offs based on a customer's failure to pay the CDG portion of the bill nor shall it include use of utility collection mechanisms where the CDG portion of the bill is unpaid. The City recommends that consolidated billing be extended to remote net metering (RNM) projects.

CEP is in favor of consolidated billing POR, and believes it would be beneficial to have utilities handling collection because they are equipped to efficiently handle delinquent payments. ACE cautions against being overly prescriptive when it comes to the subscription charge. CEP states that there should be no limit set on the amount of charges and that consolidated billing be available to all customers. ACE does not see a need for special provisions for consolidated billing of low-income customers. Utilities should take a percentage of the billed amount instead of a per customer fee. If a per customer fee is implemented, adjustments to the fee should be based on market experience and be bounded within a predictable range. CEP contends that secured electronic communications is necessary via API and EDI. CEP maintains that no additional consumer protection rules are necessary for implementing UCB-POR.

ClimateMama supports the transition to consolidated billing, and believes consolidated billing would pave the way for widespread usage of community solar and scaled-up local renewable energy production. ClimateMama states that offering opt-out CDG through CCA would lower development costs, streamline operations and open a vast market for local renewable energy. ClimateMama urges the Commission to take fast and decisive action.

CLP Power are in favor of consolidated billing for CDG, and believes that dual-billing represents a barrier to opt-out CDG.

Clinton is in favor of consolidated billing for CDG, and has significant interest in pursuing a CCA agreement. Clinton cannot pursue the agreement as the complex billing process would not be supported by the community. The town supports a subscription charge of at most 90% of the value of the solar credit. The Town supports subscription charges being less than credits, consolidated billing being available to all service classes, and a special provision being created to allow low income customers to access these programs.

Croton is in favor of consolidated billing for CDG, and it would pave the way for widespread adoption of community solar and scaled-up local renewable energy production.

Direct Energy supports the adoption of consolidated billing and the importance of consumers seeing the costs and benefits of their subscription all in one place. Direct Energy is indifferent as to whether charges are handled via a POR program, and asserts that if it is implemented, it should be done without recourse because a recourse program is too difficult to manage.

Direct Energy states the subscription charge should not be limited to a specific percentage of value, and contends that the billing format should be flexible enough to allow either a fixed percentage of value or a flat charge. Direct Energy states there should be no limit set on the amount of charges, and there should be more flexibility in the billing process for DER suppliers. Direct Energy states that consolidated billing should not be limited to a specific service class, and that while many CDG programs will be geared toward residential consumers there is ample opportunity for CDG/DER programs to incorporate small business, large commercial or large industrial programs.

Direct Energy believes that EDI and its associated infrastructure should be utilized for data transmission. However, it should be done in a format where a bill ready format is utilized as it would capture all necessary data that is pertinent to a consumer and their account. Direct Energy believes additional language should be incorporated to state that utilities cannot disconnect service for non-payment of subscription fees or any other items that are value added. Direct Energy states that consolidated billing should be made available for other value-added products related to electric or natural gas service, like in-home devices for managing energy consumption, heat pumps, fuel cells or battery storage systems.

Distributed Sun states that a POR model should be implemented without recourse, and that large commercial customers should be excluded from the POR model. Distributed Sun favors subscription charges set at a percentage of value of the credit received by the CDG member but does not believe this preference should be mandatory. Distributed Sun believes a requirement that the subscription charge be less than the bill credit value should be required for POR without recourse for mass market and small commercial customers, but not consolidated billing if it does not include POR without recourse. Large commercial customers should not be included in any such requirement.

Distributed Sun states that mass market customers and small commercial customers should be included in consolidated billing. The community solar project should be responsible for billing large commercial customers. Distributed Sun supports the POR model without recourse for low-income customers, if not all mass market and small commercial customers. Distributed Sun supports the implementation of a utility recovering costs associated with consolidated billing through retaining a percentage of the billed amount, assuming such amount is found to be a small fraction of the cost of providing billing itself.

Distributed Sun states that detailed information be provided to the community solar project by the utility monthly. This includes credits earned by the project that month. For mass

market and small commercial accounts, additional information should be provided detailing to which accounts the credits were applied, the dollar value of those credits, and the subscription price, together with payment for the fees due to the project. Distributed Sun believes the current version of UBP-DERS should include a requirement for community solar projects to notify mass market and small commercial customers that consolidated billing will be used. To ensure prompt implementation, Distributed Sun states consolidated billing should be restricted to community solar credits and subscription charges.

Eligo Energy is in favor of consolidated billing, and that the CDG provider should be able to bill whatever they can and not necessarily less than the value of the credits. Eligo Energy asserts that Consolidated billing should be available for all service classes without limit. Participants in consolidated billing should undergo any necessary EDI and other interconnection testing with utilities, as well as maintain any utility mandated security procedures and cyber insurance.

Energy Mark supports consolidated billing, but does not support the POR model. Energy Mark supports a subscription charge being implemented for each member where it is set at a percentage of value of the credit received. Energy Mark believes a limit should be placed on the amount of charges, and supports consolidated billing being applicable to all service classes. With respect to data transmission, Energy Mark supports whichever system is low maintenance that facilitates the data flow. Energy Mark is worried about the potential for subscribers to be signed up in multiple CDG projects, similar to the slamming tactic employed by ESCOs. Utilities should make every effort to begin planning for the implementation of consolidated billing for CDG projects.

EAT echoed the comments of the Green Business Partnership and Energize Bedford, and strongly supports consolidated billing. EAT asserts that offering community solar on an opt-out basis through CCA programs will drive adoption and increase production of locally generated renewable energy in NYS. Consolidated billing would address existing barriers to acquiring/retaining community solar subscribers, including confusion over the need for two separate bills and payment requirements which discouraging participation. EAT states that opt-out community solar through CCA would lower development costs, streamline operations, and open a market for local renewable energy, and argues that consolidated billing would virtually eliminate customer acquisition and management costs and lower financing costs.

Energize Bedford echoed the comments of the Green Business Partnership and EAT, and strongly supports consolidated billing. Energize Bedford asserts that offering community solar on an opt-out basis through CCA programs will drive adoption and increase production of locally generated renewable energy, and states that consolidated billing would address existing barriers to acquiring/retaining community solar subscribers, including confusion over the need for two separate bills and payment requirements which discouraging participation. Energize Bedford states opt-out community solar through CCA would lower development costs, streamline operations, and open a market for local renewable energy. Energize Bedford further argues that consolidated billing would virtually eliminate customer acquisition and management costs and lower financing costs.

Geneva is in favor of consolidated billing for CDG, and has significant interest in pursuing a CCA agreement. Geneva states that without consolidated billing, a dual-billed CCA would not be well received by town residents and small businesses. Geneva supports a subscription charge of at most 90% of the value of solar credits, and asserts that consolidated billing be available to all customer classes and low income customers should have access to these programs.

GBP echoed the comments of Energize Bedford and EAT, and strongly supports consolidated billing. Offering community solar on an opt-out basis through CCA programs will drive adoption and increase production of locally generated renewable energy in NYS. GBP states that consolidated billing would address existing barriers to acquiring/retaining community solar subscribers, including confusion over the need for two separate bills and payment requirements which discouraging participation. GBP states that opt-out community solar through CCA would lower development costs, streamline operations, opens a market for local renewable energy, and would virtually eliminate customer acquisition and management costs and lower financing costs.

Harrison strongly supports consolidated billing for CDG projects, and supports the CCA program seeking the option to offer Community Solar on an opt-out basis. Harrison notes that a single billing statement would reduce uncertainty, lower costs and open a vast market for local renewable energy.

Hastings strongly supports consolidated billing and supports the CCA program seeking the option to offer Community Solar on an opt-out basis. Hastings notes that a single billing statement would reduce uncertainty, lower costs and open a vast market for local renewable energy.

Healthy Yards strongly supports the Commission's proposal to require consolidated billing, and believes consolidated billing is essential to increase community solar and scaled-up local renewable energy production. Consolidated billing would allow for community solar to be offered on an opt-out basis through CCAs.

High Peaks Solar supports consolidated billing, and believes it is important to offer the CDG provider with options on how the utility can bill the end user. High Peaks Solar suggests that consolidated billing be available for all service classes without limit. High Peaks suggests the utility retain a percentage of the billed amount rather than per customer fee, set between 1.5% and 2%. Additionally, High Peaks Solar suggests information necessary for consolidated billing should be handled at the time the list of subscribers is given to the utility, and all information transference should be done in a protected way, but no further consumer protection rules are necessary.

Hudson River Sloop states that the lack of consolidated billing may be one of the major challenges to renewable energy implementation in New York. Hudson River Sloop further notes that in addition to supporting adoption, consolidated billing would enable CCA programs to enroll many more customers into solar on an opt-out basis.

HVRC supports consolidated billing for all customer service classes, including low-income customers. HVRC recommends a subscription charge for each member set a percentage of value of the credit received by the CDG member, and a limit should be set on the amount of charges, requiring that the subscription charge be less than or equal to the bill credit value. For cost recovery, HVRC suggests the utilities could retain a percentage of the billed amount.

Local Efficiency supports consolidated billing for CDG projects. Local Efficiency notes that consolidated billing would allow for CCAs to offer community solar on an opt-out basis, driving adoption and increasing production of locally generated renewable energy.

JU urges the Commission to consider all alternatives and to not focus on consolidated billing as the only potential solution. The JU argues that it would be required to establish complex rules for collecting unpaid or partially paid CDG subscription fees without the right to terminate service for non-payment. The JU suggests the Commission consider revising its policy on termination of utility service for non-payment of CDG subscription charges. The JU recommends this be done

carefully in the context of consumer protections and necessary changes to statutes or regulations.

The JU supports a Net Crediting Model that splits the Value Stack credit between the CDG Sponsor and CDG Subscriber, with a portion of the CDG Sponsor's credit retained by the utility, as a simpler alternative to consolidated billing. Concerns regarding this model include potential inconsistencies with the contract-based subscription model now in place for certain CDG projects, and customer protection concerns as a customer may not be able to withhold a payment in the case of a billing dispute.

The JU argues that all subscription charges should be capped at the bill credit value. The JU does not propose to limit the new billing model for any service class if appropriate rules are developed that do not allow the new CDG billing model to be used as a method of on-bill financing, and cap the charges applied at the bill credit value. The JU proposes the Bill Discount Pledge (BDP) program be delayed pending full evaluation of the billing models discussed. The JU notes that the Commission should consider additional protections in UBP-DERS to protect low-income customers. The JU argues that utilities must be allowed to recover upfront costs and future costs of establishing or modifying billing systems. The JU further argues that under a POR consolidated billing model, a methodology to calculate each utility's POR discounts level would need to be considered and incorporated into the UBP-DERS.

The JU believes EDI is the most expedient solution for data exchange with CDG Sponsors. EDI rules and structures would need to be created or revised which the JU argues is a complicated process that should not be rushed. The JU argues that the features of a new CDG billing model will determine whether supplemental customer protections are required in a revision to the UBP-DERS. The JU believes that consideration of a new billing model should be limited to CDG projects for the following reasons: complexity (both policy and procedure), not clearly necessary or desirable for other DER products, and not used for on-bill financing.

Joule strongly believes that CDG billing is an essential market evolution and must be implemented on an expedited timeline. Joule supports a consolidated billing approach that does not treat CDG charges as distinct from utility charges but rather as the foundation of a novel utility retail service offering. Joules sees that utilities should be entitled to earn recurring revenue for billing services, customer management, and vendor relations/data reporting. Also, utilities should retain the right to terminate service for non-payment of the utility bill. Should the CDG and consolidated billing show downward pressure on the LBMP clearing prices, Joule believes utilities should be able to capture a portion of the avoided cost.

Joule proposes a Net Credit Billing model which will solve the complexities of parsing customer payment, streamlines the transaction flow, and eliminated redundant payments. Joule believes that the single line on the bill will demonstrate the net savings for the subscriber in that billing cycle. Joule states that the credit applied to the customer bill is equal to the monetary value of the net discount (e.g. 10%) on the credit, as designated in the subscriber agreement. In this model, Joule indicates that the utility is paying the distribute resource directly for its power and other grid services, just as it might in a PPA with a wholesale generator. Joule proposes that the utilities have 60 days from the CDG Sponsor meter read to make payment to the CDG Sponsor.

Joule does not believe a POR program is needed and is not applicable to the Net Credit Billing model if adopted. Joule adds that the subscription charge pegged to a percentage of credit value is the simplest and most straightforward. Joule believes there should be a limit on the amount of charges; the security of consistent savings in each month is required to facilitate customer adoption and simple consumer protection. Joule adds that dual billing is not a large barrier to entry for demand customers who are more likely to have internal resources. Joule favors no restriction on low-income participation. Joule supports setting the limit of 5% as the billed amount for the utilities to recover for costs and proposes and exploration regarding utilities' ability to earn regulated returns for effectively lowering rates for all ratepayers through widespread interconnection of DER.

Joule proposes setting sensible "Service Level Agreements" be extended by the utilities to the CDG Sponsors. Joule believes there should be an extra level of consumer protections such as an administrator, or a municipality, to be vigilant on consumers' behalf. Customers must be additionally protected with the ability to enroll on an opt-out basis and without formal subscriber agreements. Further, a universal "terms and conditions" document should be made available to consumers upon enrollment and no exit fee for subscribers and no credit check enrollment. Joule suggests extending consolidated billing to storage.

InterGenerate supports consolidated billing for CDG projects and believes it would pave the way for widespread adoption of community solar and scaled-up local renewable energy production. InterGenerate urges the Commission to offer opt-out through consolidated billing. InterGenerate states that consolidated billing would address existing barriers to acquiring/retaining community solar subscribers, removing the confusion of the need for two separate bills. Further, InterGenerate believes consolidated billing will benefit LMI

customers. InterGenerate maintains that it would also remove customer acquisition and management costs and lower financing costs for CDGs. Projects would be more economically viable.

Lima supports consolidated billing for CDG projects so customers can pay one bill. Lima would like the subscription charges to be set at maximum 90% of the value of the solar credit. Further, Lima suggests that consolidated billing should be available to all service classes and LMI customers.

Mamaroneck is a member of Sustainable Westchester and supports consolidated billing because it would reduce uncertainty, lower costs and open a vast market for local renewable energy.

Mount Kisco supports consolidated billing into a single statement that would reduce uncertainty, lower cost and open a vast market for local renewable energy. Further, Mount Kisco believes that operating under the existing process will stand as an obstacle to achieving renewable goals.

Mianus strongly supports the proposal to require consolidated billing, and believes consolidated billing will pave the way for widespread usage of community solar and scaled-up local renewable energy production. Mianus urges the Commission to offer community solar as an opt-out basis in order to drive usage and increase production of locally generated renewable energy in NYS. Mianus adds that consolidated billing will remove the greatest barrier to growth of renewable energy.

NFG believes that adequate consumer protection rules are currently effective, as a part of the long standing UBP and the UBP-DERs. However, NFG states that any changes to the UBP-DER should be made carefully. Further, NFG adds that any changes deemed necessary should be clearly labeled as "electric utility" in the text or alternatively should be accompanied with Commission Order language noting that changes only apply to electric utilities. NFG argues that there should be no changes to the natural gas UBPs to implement consolidated billing.

NCSAB strongly supports consolidated billing, and argues that consolidated billing will remove existing barriers to adoption of CCA programs. NCSAB believes that consolidated billing would benefit LMI households, some of whom are excluded from CCA projects. According to NCSAB, offering opt-out CCA programs would lower development costs, streamline operation and open a vast market for local renewable energy. Further, NCSAB states that opt-out community solar would eliminate the need for individual customer community solar contracts and credit checks.

New Rochelle supports community solar and sees the current rules of a complicated system of separate bills and payment requirements discouraging community solar. New Rochelle favors consolidated billing because it would reduce uncertainty, lower cost, and open a vast market for local renewable energy.

NYPA believes that consolidated billing would provide clearer insight into, and accounting of, consumer's energy related costs, instead of having to manage multiple energy-related bills each month. Further, NYPA argues that consolidated billing will empower customer choice for energy and energy services and ultimately encourage greater penetration of clean generation technologies and wider deployment of CDG projects. NYPA recommends the Commission not limit project eligibility based on monthly generation. Further, NYPA recommends establishing that utility charges for consolidated billing take the form of per-customer fees and adopt and implement consolidated billing for all DERs and clean energy solutions. NYPA suggests that using the value (represented by bill credit or bill savings) as a threshold for determining eligibility for consolidated billing may inadvertently discourage projects that can deliver potentially significant energy savings.

For CDG and other bill credit generating projects, NYPA states it might be straightforward to compare customer costs/subscription fees with bill credit amount and use bill credit value as criteria for eligibility for consolidated billing. However, NYPA argues there are a wide range of clean energy solutions that can utilize consolidated billing and it would be impractical to prohibit financing charges that are greater than the energy bills savings delivered by the clean energy solution each month. NYPA recommends that utilities recover costs through a flat, per-customer fee that is designed to balance utility cost recovery for implementing consolidated billing without frustrating customer goals in adopting renewable energy. NYPA understands there will be costs associated with implementation of consolidated billing, but the Commission should be vigilant that such costs are reasonable and allocated only to customer classes that are eligible.

Additionally, NYPA recommends the Commission should ensure that consolidated billing is not limited to clean energy solutions that results in "bill credits" such as CDG. NYPA points out that customers of energy management services may not receive "bill credits", but they can still realize reduction in customer energy consumption and thus energy bill. NYPA supports implementing consolidated billing as an "opt-in" model to ensure that customers are given adequate time to adjust to modified billing structures and to provide feedback which will allow further process and system improvement. As an "opt-in" model,

NYPA argues that it will ensure customers are able to evaluate cost-effectiveness of consolidated billing, given their specific circumstances and the net benefits are positive statewide.

NYPA recommends that the Commission should permit VDER credits to offset any costs consolidated onto a utility bill to encourage wider adoption of customers clean energy solutions. NYPA adds that adoption of consolidated billing for all clean energy should be aligned with this current practice of allowing VDER credit offset for the CDG subscription fees, utility consolidated billing charges, or any other clean energy costs financed on a utility bill. NYPA argues that the data exchange necessary to implement a consolidated billing framework should be governed under the statewide Data Security Agreements which is pending before the Commission.

Philipstown strongly supports the proposal to require consolidated billing for CDG projects. Philipstown believes consolidated billing will pave the way for widespread usage of community solar and scaled-up local renewable energy production. Philipstown urges the Commission to offer community solar as an opt-out basis in order to drive usage and increase production of locally generated renewable energy. Philipstown adds that consolidated billing will remove the greatest barrier to growth of renewable energy. Offering opt-out community solar through CCA would lower development costs, streamline productions and eliminate customer acquisition costs.

Riverkeeper supports streamlining the process of CCA by removing dual billing with consolidated billing. Riverkeeper supports the comments made by Bedford 2020.

Red Hook strongly urges to the Commission to require consolidated billing. Red Hook believes that consolidating billing into a single statement among all electricity providers and distributors would reduce uncertainty, lower costs, and open a vast market for local renewable energy.

Roctricity states that the absence of consolidated billing has stymied their efforts and has slowed the adoption of renewable generation. Roctricity is confident that consolidated billing will help municipalities embrace CDG as an opt-out feature and see a robust growth in the development of CDG. Additionally, Roctricity feels it is not necessary to follow a POR model because the CDG developer is already assuming the collection risk. Roctricity recommends that consolidated billing should require that the subscription charge for each member be set at a percentage value of the credit received by the CDG member, specifically equal to 90% of the value of the credits. Further, Roctricity believes there should be a limit set on the

amount of charges and available to all customers regardless of service class. Rocricity supports special provisions for LMI customers such as the savings from a CDG subscription should be applicable to the entire bill, not restricted to the supply charges.

Saw Mill strongly supports the Commission's proposal to require consolidated billing for CDG projects. Saw Mill believes that offering consolidated billing will enable opt-out community solar to proceed. Further, Saw Mill believes that consolidated billing would remove the greatest barrier to the growth of renewable energy usage and expedite the growth of opt-out community solar. Additionally, Saw Mill argues that consolidated billing would address existing barriers to acquiring/retaining community solar subscribers, including confusion over the need for two separate bills and payment requirements which discourage participation. Offering opt-out community solar through CCA, Saw Mill adds that it would lower development costs, streamline operations and open a market for local renewable energy. Saw Mill suggests that opt-out community solar would eliminate the need for individual contracts and credit checks of customers.

Sierra Club strongly supports consolidated billing for CDG projects because it will encourage the adoption of solar renewable electricity projects as part of CCA programs. Sierra Club believes that the current confusing system of dual billing to customers in CCA communities has become a hindrance to the adoption of the CCA program by municipalities. Sierra Club states that CCA can be very effective means of increasing the use of locally produced renewable energy.

Solar Simplified strongly supports consolidated and believes that the absence of consolidated billing reduces the willingness of people to subscribe to community solar programs of all types. Solar simplified encourages the Commission to approve consolidated billing so customers will see the charge and credit for the solar energy on the same, single bill. Consolidated billing should be available for all service classes, Solar Simplified added. Further, Solar Simplified suggests that the CDG provider should be able to bill whatever they can, and not necessarily less than the value of credits. Special provisions should be made for LMI customers. Solar Simplified believes that entities participating in consolidated billing should undergo any necessary EDI and other interconnection testing with utilities as well as maintain any utility-mandated security procedures and cyber insurance.

Sustainable Saratoga strongly supports the proposal to require consolidated billing for CDG projects. Sustainable

Saratoga believes consolidated billing will pave the way for widespread usage of community solar and scaled-up local renewable energy production. Sustainable Saratoga urges the Commission to offer community solar as an opt-out basis in order to drive usage and increase production of locally generated renewable energy. Sustainable Saratoga adds that consolidated billing will remove the greatest barrier to growth of renewable energy. Offering opt-out community solar through CCA would lower development costs, streamline productions and eliminate customer acquisition costs.

Sustainable Westchester believes that the utilities should be required to accommodate consolidated billing as quickly as practical. Sustainable Westchester points out that customers find it confusing and cumbersome to pay two bills for electricity and voice concerns about submitting banking information to a third party. Sustainable Westchester believes that consolidated billing will make it easier to subscribe individuals in the current opt-in model, cut down on acquisition costs, and enable opt-out participation within the CCA construct. Consolidated billing would help turn the CCA as an opt-out offering, Sustainable Westchester added. Further, Sustainable Westchester states that consolidated billing will expand access to the benefits of community solar including, making it possible for guaranteed savings for LMI customers.

Sustainable Westchester supports the POR for consolidated billing, otherwise developers will have to consider collections in their modeling and the full value of consolidated billing will not be realized. Further, subscription charges should be required for each member at a set percentage of the value of the credit. Sustainable Westchester does not see a need for a limit to be set on the amount charges. Sustainable Westchester supports consolidated billing for all service classes and no special provisions for LMI customers are needed for consolidated billing. Additionally, Sustainable Westchester supports allowing a percentage of the bill to recover utilities' costs so that the cost is not disproportionate in the case of lower income accounts. Sustainable Westchester suggest using a specific EDI definition for consolidated billing but notes that most developers do not have EDI, so whatever protocol is selected should be open and accessible.

The Climate Reality Project strongly supports consolidated billing and believes that consolidated billing will pave the way for widespread usage of community solar and scaled-up local renewable energy production. The Climate Reality Project urges the Commission to offer community solar as an opt-out basis in order to drive usage and increase production of locally generated renewable energy. Further, they add that consolidated

billing will remove the greatest barrier to growth of renewable energy. Offering opt-out community solar through CCA would lower development costs, streamline productions and eliminate customer acquisition costs.

Victor is interested in community solar as an opt-out feature, and believes that the absence of consolidated billing also reduces the willingness of people to subscribe to a community solar program in the opt-in model. Additionally, Victor would like to see the subscription charge be set at a maximum of 90% of the value of the solar credit; subscription charges should always be less than credits. Further, consolidated billing should be available to all service classes and special provisions should be made for LMI customers.

WE ACT supports consolidated billing to streamline and normalize participation in DER arrangements for formerly disenfranchised and mistreated ratepayers and reduces stress of dual billing. WE ACT believes that consolidated billing must comply with or preferably exceed standards set under the HEFPA and include clear, digestible language explaining financial arrangement between administrator and customer as well as the utility and customer. WE ACT supports limits on charges, including prohibition against DER arrangements that charge more than the bill credit on any given month. WE ACT recommends a timely resolution of this issue.

Yonkers believes that in order to fully maximize participation in community solar, the current billing process must be simplified. Yonkers adds that the current system of dual billing is complicated and discourages participation. Additionally, Yonkers argues that it would reduce uncertainty, lower costs and open a vast market for local renewable energy.

Senator Mayer supports the proposed recommendation for consolidated billing, and believes that increased usage of community solar will advance New York's renewable goals and reduce consumer's utility bills.

Westchester County Legislators strongly support the Commission's proposal to require consolidated billing for CDG projects because it will pave the way for widespread adoption of community solar and scale-up local renewable production.

Fourteen individual public comments were received in support of consolidated billing for CDG projects.

**Verified Petition of
Niagara Mohawk Power Corporation d/b/a National Grid for
Authority to Implement a Community
Distributed Generation Platform - Summary of Comments**

Comments

Advanced Energy Economy Institute (AEEI)
Ampion
BlueRock Energy Solar (BlueRock)
Coalition for Community Solar Access (CCSA)
Common Energy (Common)
BlueWave Community Solar, CleanChoice Energy Community, Nexamp
Inc. (Community Solar Providers)
Delaware River Solar (DRS)
Central Hudson Gas & Electric Corporation, Consolidated Edison
Company of New York, Inc., New York State Electric & Gas
Corporation, Niagara Mohawk Power Corporation, Orange and
Rockland Utilities, Inc., Rochester Gas and Electric
Corporation (Joint Utilities or JU)
Joule Assets (Joule)
Village of Lima (Lima)
New York Solar Energy Industries Association (NYSEIA)

Comments

AEEI asks the Commission to consider potential conflicts of interest if Niagara Mohawk's petition is approved, such as the Utility prioritizing CDG Hosts that use its platform to collect the 20% fee over CDG Hosts that are serving satellite customers directly or utilizing third party service providers. AEEI notes that a Platform Service Revenue (PSR) that allows a utility to participate in a market as a competitor will undermine the market. AEEI disagrees with Niagara Mohawk's assertion that CDG development within its territory is well below potential. AEEI claims this is not supported by facts. AEEI notes that Niagara Mohawk is failing to consider other issues that may be hindering market development, such as permitting, interconnection, and manual billing and crediting processes. AEEI disagrees with Niagara Mohawk's proposal of Platform 1, claiming this would remove a steady revenue stream and replace it with compensation tied directly to the value of the VDER tariff, which varies based on multiple factors.

AEEI notes that the competitive market is already addressing the problem that Niagara Mohawk identified through the use of bill-pay agents which provide customers with a single bill and a "net credit" format.

AEEI states that if Niagara Mohawk entered the customer acquisition market, they will have distinct advantages that could harm other market participants. AEEI argues that a monopoly should not be used to compete in new markets, and that Niagara Mohawk has access to historic billing data and other customer information that are not readily available to other market participants.

AEEI argues that Niagara Mohawk's proposal of retaining 20% of the fees collected is an unequal sharing of costs and benefits. All customers bear the risk while only participating CDG Hosts and their Satellite customers stand to benefit from the services. AEEI notes that standalone entities or those seeking services of third-party providers represent a loss of revenue to Niagara Mohawk.

Ampion argues that several CDG market participants, including themselves, currently offer the same or similar services to those described in the Petition. Ampion argues that National Grid may have an unfair competitive advantage compared to other providers in the market. Ampion notes that the utility has an inherent competitive advantage due to pre-established relationships with all customers, including possession of rate class, billing and payment, and historic usage data that developers either cannot access or must expressly request to access. Ampion suggests that National Grid should limit any rollout of Phase II to Low- or Moderate-Income customers and

recommends Phase I be offered exclusively to developers serving low- and moderate-income customers. Ampion argues that the net crediting model fits well with the concern of high default risk among LMI subscriber bases, which has also been a primary barrier to obtaining private financing for LMI-serving CDG assets.

Ampion strongly urges the Commission and Staff to consider developing a stakeholder input process prior to approving any part of the Petition.

BlueRock contends that the alleged slow development of CDG in National Grid's service territory is not slow and has in fact increased. BlueRock attributes the increase in CDG development to the adoption of the Community Credit for all off takers. Regarding Platform 1 of CDG-P, BlueRock does not dispute that an optional consolidated billing option would be of some benefit to the industry. BlueRock states that the most important impediment to customer acquisition has been the lack of consumer awareness of the CDG marketplace and contends that more time is needed to introduce a net credit allocation method to the market. BlueRock goes on to state that the net crediting method proposed by National Grid has an impact to all rate payers and as such, needs more time for discussion and debate.

BlueRock comments that Platform 2 of the petition should be rejected. BlueRock argues that by evidence of the rapid utilization of 438 MW of the Community Credit Tranche in just over 7 months, trends indicate that the primary reason for slow CDG growth has been mitigated. BlueRock states that allowing regulated utility companies, such as National Grid, to perform these services is detrimental to REV and impacts subscribers and the success of reaching New York's clean energy goals. BlueRock articulates that there is now a functioning market in New York, specifically in National Grid's service territory, and the services proposed in Platform 2 are not necessary. BlueRock argues that services proposed in Platform 2 by any utility would also result in potential of conflicts of interest impacting project development and ultimately rate payers.

CCSA notes that it sees potential value in a net crediting approach as outlined in Platform 1 but argues that National Grid failed to provide sufficient detail on pricing, bill presentation, access to data, and nondiscrimination protections. CCSA opposes Platform 2 as written. CCSA believes the two proposed Platforms in the Petition should be evaluated independently. CCSA further argues that utility and third-party consolidated billing should be evaluated as equal options.

CCSA notes several benefits from a net crediting approach, such as lower soft costs associated with development and operation, enhanced customer experience, and an increase of CDG participation. CCSA believes the pricing proposed for Platform 1 is too high, does not reflect the value of those services to CDG providers, and that the fixed escalation factor is inappropriate. CCSA argues that pricing of Platform 1 should be no more than the actual cost to deliver the service plus some nominal margin to be determined by the Commission, and not the utility. CCSA further argues that if the Commission approves Platform 1, there should be procedures in place to ensure that non-participants are granted equal access to customer data as participants. CCSA strongly recommends that the Commission provide instructions for how CDG information is to be presented on the bill and would like to include the name of the CDG product and CDG provider, and the benefits delivered to the CDG subscriber. CCSA argues this information should be provided in National Grid bills regardless of whether the CDG Provider opts in to Platform 1 or not. CCSA argues that CDG providers that opt in to Platform 1 should be able to communicate to their customers through the bill message window and/or bill inserts.

CCSA opposes the proposed Platform 2, in which National Grid proposes to own and operate customer acquisition and turnover management services. CCSA notes that National Grid claimed there are perceived market inefficiencies to CDG development. CCSA argues that the Commission should require all utilities to implement changes that would correct for existing market inefficiencies, ensure a more level playing field, and avoid anti-competitive outcomes. The changes CCSA would like to see implemented are real-time access to all relevant subscriber (and potential subscriber) information and a secure information exchange through automated system-to-system communications for Subscriber Organizations to communicate their customer management activity to the utility. CCSA argues that National Grid does not have the expertise in customer acquisition, and the upfront fee and annual maintenance fee are well above what is currently available in the competitive market. CCSA argues that CDG providers should be able to maintain the ability to determine their own product offering, rather than a standard discount. CCSA believes that National Grid's entry into customer acquisition and turnover management could give it an unfair advantage, ultimately stifling competition and innovation in the market. CCSA believes it would be appropriate for these issues, particularly related to customer data access, to be more fully considered and vetted in a proceeding separate from the Commission's evaluation of the National Grid Petition.

Common opposes the adoption of both platforms. Common states that National Grid's CDG-P rests on three key claims: (1)

the CDG market is growing slowly in National Grid's territory; (2) one factor slowing CDG development is that a subscriber currently receives two bills (i.e., one from the utility, and one from the CDG servicer); and (3) receiving two bills is particularly burdensome for low and moderate income subscribers. Common disagrees with the claims for the following reasons: (a) The system would provide the utility with an unfair competitive advantage relative to the private companies that have been built to support New York State's CDG Program; (b) it would stifle needed innovation in New York's energy sector; and (c) result in higher fees for rate payers for a service that is already being provided by the private sector. Common opposes a utility-owned platform for enrolling subscribers and managing CDG credits because the market is already being served effectively.

Community Solar Providers urges The Commission to reject both elements. With respect to Platform 1, Community Solar Providers take issue with the petition not expressly stating whether Platform 1 (as opposed to Platform 2) would be optional or mandatory, though its proposed tariff revisions appear at least to allow for an optional offering where CDG hosts would be able to choose a different consolidated billing arrangement, including the status quo. Community Solar Providers contend that National Grid's petition is based on a flawed premise and rationale. Community Solar Providers state that National Grid cites the lack of robust growth of CDG in its territory as a reason for the CDG-P, but then states that the Community Credit appears to have increased CDG market activity. This upward trend of growth has continued since the September 11, 2019 petition. Community Solar Providers argue that the continued growth negates National Grid's claim that Platform 1 is needed to spur development. Community Solar Providers contend that National Grid's Net Credit Allocation Proposal impedes REV's goal of fostering innovation and growing a new energy economy. Community Solar Providers comment that to the extent CDG-P would allow National Grid to make Platform 1 mandatory or the favored default option for all CDG providers and customers, it is completely anathema to the REV vision as it would replace a competitive market with a monopoly where no natural monopoly exists. Community Solar Providers argue that the implementation of Platform 1 is likely to be expensive and will reduce customer savings. Community Solar Providers contend that National Grid characterizes CDG-P as a new service and revenue stream, but the extent to which the utility is seeking to carve out a profit for services that it already provides - e.g., applying CDG bill credits and bearing the non-payment risk for its captive ratepayers - is unclear.

Community Solar Providers state that alternatives to Platform 1 can accomplish the objectives it identifies.

Community Solar Providers identify alternatives to Platform 1 such as a Solar Dividend program, a Community Solar Provider-Led Billing program, a Utility-Led consolidated billing with POR and CDG provider co-branded billing, and a Bill-Pay Agent Billing program.

Community Solar Providers argue that the Commission should reject Platform 2 of the CDG-P. Community Solar Providers comment again that it is not clear how community solar hosts or subscribers would benefit from having a captive ratepayer-backed entity enter an already functioning market. Community Solar Providers warn that if National Grid and other utilities are competing for customer acquisition/management business, the utilities will be even less incentivized to improve data sharing mechanisms that only serve to advantage the competition.

DRS fully supports consolidated utility billing for New York CDG solar projects and finds the National Grid implementation plan for Platform 1 to be a positive move in driving LMI participation and improving customer experience. DRS opposes National Grid's proposed management rate of \$0.02/W/year. DRS argues that this is higher than the current market rate and does not adjust with higher adoption rates/economies of scale nor does it consider the benefits to rate payers of lower soft costs, such as the need for smaller NYSERDA incentives. DRS states it is not opposed to National Grid receiving a management fee but recommends setting a management fee that accomplishes a reduction to project soft costs and scales down over time as adoption increases.

DRS supports National Grid's Platform 2 proposal to acquire customers through an opt-in RFP process that is competitively priced within the market. DRS argues that administrative costs will be reduced for both project sponsors and National Grid by eliminating the monthly customer allocation reports and customer move-out reports. DRS further notes that Platform 2 provides project sponsors with a dependable acquisition vendor that will be operating for the project's entire lifecycle.

JU supports the net crediting billing model proposed by National Grid in Platform 1 as a chance to demonstrate innovative models to further facilitate CDG development. The JU notes that the Platform 2 model would eliminate the relationship between the customer and the CDG owner and instead rely on the utility to market the offering, recruit customers, and administer the program. The JU further notes that it does not directly oppose this request, but argues there are key policies that should be explored, such as whether the Platform 2 program presents customer equity issues when subscribers are selected on a first-come, first-serve basis, whether the approach requires all customers to bear CDG business risks and costs instead of

developers, and whether it is the most cost-effective approach to provide customers with access to solar power, as compared to larger-scale development and/or utility-owned solar.

The JU recommends once certain pilots such as NYSEERDA's Solar for All, Con Edison's Shared Solar, and Con Edison's Community Power, have been implemented and gathered meaningful data, the Commission should hold a technical conference to determine an optimal CDG approach for customers.

Joule recommends that with respect to managements fees referenced in the CDG-P, Joule expresses concern that CDG Sponsors may refuse to use the platform or be forced to offer a lesser discount to subscribers that choose consolidated billing. Joule argues that in order to speed and scale adoption of the CDG-P, and to recoup investment on a reasonable schedule, National Grid's fees should be set to match the market rate of \$.01/W initially and continue to follow market rate to preserve access and value of CDG subscription for all New Yorkers. Joule states that the Platform 2 structure that would perform subscriber acquisition and churn management services for CDG Sponsors is an improper market design. Joule argues that Platform 2 of the CDG-P will position National Grid as both a singular point of access for, and competitor to the existing private market of customer acquisition firms. Joule contends that Platform 2, if adopted, would foster an undesirable outcome of a central stakeholder having a financial interest in creating market friction and inefficiencies.

Joule points out that CCA is not mentioned at all in the Petition, and no such restrictions on the integration with CDG-P are contemplated whatsoever. Joule urges the Commission to approve the Petition as is, without the addition of any restrictions on participation by CCA communities. Joule draws attention to the supplemental comments submitted by the JU on September 13, 2019 in Case #19-M-0463, after the close of the general comment period. Joule highlights that the JU reference Joule's CCA programs and suggest Joule's model of integrating CCA and CDG on an opt-out basis not be allowed to take advantage of utility consolidated billing platforms when implemented. Joule contends that this is relevant to the CDG-P, as a restriction like this would in effect completely reverse the support Joule has expressed in the submitted comments on the petition.

Joule expresses that the Commission should keep the State's broader goals in mind when ruling on this petition. Joule states that the CDG market needs to build the momentum necessary to propel New York towards its clean energy standards on the established timelines. Joule contends that if the progress on consolidated billing snags on extended deliberation, or dilutes customer value, the health of the market would be compromised.

Lima supports the approval of National Grid's CDG-P with the hope that approval retains a feature that the platforms are optional by the CDG Project developer as proposed. Lima intends on utilizing programs outlined in Platform 1 as Lima is in National Grid's service territory and it could allow Lima to implement CDG on an opt-out basis without the potential for customers to unexpectedly receive two bills. Lima argues that consolidated billing for DERs should be adopted by the Commission in a manner that allows CCA programs to include CDG as a means for municipalities to consider this option as part of their program. Lima expresses concern that the Joint Utilities are encouraging an approach that would prohibit CCA programs from enrolling customers in CDG projects with both opt-out treatment and consolidated billing simultaneously. Lima contends that such a course of action would effectively and unfairly eliminate access to consolidated billing for customers and projects that would benefit by it most.

NYSEIA states that National Grid's Platform 1 proposal is consistent with the Commission's Phase 1 Order. NYSEIA sees potential value in a net crediting approach but believes National Grid must provide additional detail and rationale for its proposals regarding pricing, bill presentation, access to data, and non-discrimination protections. NYSEIA recommends these issues be addressed through a stakeholder process involving input from CDG providers prior to Platform 1 implementation.

NYSEIA opposes National Grid's proposed Platform 2 citing four issues. First, a utility directly competing with CDG providers raises the concern that utilities could show preferential treatment to developers who opt in over those who opt out. Second, Platform 2 creates a default National Grid-branded program with a standard discount, single-product offering that could stifle competition and provide an unfair advantage. Third, utilities have usage data readily available and does not allow for a truly competitive market. Last, NYSEIA argues that Electric Distribution Companies such as National Grid lack expertise and experience, and furthermore, are not viewed as innovators offering solutions their customers desire.