



December 2, 2019

VIA ELECTRONIC FILING

Hon. Michelle L. Phillips, Acting Secretary
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, NY 12223-1350

Re: Case 19-M-0463 – *In the Matter of Consolidated Billing for Distributed Energy Resources*

Dear Acting Secretary Phillips:

The Coalition for Community Solar Access (CCSA), on behalf of our 65 industry and non-profit members, welcomes this opportunity to comment on the *Verified Petition to Implement Community Distributed Generation Platform* (“Petition”) submitted by National Grid on September 11, 2019, in the above referenced case. CCSA has actively participated in multiple dockets affecting community distributed generation (“CDG”) and distributed energy resources (“DERs”) over the last several years in New York, and we thank the Commission and Staff for initiating this proceeding to investigate the use of consolidated billing for DERs and, more specifically, CDG.

Respectfully submitted,

/s/ Erika Niedowski

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**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

In the Matter of Consolidated Billing for
Distributed Energy Resources

Case 19-M-0463

COMMENTS OF THE COALITION FOR COMMUNITY SOLAR ACCESS

Dated: December 2, 2019

I. Introduction

The Coalition for Community Solar Access (“CCSA”) submitted joint comments on September 3, 2019, with Alliance for Clean Energy New York, Natural Resources Defense Council, New York Solar Energy Industries Association, Renewable Energy Long Island, Solar Energy Industries Association and Vote Solar (referred to as the “Clean Energy Parties,” or “CEP”) in response to the *Notice Seeking Comments Regarding Consolidated Billing for Community Distributed Generation* (“the Notice”). CCSA and the Clean Energy Parties expressed support for implementing Utility Consolidated Billing with Purchase of Receivables (“UCB-POR”) as an option for CDG providers “if implemented properly with a reasonable fee structure and in a transparent, easy-to-understand customer interface.”

Among the potential benefits of optional UCB-POR outlined in those comments were:

- Enhanced customer experience for those customers who prefer a single unified utility bill, which could be particularly beneficial for low-to-moderate income customers;
- Greater participation from customers with limited or no credit for CDG developers and providers whose project financing models require subscriber credit checks; and
- Potential reduced soft costs associated with CDG project development and operations.

The Joint Utilities (“JUs”), including National Grid, also submitted comments on September 3, 2019, in response to the Notice, expressing reservations about UCB-POR because of what they said would be the time, effort and expense required to implement it. Instead, the JUs proposed a “Net Crediting Model” as “a simpler and preferred alternative to consolidated billing.” National Grid subsequently filed the *Verified Petition to Implement Community Distributed Generation Platform* (“Petition”) to implement a Community Distributed Generation Platform (“CDG-P”) program. The CDG-P consists of two elements: (a) Platform 1 - Net Credit Allocation (“NCA”), which relies on the JU-proposed Net Crediting Model, and (b) Platform 2 - Customer Acquisition and Turnover Management service.

Overall, CCSA is supportive of streamlined billing approaches that can provide direct and equitable benefits to CDG customers and CDG providers, and that can help the State achieve its clean energy and equity goals by enabling more CDG development at lower cost. While CCSA sees potential value in a net crediting approach as outlined in Platform 1, we believe National Grid has failed to provide sufficient detail on pricing, bill presentation, access to data, and non-discrimination protections and would like to see those issues addressed through a robust stakeholder process involving input from CDG providers, which should be reflected in any Order related to Platform 1. CCSA opposes Platform 2 as written and proposed, and urges the Commission to thoroughly address the broad range of issues it implicates. A single set of comments from interested parties in response to National Grid’s Platform 2 proposal is woefully inadequate.

Because the Petition’s proposal for Electric Distribution Company (“EDC”) implementation of consolidated billing (Platform 1) raises separate and distinct issues from the proposal for EDC-operated customer acquisition and management services (Platform 2), CCSA believes the two platforms should be evaluated independently. We encourage the Commission to accelerate implementation of single bill solutions such as UCB-POR and NCA, followed by a more thorough exploration of issues related to CDG customer acquisition and management such as those raised in Platform 2.

II. General Billing Considerations

Billing is a central component of the community solar business model and customer experience and CCSA believes it is critical that a billing regime in any state or market be comprised of the following best practices to enable a well-functioning marketplace and ensure customer satisfaction. Community solar billing should be:

- **Accurate**, to ensure that proper value is being delivered to customers;

- **Timely**, so customers can derive benefits in as real time as possible;
- **Transparent**, with bills that are clear and understandable for customers and data that is easily accessible to them;
- **Efficient**, to lower costs for all parties; and
- **Enabling innovation**, by encouraging competition and innovation among providers to lower costs and best meet varying customer preferences through a variety of service models.

Policymakers considering consolidated billing for community solar across all states have a menu of options for offering subscribers a streamlined billing experience, including Net Crediting, as proposed at a high level by the JUs and more specifically by National Grid in the Petition. Another form of utility-managed consolidated billing is UCB-POR, in which the utility is responsible for purchasing the receivables of the community solar subscriber and remitting payment to CDG providers (minus a reasonable billing fee). CCSA notes that UCB-POR is already an option for other entities within the utility billing infrastructure, and it would be helpful for stakeholder and Commission deliberation on this topic if the JUs could further articulate why they prefer Net Crediting to UCB-POR and a comparison of the implementation time, effort, and expense involved in each. Finally, third-party consolidated billing presents yet another option, in which community solar subscribers receive one bill from their CDG provider, with both community solar subscription fees and their traditional utility charges. In general, utility and third-party consolidated billing should be evaluated as equal options. In today's data environment, energy billing is not a natural monopoly. It may be that qualified third parties could provide consolidated billing solutions of higher quality and lower cost than the public utility.

Regardless of the option, the choice to participate in consolidated or separate bills *must lie with the CDG provider*. If consolidated billing is made mandatory for CDG providers, innovation in what is a rapidly evolving market may be stifled. There also must be clear processes and requirements for data integration between CDG providers and utilities, and

transparency of data, including implementation of a customer data “bill of rights,” where customers own their own billing data and can share it with any entity they wish. Increasing customers’ ability to share data is an important mechanism for facilitating innovation in customer-centric energy services.

Finally, under every billing regime, there should be clear processes and benchmarks to ensure accountability and institute improvements where needed.

III. National Grid Proposals

Platform 1 - Net Credit Allocation

General

National Grid’s Platform 1 proposal for NCA is consistent with the Commission’s Phase 1 Order, which identified consolidated billing as “an important opportunity to reduce soft costs associated with CDG.”¹ The benefits, if implemented properly and with a reasonable fee, also appear to be consistent with those outlined in our September 3, 2019, comments supporting UCB-POR as an option. The benefits include:

- **NCA could lower soft costs associated with CDG project development and operation.** Given the continued stepping down of the Community Credit and/or the Community Adder as well as the NY-SUN declining block program, savings from lowered soft costs are essential to continue to maintain a robust CDG market and ensure equitable access to solar for more New Yorkers.
- **NCA could provide an enhanced customer experience for those residential customers who prefer a single consolidated energy bill.**
- **NCA could increase CDG participation by removing substantial participation barriers, including credit history.** Under the existing CDG structure in New York, LMI customers’ participation in CDG has been largely limited to those residents served by Housing Authorities that contract with CDG developers and to participants in NYSERDA’s Solar for All program. Removing individual customers’ credit risk with a payment guarantee from the EDC will satisfy the credit requirements of certain financing institutions.

¹ See Case 15-E-0751, *Order on Phase One Value of Distributed Energy Resources Implementation Proposals, Cost Mitigation Issues and Related Matters*, p. 48, Sept. 14, 2017.

Pricing

One of the goals of Reforming the Energy Vision (“REV”) is to reform the utility business model from the traditional cost-of-service model to one that is better aligned with state policy goals - including decarbonization. In its REV Track 2 Order,² the Commission discussed at length the utilities’ ability to propose “Platform Service Revenues” (“PSRs”) that allow them the opportunity to earn revenue by offering services to DER providers, including CDG providers. Generally speaking, National Grid’s Platform 1 proposal aligns with this Order but requires several refinements.

Of course, it is critical that the price for the billing services proposed in Platform 1, as with any consolidated billing regime, be set appropriately. National Grid intends to set the initial CDG-P Transaction rate at \$0.02/W per year, to be escalated annually by a “CDG-P Escalation Factor” based on the short-term annual inflation rate. CCSA believes that the pricing 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. Any increase in pricing should be justified by specific increases in costs, and approved by the Commission on a periodic basis.

If the possible reduction in soft costs is offset by a too-high participation fee, the result will be that CDG providers do not use the Platform service of net crediting. In its REV Track 2 Order, the Commission noted that the principle governing the pricing of PSRs is to optimize value for ratepayers, further recognizing that optimal value includes enabling a vibrant market for DER services. The correct pricing, then, “combine[s] the need to stimulate markets with the goal of maximizing benefits for ratepayers. This could include below-cost pricing in the early

² See Case 14-M-0101, *Order Adopting a Ratemaking and Utility Revenue Model Framework*, May 19, 2016.

days to build scale, and value-based pricing in a mature market, to derive the greatest benefit for ratepayers.”³

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. The Commission should also review the determination of base costs established by the utility to ensure that determination is fair and accurate.

Access to Data

Since Platform 1 is an optional service, National Grid must still be required to implement efficient, real-time customer data exchange mechanisms for all CDG providers since not all CDG providers will opt in to Platform 1. And, even for those CDG providers that do opt in, having access to the underlying data will still be essential for CDG providers for audit purposes, to ensure that CDG subscribers are receiving the benefits they expect and that CDG providers are being duly and correctly compensated.

The Commission has an opportunity in this docket to explicitly establish this requirement for utilities to offer CDG providers at minimum the same level of service and access as energy service companies (“ESCOs”). At a minimum, CDG providers should have real-time access to the following information:

1. Account holder name
2. Service address
3. Rate class
4. ESCO rate and provider, where applicable
5. At least one year's worth of kWh consumption by month
6. Demand charge, if applicable
7. Enrollment in energy assistance program
8. Total cost (in dollars) of services delivered⁴
9. CDG credit data:
 - a. Value of CDG credits applied

³ Ibid, pp. 53-54.

⁴ Applicable to low-income customers whose actual charges may be reduced by energy assistance, making subscription sizing challenging.

- b. Dates of CDG credit generation
- c. CDG credit balance (“bank” of roll-over credits)

Anecdotally, CCSA has become aware that some CDG providers have had difficulty securing Electronic Data Interchange (“EDI”) access for CDG projects through National Grid (while succeeding at the same with other New York utilities). This situation raises a potential red flag regarding future anti-competitive concerns: If the Commission were to approve National Grid’s Platform 1 *as an option* for CDG providers, but National Grid continues to put up barriers to gaining EDI access or does not provide timely responses or sufficient customer data to those CDG providers that do not opt in, then those CDG providers would face an unfair playing field and be at a significant competitive disadvantage. 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.

Bill Presentation

As previously mentioned, billing is a central component of the community solar customer experience. In its Platform 1 proposal, National Grid does not provide information on how it intends to present the customer bill. Therefore, it is impossible to evaluate the suitability of National Grid’s intended presentation of the CDG product. Based on experience to date, National Grid currently lumps all customer credits, including CDG credits, into one line-item, meaning CDG customers have no way of knowing if they are receiving CDG credits by looking at their utility bill.⁵ For that reason, CCSA strongly recommends that the Commission provide explicit instructions and mark-ups for how CDG information is to be presented on the bill. CCSA has consistently advocated that certain pieces of information should be clearly included on the customer’s utility bill: specifically, the name of the CDG product and CDG provider, and the

⁵ Discussed at October 21, 2019, Billing and Crediting Working Group.

benefits delivered to the CDG subscriber.⁶ To ensure a level playing field for all CDG providers, this information must be provided in National Grid bills regardless of whether the CDG provider opts in to Platform 1. For customers who are billed through the Platform 1 net crediting model, the bill should clearly reflect the savings from the CDG subscription in a way that is simple for the customer to understand.

Further, CCSA recommends that CDG providers who opt in to Platform 1 should have an opportunity to communicate to their customers through the bill message window and/or bill inserts, in order to maintain customer education about the value of the customer's participation in CDG. CCSA member experience has shown that customers value their connection to (and support of) a specific project within their community or service territory.

For reference, we are including as Attachment 1 a mock-up of the type of information that should be presented in the customer bill, including a clear explanation of the "Community Solar Credit" and a "Community Solar Subscription Overview." This mock-up is meant to be illustrative, not prescriptive; different CDG providers may seek to provide different information. In addition to the opportunity for utility bill presentation, the underlying credit and account information as outlined above should be available to CDG providers for purposes of their own direct communication with customers.

Platform 2 - Customer Acquisition and Turnover Management

CCSA appreciates National Grid's attempt to innovate in line with the REV model of the utility as a platform service provider, as described above in the discussion of Platform 1. We also strongly support the goals of increasing market efficiency and reducing the soft costs associated with CDG development. However, CCSA opposes, as written, National Grid's proposal to own

⁶ See Case 15-E-0751, In the Matter of the Value of Distributed Energy Resources, *Comments of the Clean Energy Parties*, p. 22, April 18, 2017; and most recently shared verbally at the October 21, 2019 Billing and Crediting meeting in Albany, New York.

and operate customer acquisition and turnover management services. CCSA does not believe National Grid has provided sufficient justification for its entry into the market, and its potential entry raises a number of important issues and concerns.

National Grid asserts that its entry into the market is needed “to address perceived market inefficiencies to CDG development.” Challenges with customer acquisition may naturally exist, but CCSA perceives National Grid’s monopoly over ratepayer data, and the lack of CDG provider access to customer data, as bigger barriers to achieving a highly efficient marketplace. In order to ensure a level playing field and avoid anti-competitive outcomes, the Commission should require all utilities, including National Grid, to implement the following changes which are critical to supporting continued CDG development:

1. Real-time access to all relevant subscriber (and potential subscriber) information; and
2. Secure information exchange through automated system-to-system communications or a robust portal for Subscriber Organizations to communicate their customer management activity to the utility.

These changes would correct for existing market inefficiencies, ensure a more level playing field, and avoid anti-competitive outcomes.

There exists a robust community of CDG Subscriber Organizations that offer and perform customer acquisition and management services and have been doing so for years in New York and elsewhere. Electric Distribution Companies (“EDCs”) generally lack the expertise and experience to engage with consumers in the way that existing market participants can and are ill-equipped to educate them on Community Solar. Further, EDCs are typically not viewed as innovators offering solutions their customers desire, unless ordered to do so, and customer acquisition and management is outside their core business function and model. For instance, National Grid notes in the proposal its difficulty acquiring customers for its rooftop solar marketplace. Despite relatively high levels of customer interest in the marketplace, National

Grid's sales completion rate was around 2%. While National Grid proposed a simplified enrollment process for Platform 2, it is clear that it does not have existing expertise in customer acquisition. The proposed pricing for Platform 2 – both the upfront fee and annual maintenance fee – are also well above what is currently available in the burgeoning competitive market.

Product and service differentiation is critical to the evolution of the CDG industry and meeting customers' preferences. Platform 2 effectively creates a default National Grid-branded program with a standard-discount, single-product offering that could stifle the competition that has propelled the development of a robust CDG industry in New York and other markets. CDG providers should be able to maintain the ability to determine their own product offering, rather than a standard discount, to best meet the varying needs and preferences of different customer segments.

In its REV Track 2 Order, the Commission was rightfully mindful of anti-competitive concerns that have been raised by DER providers, and outlined a number of criteria it would consider in determining when potentially competitive services should be allowed. They include:

- Whether the service facilitates the growth and operation of markets;
- Whether there is already a third-party market for the service that adequately serves all sectors of the market;
- Whether utility economies of scale and/or existing utility expertise are likely to result in cost-effective stimulation of the market;
- Whether utility provision of the service is likely to prevent other providers from entering the market; and
- The extent to which a utility has proposed placing its own funds at risk.

From CCSA's perspective, National Grid has not made a convincing case that its proposed Platform 2 service would facilitate the growth and operation of the market and, as described above, there are other systems and process reforms that CCSA believes National Grid should undertake to help achieve the same. National Grid's proposal potentially satisfies some, but not all, of the Commission's other criteria, but National Grid has failed to demonstrate how. CCSA

believes the Commission must take particular care not to stifle competition and innovation in the customer acquisition and turnover management market, which could leave customers with limited choice in providers and products.

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. The CDG industry is reliant on utilities in several ways in order to offer its product. CDG project owners must apply to the utility for a Community Credit allocation, seek interconnection approval, and rely on the utility to provide accurate and timely CDG bill credits on customers' utility bills. A utility directly competing with CDG providers in this space raises the concern that utilities could show preferential treatment to developers or asset owners who choose to use their services over those of private companies that do not opt into Platform 2. For instance, customers' electric usage data is required to accurately size a customer's subscription. Utilities have exclusive control over this data. Due to the lack of implementation of effective data exchange mechanisms by the utilities, getting customer usage data from utilities can already be challenging for private companies, while utilities have this data readily available. Utilities also control the interconnection process, creating the possibility that the utility could give preference to those projects that choose to use their customer acquisition and management services over those that do not.

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 now before it. Before National Grid is allowed to provide these services, even as an option, the Commission should require National Grid (and all utilities) to improve their data exchange mechanisms for DER providers.

IV. Conclusion

Once again, CCSA thanks the Commission for initiating this proceeding to investigate the use of consolidated billing for CDG, and for considering our comments. In summary, CCSA sees potential value in a net crediting approach as outlined in Platform 1, but the proposed pricing is too high and we believe National Grid has failed to provide sufficient detail on pricing, bill presentation, access to data, and non-discrimination protections, which should be addressed through a robust stakeholder process involving input from CDG providers, and reflected in any Order related to Platform 1. CCSA opposes Platform 2, as written, and recommends a separate process to more fully discuss the important issues the proposal raises, particularly around the need for more robust customer data exchange mechanisms.

We would be happy to answer any questions, or discuss our comments in greater detail.

Yours sincerely,

/s/ Erika Niedowski

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 **Electricity Service - Residential**

Service from: 08/22/17 - 09/24/17

Electricity Delivery Charges

Basic service charge				15.11
Delivery charge	1000 kwh	@	0.03963	39.63
Transition charge	1000 kwh	@	-0.00009794	-0.10
Revenue decoupling mech	1000 kwh	@	0.001116	1.12
NY state assessment	1000 kwh	@	0.000703	0.70
SBC charge	1000 kwh	@	0.005997	6.00
Subtotal Electricity Delivery				\$62.46

Electricity Supply Charges

Supply charge	1000 kwh	@	0.02915012	29.15
Merchant function charge	1000 kwh	@	0.006024	6.02
Subtotal Electricity Supply				\$35.17

Electricity Taxes and Surcharges

Taxes on delivery charges		@	2.0408%	2.37
Subtotal Electricity Taxes and Surcharges				\$2.37

Total Electricity Cost **\$100.00**

Total Energy Cost **\$100.00**

Miscellaneous Charges

09/26/17	Community Solar Credit			\$10.00
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Total Due to NY utility **\$90.00**

Community Solar Credit Explanation

Your share of the solar farm generated **\$100** of clean electricity for the grid.

10% of what your farm generated is applied to your bill as a community solar credit, generating **\$10** of savings this month.

Your lifetime savings: **\$155**



Your Provider: Subscriber Co.
Project: Seneca, NY

Your Environmental Impact:



10,000 lb CO2 Emissions Saved



155 Equivalent Trees Planted

Questions about your community solar subscription? Contact Subscriber Co. by emailing support@subscriberco.com or calling **555-123-4567**

Example of Branded Project Information Sheet

SolarCompany Community Solar Subscription Overview

Your Subscription

Size: 5 kW
Savings Rate: 10%
Subscription Manager: Subscriber Co.
Contact Subscriber Co.:
call 555-123-4567 or email
support@subscriberco.com

Your Project

Name: Seneca Solar
Owner: SolarCompany
Location: Seneca, NY
Number of Panels: 7,000
Size: 2 MW
Equivalent Homes
Powered: 250



The Benefits



This Month's Savings:

\$10

Lifetime Savings:

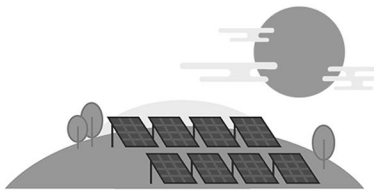
\$155

Environmental Impact:

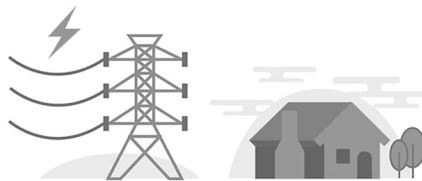
 10,000 lb CO2 Emissions Saved
 155 Equivalent Trees Planted

How It Works:

You and your neighbors subscribe to a share of one of our solar farms in your state.



The solar farm feeds clean power into your community's electric grid while earning energy credits for you.



You purchase these energy credits at a discount, reducing your annual electricity costs.



Support

Questions about your community solar subscription? Contact Subscriber Co. by emailing support@subscriberco.com or calling **555-123-4567**

