

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC
BILLING UPGRADE REPORT FOR
COMMUNITY DISTRIBUTED GENERATION
NET CREDITING PROGRAM**

INTRODUCTION

In its *Order Regarding Consolidated Billing for Community Distributed Generation* (“Net Crediting Order”), the New York State Public Service Commission (“Commission”) directed New York State investor-owned utilities (“Joint Utilities”) to file Billing Upgrade Reports in connection with their implementation of the Community Distributed Generation (“CDG”) Net Crediting Program (“Net Crediting” or “the Program”).¹ Consolidated Edison Company of New York, Inc.. (“Con Edison” or the “Company”) files this Community Distributed Generation Net Crediting Billing Upgrade Report (“Report”) in compliance with the Net Crediting Order.

Typically, a CDG project involves the following three parties: the CDG Host; CDG Subscribers (referred herein also as CDG Satellites); and the Company. A CDG Host is the project sponsor and is responsible for owning or operating the generation facility, coordinating the project’s interconnection and operation, and supervising and fostering cooperation among the CDG Satellites. CDG Satellites or customers are the project subscribers who will own or contract for a proportion of the credits accumulated at the generation facility’s meter, as a percentage of the facility’s net hourly export on the CDG Host’s account.

¹ Case 19-M-0463, *In the Matter of Consolidated Billing for Distributed Energy Resources*, (“Consolidated Billing Proceeding”), Order Regarding Consolidated Billing for Community Distributed Generation (issued and effective December 12, 2019). The Company is filing this Report as required by Ordering Clause 9 of the Net Crediting Order. This Report represents the Company’s ability to implement the requested changes based on its internal systems. By letters dated April 24, 2020, May 29, 2020, July 29, 2020, the filing deadline of this Report was extended to October 1, 2020

Over the course of the past several months, the Company has worked with the Joint Utilities, the Department of Public Service Staff, and interested parties to define the Program details for CDG projects receiving compensation under the Company's Value Stack Tariff. This collaborative process resulted in the Company filing a Net Crediting Manual² and Tariff leaves.³ Additionally, the Company filed an Implementation Plan which provided an initial assessment of system enhancements to enable the Program. Pursuant to the Company's Implementation Plan and discussions with interested parties, the Program will be available first for CDG projects receiving compensation Value Stack projects before being expanded to CDG projects compensated under the Company's volumetric Net Energy Metered (NEM) tariff. The Company notes that volumetric NEM projects represent less than 2% of installed and in-queue CDG capacity in the Company's service territory and, therefore, prioritizing the implementation of the Program for Value Stack CDG projects will more quickly unlock opportunities for the vast majority of CDG projects in New York City and Westchester.

The Net Crediting Order required that this Billing Upgrade Report discuss 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 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.⁴ Further, the "report should explain

² Filed on August 31, 2020 in the Consolidated Billing Proceeding, pursuant to Ordering Clause 7 of the Net Crediting Order.

³ Tariff leaves filed on September 1, 2020, pursuant to Ordering Clause 8 of the Net Crediting Order.

⁴ Net Crediting Order, p. 24-25

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.”⁵

BILLING AUTOMATIONS UNDERWAY FOR CDG CUSTOMERS

As described below, the Company has taken steps to automate the billing and crediting of CDG projects served under its Value Stack tariff and has also begun to implement the Net Crediting Program. By way of background, in its initial implementation of the Value Stack tariff, the Company determined that the complex time- and location-varying Value Stack rates could not be implemented in the company’s primary billing system (“Customer Information System” or “CIS”). Therefore, the Company utilized an alternative, more configurable billing system that is well-suited for the dynamic and complex Value Stack rates and CDG allocation mechanisms. Beginning in 2018, the Company integrated the Value Stack rates and projects into this alternative billing system. However, while the CDG Host (or CDG Sponsor) are billed in the alternative billing system, CDG Satellites (i.e., subscribers to the project) are billed in CIS, the Company’s primary billing system. As a result, the calculation and allocation of the CDG credit is performed in the alternative billing system and any credits are transferred to applicable CDG Satellites’ utility billing accounts in CIS. The credits are reflected as adjustments to CDG Satellites customer bills. When adjustments due to Value Stack CDG credits are made on a customer’s account, the Company includes a static bill message indicating the reason for the credit.

The Company is also making additional enhancements to improve the CDG billing experience, including the creation of a portal to assist CDG Hosts with subscriber management by adding or modifying allocation requests. The Company anticipates these features will be

⁵ *Id.*

available for Value Stack CDG projects participating in the Program. The Company is also investing in a new customer service system (“New CSS”) which will replace CIS. The New CSS shares a common software platform with the Company’s alternative billing system that is used for Value Stack rates. With the deployment of New CSS, slated to be in-service in 2023, the Company will be able to perform all CDG and Value Stack transactions within the same system. By billing and crediting CDG Hosts and satellites within the same system, the Company anticipates unlocking new features and conveniences for both CDG Hosts and satellites.

NET CREDITING PROGRAM TIMELINE

The Company is making its best effort to begin the Net Crediting Program in June 2021.⁶ Because CDG billing and crediting is automated in the Company’s billing systems as described above, the Net Crediting Program cannot be implemented manually and must be implemented in the Company’s automated systems. The Company may open enrollment in the Net Crediting Program prior to June 2021 to begin the onboarding process for interested CDG Hosts. Information and updates about the Program will be posted on the Company’s website at www.coned.com/dg.

FEASIBILITY AND POTENTIAL TIMELINE FOR UPGRADING THE NET CREDITING MODEL TO INCLUDE THE TOTAL CREDIT VALUE AND SUBSCRIPTION COST ON THE CUSTOMER BILL IN ADDITION TO THE NET CREDIT

In the Company’s initial automation of Net Crediting, the application of the savings rate⁷ and payment to the CDG Host will be implemented in the Company’s alternative billing system.

⁶ There are a variety of factors which may impact the Company’s ability to offer Net Crediting in June 2021, including Public Service Commission orders regarding CDG (or any distributed generation crediting) which could divert resources from implementing Net Crediting.

⁷ The rate used to calculate the value of the Value Stack Credits that will be provided by the Company on CDG Satellites’ electric utility accounts.

Accordingly, the credit reflected in the adjustment line on a customer's utility bill will be the net credit. The Company's CIS is unable to provide credit details and calculations to CDG Satellite customers. However, the Company will provide CDG Hosts with monthly reports that include the total and net credit applied to each CDG Satellite. The Company anticipates including the total credit value and the subscription cost, in addition to the net credit, on CDG Satellite bills when CDG projects and their satellites are migrated to new CSS in 2023.

FEASIBILITY AND POTENTIAL TIMELINE FOR NOTING ON THE CUSTOMER'S BILL ON 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

The Company will include a bill message on CDG Satellite customers' bills indicating that the net credit provided on the bill is a result of their participation in the Net Credit Program. Including dynamic information in the bill message, such as the name of the CDG Host and/or project, requires additional technical assessment before the Company can fully determine the feasibility to initially implement this feature in CIS. Although this information may not appear on a customer's bill, the Company will be able to respond to customer inquiries and provide customers with their CDG Host's name and contact info. The Company also anticipates including CDG Host details on CDG Satellites bills produced in New CSS starting in 2023.

FEASIBILITY AND POTENTIAL TIMELINE FOR PROVIDING THE CDG SPONSOR WITH THE ABILITY TO INCLUDE A BILL MESSAGE

The Company requires additional technical assessment to determine whether a CDG Host can include a custom message on their subscriber bills. The Company does anticipate that the ability for a CDG Host to include a static bill message can be implemented in New CSS starting in 2023.

VOLUMETRIC NET ENERGY METERED BILLING UPGRADES

For the fewer than 10 CDG projects eligible for volumetric NEM, the Company manually calculates, allocates, and adjusts CDG Host and Satellite bills. Automation of Net Crediting for volumetric NEM CDG will be assessed when stakeholder processes conclude and will factor in the limited population of NEM CDG projects who may or may not wish to participate in the Program for NEM CDG.