

May 16, 2019

New Jersey Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
CN 350
Trenton, New Jersey 08625

Dear Madam Secretary Aida Camacho-Welch,

Kearsarge Energy would like to submit written comments in response to the questions posed on April 11, 2019 in Docket No. QO18060646. Kearsarge Energy is a leading solar and storage developer based in Boston, MA. While our focus has been primarily focused in Massachusetts and Rhode Island, we have recent years made entry in the New York market given the new Community Solar program established under their VDER program.

Our continued expansion is focused on NJ and the opportunities that will be available in the Community Solar Energy Pilot Program and the ongoing program that will be established after the initial pilot. We have a vested interest in developing and bringing renewable energy to large communities and currently have many MWs of Community Solar operating in both MA and NY states.

We hope that our lessons learned in both those markets will be an opportunity to help guide a wildly successful program in New Jersey. Please see our comments in response to the questions posed by the Board below.

I. Consolidated Billing

- 1) Please describe the process and mechanism of consolidated billing as it would apply to community solar in New Jersey.

Kearsarge believes consolidated billing should be as simple as possible to achieve the goals of the Community Solar Energy Program, including the Pilot Program. In its most basic form, we think that could be accomplished by submitting the percentage that each Subscriber would be entitled to keep, and the remaining percentage would be the portion that is remitted to the Community Solar Owner.

Since the EDCs are responsible for the actual calculation of charges, it should be straightforward to apply a predetermined percentage dictated by the Community Solar Owner and/or Community Solar Subscriber Organization and agreed by the Subscribers. An example would be that a Subscriber would receive 20% of the Bill Credit, and the remaining 80% of the Bill Credit would be remitted to the Owner. This would occur across all Subscribers until a full month of billing is completed and the total amount would be remitted to the Owner along with detailed reporting.

- 2) What measures would the BPU need to implement in order to establish consolidated billing?

The BPU would need to establish a precise billing guide that the EDCs would need to adhere to on an ongoing basis. This should include the initial determination of the percentages the Subscribers would keep versus the Owner, a process to update those percentages on an ongoing basis and the reporting requirements for the EDCs to provide Owners and Subscriber organizations with the information to ensure that allocations have been correctly applied. This last requirement should include detailed monthly reporting of Bill Credits at the project level and Subscriber level.

- 3) What would be the benefits of implementing consolidated billing?

Given our vast experience in the MA and NY Community Solar programs, consolidated billing would be the only way to ensure large scale adaptation of the program at the residential level.

Without consolidated billing, we are forced to ask Subscribers to provide detailed banking information for a product that is still unknown in the State of New Jersey. This requires energy consumers to place a significant amount of trust in companies that they have never interacted with. Also, given that monthly bill credit amounts are relatively small at the residential level, this program only provides residential customers value over the term of their participation. This creates a high barrier to overcome when asking a consumer to provide banking or payment information at the onset of their subscription. Utilizing consolidated billing is an obvious way to overcome the trust barrier that greatly limit residential participation otherwise.

- 4) What costs would be associated with implementing consolidated billing? How would those costs be allocated? Should community solar subscriber organizations be charged a fee for the use of consolidated billing?

Establishing and maintaining a consolidated billing program at each EDC would require a significant amount of time and capital. Kearsarge believes that Community Solar Subscriber Organizations should bear the costs of this service. The costs should be known and easy to understand. Furthermore, since community solar provides credits and a collection from a customer, the EDCs should not charge fee for uncollectable amounts or withhold Community Solar Subscriber Organization payments for customer non-payment of their EDC invoice.

- 5) Could consolidated billing for community solar be established using the existing New Jersey Electronic Data Interchange (“EDI”) protocols? Why or why not?

Kearsarge believes that utilizing the current EDI protocols would be overly complicated and burdensome for both Community Solar Subscriber Organizations and the EDCs. Having vast experience working with EDI during previous roles at a Third-Party Supplier, the current EDI protocols would need to be dramatically updated to facilitate community solar transactions.

EDI is also a very complicated protocol since supplier charges and customer management requires a great deal of functional support. This is mainly due to Third Party Suppliers’ requirement to calculate charges and have them submitted within a very tight deadline to follow account meter reading schedules. In the case of community solar, the EDCs would be both the calculation agent as well as the one administering it on Subscribers’ EDC invoices. As previously stated, this could be simply and easily accomplished by Community Solar Subscriber Organizations providing the EDCs with the percentage a Subscriber retains along with the other Subscriber requirements the EDCs require.

II. Government Energy Aggregation

- 6) In what ways are the Pilot Program and existing GEA rules similar or dissimilar?

No comment

- 7) Are New Jersey’s community solar and GEA programs compatible? If so, how should they be integrated?

Kearsarge believes the community solar and GEA programs are compatible in the sense that they both try to give communities control of their energy procurement and choices. By marrying the two together, it would enable GEAs access to the support of local renewable energy at a discount to their current options via the traditional GEA procurement mechanisms. This would greatly spur interest in the community solar program and would further introduce trust by placing local governments in charge of the process.

- 8) How would the recommendation under Question 7 be implemented? What changes would be necessary to existing rules or regulations (e.g. to the Pilot Program rules or the GEA program)?

No comment.

- 9) How would the recommendation under Question 7 benefit ratepayers of New Jersey?

As stated in Question 7, this would benefit NJ ratepayers but giving them an option to support local, clean, renewable energy at a discount. This would translate into fungible, well defined savings. In contrast, current options via the GEA program to procure renewable energy above RPS standards are always priced at a premium.

In conclusion, Kearsarge believes the introduction of a consolidated billing program would be the only way to enable large scale residential participation in the program. Furthermore, this would enable large scale trust in the program, leading to greater overall adoption across New Jersey. Finally, combining the community solar and GEA programs would be a further step toward solidifying these programs as successes for New Jersey and its ratepayer. We hope that these comments will be taken into consideration and make the NJ community solar program the most successful in the US.

Regards,

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Response to Questions issued by the Board of Public Utilities on April 23, 2019

Gabel Associates

New Jersey Community Solar Energy Pilot Program

Docket No. QO18060646

May 17, 2019

In response to the Request for Comments issued by the Board of Public Utilities on April 23, 2019, Gabel Associates appreciates the opportunity to provide these responses to the questions posed in the Notice. Adoption of these comments will enable the Board to implement a program framework that leads to 100% LMI Community Solar Projects.

Gabel Associates, headquartered in Highland Park, New Jersey, has been actively involved in solar project development, policy formation and government energy aggregation policy and programs, including consulting services to support the development of over 200 solar projects.

Our firm has developed seventeen (17) successfully awarded Community Energy Aggregation (CEA) programs -- with more under development. To date, our programs are estimated to save over \$65 million in energy expenses for New Jersey residents. The firm currently serves as the CEA energy agent for 23 municipalities with a total population exceeding 700,000 residents. The success of the GEA mechanics, especially the "opt-out" provision, has been proven over these numerous experiences and would enable 100% LMI participation in the Community Solar Pilot Program.

I. Consolidated Billing

1) Please describe the process and mechanism of consolidated billing as it would apply to community solar in New Jersey.

In order for Community Solar to be successfully implemented EDCs should provide consolidated billing in the same manner as they currently provide such billing for Basic Generation Service (BGS) Providers. Under BGS, EDCs bill customers, collect revenues, administer collection (or termination) activities, and pay BGS Providers on a regular basis. This approach can be used for Community Solar, as it imposes no additional collection or payment risk on EDCs than is currently the case. In fact, it may improve collections of EDC revenues since the participating Community Solar customers will have lower monthly bills. EDCs should also be able to charge a fee to reflect its administration and recover its reasonable costs.

Without such a mechanism, Community Solar to LMI customers cannot move forward in a significant and comprehensive manner as credit and payment risks will cause solar providers to avoid or limit LMI customer participation. This approach will also reduce risk and cost to finance of solar providers in the Community Solar Program and reduce rates to participating customers.

The third party supplier (TPS) consolidated billing model cannot and should not be used for GEA. Under BPU rules, applicable to all TPS transactions, the utility can refuse to accept for consolidated billing those accounts that have been delinquent for 120 days or more. This would tend to disqualify a significant portion of low-income residents. Instead, as discussed above, the BGS model of consolidated billing should be used.

II. Government Energy Aggregation

6) In what ways are the Pilot Program and existing GEA rules similar or dissimilar?

Community Solar has been evaluated and implemented in various states over the past few years but aggregating low and moderate income (LMI) customers – a key policy goal of the Murphy Administration – has been especially challenging across the country. This difficulty arises from a combination of reasons including complexities and costs relating to marketing and contracting with LMI customers; the credit levels of LMI customers may increase project risk and increase capital costs; as well as a host of other administrative and marketing complexities.

On the other hand, the BPU's successful GEA regulations, particularly those that relate to "opt-out" (as well as other elements detailed below) provide a strong and unique basis for the BPU to implement its Community Solar Pilot Program to successfully achieve 100% LMI participation for projects.

This proven GEA opt-out pathway has already been utilized by the BPU to permit hundreds of thousands of New Jersey residents to receive the benefits of GEA-based rate reductions and to provide the opportunity for municipalities to procure enhanced renewable energy products on behalf of residents. Its use in Community Solar will enable a highly efficient and effective mechanism to subscribe customers for community solar projects and enable the Administration to achieve its goal of bringing the benefits of Solar Energy to LMI customers by facilitating 100% LMI Community Solar Projects. Without this approach, realizing the Governor's key goal of expanding solar benefits to LMI customers will not be achieved.

In particular, GEA has the following features that can be utilized to more efficiently aggregate load, facilitate solar project financing, and deliver low-cost solar energy to customers:

- For residential accounts, GEA is an opt-out program, meaning that unless the customer provides notice that the customer wants to opt out or has a third-party supplier, the customer is automatically enrolled in the program. At the same time customers may opt-out at any time without penalty.
- Municipalities provide substantial notice and outreach to the public.
- Municipalities, through the passage of an ordinance, create an aggregation program, through which the municipalities can offer a GEA Program;
- The energy supplier for the GEA Program is selected through a public, competitive procurement process. The program documents are subject to review by the Board Staff and the Division of Rate Counsel to ensure consumer protection.

Without an opt-out protocol, LMI customer sign-up and migration risk will simply be too high and costly to permit Community Solar to succeed.

7) Are New Jersey's community solar and GEA programs compatible? If so, how should they be integrated?

Consistent with the answer to question 6, The Board should permit certain elements of its GEA regulations to be applicable to the Community Solar Pilot Projects under its Community Solar Pilot Program Rule. This

will allow the BPU to support 100% LMI program participation and allow for fuller evaluation of the Pilot. The following elements of the GEA Regulations should be permitted in a Pilot Community Solar Project and the rules should be so modified:

- The proposed language at N.J.A.C. 14:8-9.10 (b) (1) should be clarified and amended to allow program participation to occur under the process used in the BPU's Government Energy Aggregation (GEA) Program regulations N.J.A.C. 14.4-6.5 (a) to (j). Specifically, the Community Solar Pilot Program Rule requiring a "wet or electronic signature" should be supplemented to also allow customer subscription through an "opt-out" method under a municipally developed program. This amendment would provide a pathway (with appropriate protections) for the Community Solar Program to subscribe residential customers under the "opt-out" provisions of the GEA regulations. It will enable broad development of LMI participation and encourage solar developers to finance such LMI programs. Without such a pathway, realizing the Governor's key goal of expanding solar benefits to LMI customers will not be achieved.
- 14:4-6.5 (d) should be amended to require that such notice be sent only to customers which the municipality identifies are possible participants in the program.
- Solar Providers that compete in a public procurement process to supply solar energy for a Community Solar Project should not be required to be a registered Third-Party Supplier (N.J.A.C. 14:4-1.2) with the State as the EDC will continue to provide service to customers.

8) How would the recommendation under Question 7 be implemented? What changes would be necessary to existing rules or regulations (e.g. to the Pilot Program rules or the GEA program)?

The GEA rule provisions that should be applicable to the Community Solar Pilot Program are identified in question 8. The BPU should adopt an Order that permits the use of these provisions in the Community Solar Pilot Program, should permit such use in all three rounds of its review of Community Solar Project Applications, and should amend its regulations as described above.

9) How would the recommendation under Question 7 benefit ratepayers of New Jersey?

Our recommendation to use the GEA's opt-out mechanism in the Community Solar Pilot Program will provide a pathway to realize the Murphy Administration's vision to provide benefits of solar energy to LMI customers. By using the opt-out approach, the decrease in cost of enrollment and lower capital costs will be reflected in higher value of the Community Solar Pilot Program through increased savings to LMI participants and aid to the most in-need customers in New Jersey. Without this approach, realizing the Governor's key goal of expanding solar benefits to LMI customers will not be achieved.

May 17, 2019

Via email to communitysolar@njcleanenergy.com

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
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Trenton, New Jersey 08625

Re: New Jersey Community Solar Energy Pilot Program; Docket No. QO18060646

Dear Secretary Camacho-Welch:

As part of the Clean Energy Act,¹ the New Jersey Board of Public Utilities (“Board”) was charged with developing rules for the community solar energy pilot program.² Consistent with this directive, the Board adopted final community solar regulations after obtaining feedback from numerous stakeholders. Most recently, the Board issued a Notice dated April 11, 2019 seeking comments from stakeholders regarding (a) the feasibility of utility consolidated billing of community solar fees, and (b) the interplay between community solar and government energy aggregation (“GEA”) programs. Jersey Central Power & Light Company (“JCP&L”), Public Service Electric and Gas Company (“PSE&G”), Rockland Electric Company (“RECO”), and Atlantic City Electric (“ACE”) (collectively, “Joint Utilities”) submit the following comments to address the issues raised within the Board’s Notice.

The Joint Utilities appreciate all of the Board’s efforts to oversee and implement a robust community solar pilot program. The Joint Utilities are not opposed to considering consolidated billing, but, as discussed further below, the Joint Utilities have identified some threshold legal concerns and implementation issues associated with utility consolidated billing on behalf of project owners. The Joint Utilities believe that GEA participation would in no way prevent community solar participation; however, specific coordination between the community solar and GEA programs is not necessary and should be avoided. Moreover, community solar does not lend itself to a GEA-type framework so that opt-out and other similar provisions should not be applied to community solar.

¹ P.L.2018, c.17.

² N.J. Stat. § 48:3-87.11.

A. Utility Consolidated Billing of Community Solar Fees

1. Utility consolidated billing of community solar fees appears contrary to statutory authority.

In order to subscribe to a third-party owned community solar project, a customer is required to enter into a subscription agreement with the community solar owner which provides, at a minimum, the amount and terms of payment to be made by the subscriber to the owner and a good faith estimate of the amount of savings a subscriber will realize based on an allocation of community solar facility generation.³ The customer/subscriber will in turn receive a bill credit to offset his monthly electric usage based on the subscriber's allocation of the production from the community solar project.⁴

Because the Board has determined that electric distribution companies ("EDCs") are precluded from owning and operating community solar projects as part of the pilot program,⁵ community solar projects will only be owned and operated by third parties. The subscription fee charged by third parties is not subject to Board regulation.⁶ Therefore, the Electric Discount and Energy Competition Act ("EDECA") seemingly prohibits utilities from billing customers for subscription fees.⁷

Under N.J.S.A. 48:3-55(f), utilities are prohibited from billing customers for fees that are unregulated by the Board except under two discrete exceptions: billing on behalf of electric generation suppliers and billing for activities offered by the utility that the Board has deemed competitive.⁸ Neither exception applies here. The subscription fees associated with participating in a third-party owned community solar project are not directly related to electric generation service or any competitive utility program. Because community solar subscription fees do not fit within this competitive billing exception, utilities appear to be prohibited from billing customers for these fees pursuant to the EDECA.⁹ These potential legal constraints should be examined and resolved before further steps are taken towards utility consolidated billing of community solar third-party fees.

2. Significant implementation challenges are presented by utility consolidated billing of community solar fees.

Utility consolidated billing of community solar fees is seemingly prohibited under current New Jersey law. However, if the Board proceeds down the path of utility consolidated billing for

³ N.J.A.C. 14:8-9.10(b)3.

⁴ Similar agreements currently exist in New Jersey between net metering customers and third-party developers of solar panels installed at the customers' service locations.

⁵ N.J.A.C. 14:8-9.3(c)4.

⁶ N.J.A.C. 14:8-9.10(B)(3)(ii)(2) ("The Board does not regulate the price of community solar subscriptions, nor does it guarantee projected savings.").

⁷ See N.J.S.A. §48:3-54, 48:3-55(f)(1); see also N.J.S.A. § 48:3-51.

⁸ *Id.*

⁹ N.J.S.A. 48:3-49, et seq.

community solar projects despite this contrary legal authority, there are outstanding policy issues that must be resolved prior to beginning the implementation process. For instance, the mechanism by which EDCs receive full and timely cost recovery for all required changes and implementation costs, in addition to any other charges, costs or bad debt incurred by the Joint Utilities, should be conclusively determined before proceeding further.¹⁰ The Joint Utilities would propose to recover these costs through the societal benefits charge (“SBC”) or similar mechanisms.

Once cost recovery issues are resolved, the Board should establish a working group to address the numerous implementation issues associated with utility consolidated billing on behalf of community solar projects. The working group likely would need to meet over a multiyear period to have sufficient time to evaluate the foregoing issues.¹¹ Some of the policy issues that will need to be resolved include, but are not limited to:

- Whether the customer’s service can be terminated for non-payment of community solar fees;
- Whether the community solar fees will be part of a purchase of receivables program (“POR”), and if so, will it be with or without recourse, and will there be a separate POR discount applied to the payment which represents the uncollectible rate associated with community solar fees;
- The allocation of partial payments between the EDC, community solar project and TPS (if applicable);
- Application of late payment charges to community solar fees;
- Prioritization of partial payments among current charges, outstanding payment agreements, arrears, and other charges;
- Impact of community solar fees on budget billing;
- Who should bear the ongoing costs of maintaining utility consolidated billing each month;
- Developing a billing service agreement between the EDCs and the community solar owners;
- Cybersecurity rules for protection of data transferred between utilities and community solar projects; and
- Legal liabilities for any billing dispute.

In addition, the procedures that would apply to this billing component remain unclear. Current Board regulations would prohibit termination of electric service for failure to pay community solar third party subscriber fees.¹² In light of this prohibition, customers could accrue a significant balance for failure to pay subscriber fees with no apparent cost control mechanism. There are no rules in place for when a customer would be dropped from the community solar program due to non-payment. Moreover, because the terms and conditions related to cancellation or default would be included in a customer’s contract with a community solar owner, the Board may not have jurisdiction over the development of such rules.

¹⁰ N.J.S.A. 48:3-87.11(e).

¹¹ Development of the rules / implementation timeframe for third-party supplier (“TPS”) billing was a multi-year process.

¹² See N.J.A.C. 14:3-3A.2; N.J.A.C. 14:3-3A.1.

A POR program also would raise a number of concerns. If a POR program is adopted, non-participating customers would be subsidizing the unpaid fees of community solar participants. Community solar owners would have no incentive to include cost control measures in their contracts with customers. Under such circumstances, community solar participants seemingly could enjoy free community solar participation paid for by the greater customer bases of the Joint Utilities.

If the Board decides to establish a POR program, the cost shift burden placed on non-participating customers should be minimized. The Board should explore methods for holding a community solar owner accountable for large uncollectibles. EDCs also must receive full cost recovery associated with the POR program through, for example, the SBC or another similar mechanism.

Numerous other implementation issues exist as well. Should a customer move to a different service location, a utility would not continue to bill subscription fees since the utility will have no information regarding whether this move terminates the customer's current contract or triggers a change to the subscriber fee based on the customer's contract with the owner. Rules for the prioritization of payments made by a customer with an outstanding account balance must be developed as well. The impact of subscriber fees on customers with payment arrangements or enrolled in budget billing is also unclear. The costs associated with all of these changes are unknown and would be subject to recovery from other ratepayers.

Utilities providing this billing function should not be charged with additional responsibilities related to community solar program implementation outside the scope of their involvement with the program as a billing party. The EDCs have no relationship to third-party owned community solar projects and no information related to a customer's contract with community solar developers. Nevertheless, if the utility is responsible for billing such fees, utilities could become entwined in billing disputes between community solar owners and customers at the Board or in the civil court system. Utilities should not be responsible for communicating fees, including changes, to customers because utilities are not a party to the customer's contract and therefore have no method of confirming the accuracy of such fees.

Developing and implementing a process for billing on behalf of third parties is a significant undertaking for all parties involved, including EDCs, Staff, and community solar project owners. Each EDC would be required to complete costly system changes to integrate third-party community solar fees into their billing platforms. These changes would involve not only receipt of the amount from the project, and placement on the bill, but also potential changes to payment priority processes and budget billing calculations, to name just a few. Although the Joint Utilities do not have precise cost estimates for such changes, it is expected that the costs would be comparable to the costs that were associated with developing billing functionality on behalf of electric generation suppliers, which required multimillion-dollar investments. As mentioned above, these costs should be recoverable through an SBC-type clause.

In addition, rules around the transfer of data between utilities and community solar projects must be established. The medium to be used in such transfers could be part of the working group

process. For example, current electronic data interchange (“EDI”) protocols may not be able to be utilized because these protocols are designed specifically for transactions between utilities and electric generation suppliers. The time expected to develop similar protocols for community solar developers would likely be extensive. EDC billing systems are highly complicated. As they drive the financial reporting of the utility, the billing systems need to be compliant with the requirements of the Sarbanes-Oxley Act. Manual billing inputs for subscriber fees on a large-scale permanent basis are not advisable.

Finally, the Board should consider the development of a billing services agreement between the utility and the community solar project laying out the roles and responsibilities of each party. This would include all of the rules developed in the working group as well as any billing fees, amount of POR discount, time frames for data transfers, frequency and manner of payments to the community solar projects, among others.

B. Interplay Between Government Energy Aggregation and Community Solar

In the April 11, 2019 Notice, the Board also sought feedback from stakeholders regarding the interplay between the community solar and GEA programs. As described below, the community solar and GEA programs are vastly different from each other, and coordination between the two programs is neither warranted nor necessary.

The community solar pilot program and the existing GEA program are dissimilar in multiple respects:

- The pilot program is designed to give community solar subscribers a “retail credit” on their electric bills. The value of the credit is based in part on the output of the community solar project. GEA is designed to permit a government aggregator to engage a licensed electric power supplier or licensed gas supplier to provide electricity and gas to the residents of the municipality.
- The Pilot Program is a voluntary, contractual relationship between the community solar subscriber organization and the subscriber. GEA requires the governing body of the aggregator to adopt an ordinance (in the case of a municipality) or resolution (in the case of a county), after notice and public hearing, indicating its intent to solicit bids for the provision of electric generation service or gas supply service, which approval shall require passage by a majority vote of the full membership of the governing body.
- The pilot program is designed to give subscribers the opportunity to receive the environmental benefits of solar power without incurring the expense of installing expensive solar panels on their property. GEA is designed to identify a third party supplier who will supply electricity and/or gas. There is no environmental component to the GEA program.
- The pilot program requires the subscriber and the community solar organization to affirmatively participate in the program. GEA is an “opt-out” program, *i.e.*, residents of the municipality must take affirmative steps to withdraw from participation in GEA.

The Joint Utilities have concerns regarding any attempt to apply a GEA-type framework to the pilot program. Requiring all accounts associated with a GEA contract to enroll in community solar, or applying a GEA-type opt-out enrollment process to a group of customers, raises concerns. A community solar subscription is voluntary to all customers.¹³ Participation in GEA for purposes of generation service should have no impact on a customer's choice to participate in community solar.

A number of contracting and consumer protection concerns exist. Because participation in community solar is voluntary, becoming a subscriber should not be done on an opt-out basis. A governmental entity has no authority to contract with a community solar developer on behalf of a GEA customer without the affirmative consent of that customer. More importantly, as set forth in the Community Solar Energy Pilot Program Application Form, community solar evaluation criteria awards more points if a project partners not only with a municipality but can also partner with a local community organization or affordable housing provider. The latter two organizations should not be allowed to consent on behalf of their members or residents nor are they authorized to implement the rules set forth in a GEA program for adopting an opt-out ordinance or resolution.

Even if affirmative consent is obtained, the customer may not fully understand the implications of entering into a new contract for community solar if the municipality handles the contract negotiations. For example, if the municipality enters into a long-term contract with the community solar developer and the customer later decides to install solar panels at his residence, the customer could be responsible to pay early cancellation fees pursuant to a contract the customer never reviewed or signed.

Applying a GEA opt-out framework to community solar raises questions specifically for low income customers – those that the community solar program is intended to target and assist. Low income customers that do not opt-out of a community solar subscription may end up paying more for energy during some months and less during others. This would occur if the subscription fee charged is a flat amount each month while the community solar credit varies based on project generation. To avoid this scenario, low income customers should be guaranteed to pay no more for energy each month than they would have paid without community solar. Although this same scenario could occur in an opt-in process, those customers would have affirmatively consented to participate and would have had the opportunity to investigate and ask questions.

There is no natural compatibility between GEA and the pilot program. That said, if an individual customer served through GEA also seeks to subscribe to a community solar project, there is nothing to prevent that customer from enrolling in community solar. The customer's involvement in GEA likely would not interfere with participation in community solar.

¹³ See N.J.S.A. 48:3-87.11.

The Joint Utilities appreciate the opportunity to provide the foregoing comments and look forward to continue working with the Board on all issues associated with community solar implementation.

Very truly yours,

/S/ Teresa Harrold
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May 15, 2019

New Jersey Board of Public Utilities
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Trenton, New Jersey 08625

Re: Community Solar Energy Pilot Program Consolidated Billing and Govt Energy Aggregation

Dear Ms. Camacho-Welch,

Thank you for the opportunity to provide comments on how existing programs, including consolidated billing, can be utilized to advance the key objectives of the New Jersey's Community Solar Energy Pilot Program.

New Jersey Resources (NJR), through two of its subsidiaries, NJR Clean Energy Ventures and NJR Home Services, provides residents and businesses in each of New Jersey's 21 counties with renewable power. To date, NJR has invested more than \$700 million to install, own and operate over 230 megawatts of solar in New Jersey including over 7,300 residential solar lease customers.

NJR supports the development of community solar and the advancement of clean energy in New Jersey.

Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Larry Barth', is written over a horizontal line.

Larry Barth
Director, Corporate Strategy

cc: Mark Valori – Vice President, NJR Clean Energy Ventures
Chris Savastano – Managing Director, NJR Clean Energy Ventures
Keith Hartman – President, NJR Home Services
Katie Feery – Manager, Corporate Strategy

Prior to directly answering questions, NJR would like to note that the New Jersey Board of Public Utilities (BPU) should strongly consider expanding the requirements of Consolidated Billing in the Community Solar Energy Pilot to include Purchase of Receivables (POR). This will reduce the need to create new user rules or utility system enhancements and eliminate the time and cost associated with addressing complex cost allocation and cost recovery issues for users and utilities, as well as enhance the attractiveness with the potential to provide savings for customers. For these reasons, in the answers below, NJR references both consolidated billing and POR.

I. Consolidated Billing

1) Please describe the process and mechanism of consolidated billing as it would apply to community solar in New Jersey.

Implementing a consolidated billing program with POR appropriately mirrors the existing system for electric and natural gas third-party supplier transactions that are the hallmark of a deregulated energy market. Electric distribution companies (EDCs) already provide the full suite of billing and collection services for electric generators who sell power to retail customers either through Basic Generation Service or Third-Party Supplier arrangements.

2) What measures would the BPU need to implement in order to establish consolidated billing?

There is no section of the New Jersey Administrative Code that prohibits utility companies from providing consolidated billing for third-party suppliers, therefore, we do not believe it's necessary to apply any changes to implement consolidated billing for community solar. The BPU should work with EDCs to overcome administrative, technical and cost obstacles to implementation.

3) What would be the benefits of implementing consolidated billing?

Utilizing POR provides a financeable revenue stream from low-and-middle income (LMI) community solar subscribers reducing financing costs for selected projects. This will result in greater savings opportunities for all subscribers. It also addresses the challenges of the credit risks inherent to LMI customers and would likely result in more developers participating in the pilot program.

It is important to recognize that the benefits of consolidated billing and POR have already been recognized by the BPU in past rule makings related to the development of the competitive retail market in NJ; therefore, the question is not whether there are benefits, but what accommodations, if any, must be made to address some of the unique billing and credit components of community solar.

By leveraging the existing user standards/requirements and utility technology platforms, stakeholders will also benefit through:

- Lower costs to build out new subscriber and utility organization systems and business processes.
- The use of proven and robust user requirements and testing protocols to address data security and privacy issues for information sharing amongst pilot program participants and utility systems.
- Speed to market through the avoidance or duplication of unnecessary technology development that could result in delays of a “critical path” item for pilot program implementation.
- Established, user-tested, real-world business processes for enrollment, usage data exchange, billing data and program de-enrollment. Processes for each have parallels to third-party supplier programs.

NJR understands the BPU’s concerns regarding the potential for a ratepayer burden related to non-payment of subscriber invoices in the pilot program. NJR believes that the program risks to ratepayers associated with subscriber default are less than or equal to that of participants of TPS programs. As a result, we believe the BPU should fully support use of POR for the pilot program with terms and tariffs similar to that of TPS programs.

4) What costs would be associated with implementing consolidated billing? How would those costs be allocated? Should community solar subscriber organizations be charged a fee for the use of consolidated billing?

Utilizing the existing utility consolidated billing and POR systems should result in minimal costs. If necessary, community solar subscriber organizations should be assessed a one-time administrative fee to cover the costs of initial set up and user testing.

5) Could consolidated billing for community solar be established using the existing New Jersey Electronic Data Interchange (“EDI”) protocols? Why or why not?

Underlying the use of consolidated billing and POR is the need to have a standard communication protocol for the exchange of data and user updates between subscriber organizations, utilities and developers.

EDI is a proven, standard communication protocol used widely by retail energy programs in the U.S. that already has robust documentation and user requirements defined for usage history, billing data, subscriber enrollment and de-enrollment in NJ for TPS programs. Utilizing a well-known, existing system will minimize pilot program implementation costs and reduce the time necessary to launch the pilot program.

II. Government Energy Aggregation

6) In what ways are the Pilot Program and existing GEA rules similar or dissimilar?

Both programs seek to aggregate buyers to provide energy at costs lower than retail rates.

The key difference between the pilot program and the existing GEA rules is the opt-in for participation in the pilot program versus the opt-out of participation in the GEA program. To participate in community solar, interested homeowners have to make a conscious effort to sign up. Under GEA, residential customers are automatically enrolled through their municipality and can request to be taken out of the program. It is assumed that an opt-out model drives higher participation rates, and NJR believes this approach could make sense for community solar in cases where the BPU awards community solar projects to a municipal applicant who can play a role in aggregating customer participants.

The community solar pilot project also has a five-megawatt maximum size restriction on projects, but there is no limit to the quantity of energy that can be purchased under the GEA program. Similarly, there are capacity restrictions by utility in the pilot program that are not applicable in the GEA program.

The other capacity constraint falls on the pilot program subscriber, who is unable to subscribe for more energy than their previous 12-months of usage. Under the GEA, customers simply pay the reduced energy rate based on their monthly consumption.

There are no LMI provisions in the GEA, unlike the pilot program which designates 40 percent of capacity to LMI customers.

Board approval is required for developers and subscriber organizations to develop community solar projects in the pilot. Under the GEA, a municipal ordinance or county resolution are the only requirements to establish participation in the program.

7) Are New Jersey's community solar and GEA programs compatible? If so, how should they be integrated?

Despite the numerous differences listed above, NJR believes there is potential compatibility between the community solar and GEA programs; however, this should be considered as a subsequent enhancement to the pilot program in future years,

8) How would the recommendation under Question 7 be implemented? What changes would be necessary to existing rules or regulations (e.g. to the Pilot Program rules or the GEA program)?

Based on experiences gained from the initial year of the pilot, rule changes should be considered along with other improvement opportunities prior to launching the second or third year of the pilot.

9) How would the recommendation under Question 7 benefit ratepayers of New Jersey?

As previously stated in questions 7 and 8, we believe it is premature to answer this question until a specific proposal is made.



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Governor

SHEILA OLIVER
Lt. Governor

STEFANIE A. BRAND
Director

May 17, 2019

VIA ELECTRONIC MAIL (communitysolar@njcleanenergy.com)
AND HAND-DELIVERY

Honorable Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 S. Clinton Avenue, 3rd Floor, Suite 314
Trenton, New Jersey 08625-0350

**Re: New Jersey Community Solar Energy Pilot Program
BPU Docket No. QO18060646**

Dear Secretary Camacho-Welch:

Enclosed please find the original and ten (10) copies of the comments of New Jersey Division of Rate Counsel ("Rate Counsel") in connection with the above-captioned matter.

We are enclosing one additional copy of the comments. **Please stamp and date the extra copy as "filed" and return it in our self-addressed stamped envelope.**

Thank you for your consideration and assistance.

Respectfully submitted,

STEFANIE A. BRAND
Director, Division of Rate Counsel

By:

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STATE OF NEW JERSEY

BEFORE THE BOARD OF PUBLIC UTILITIES

In the Matter of New Jersey Community) BPU Docket No. QO18060646
Solar Energy Pilot Program)
)

**COMMENTS OF THE
NEW JERSEY DIVISION OF RATE COUNSEL
ON THE NEW JERSEY COMMUNITY SOLAR ENERGY PILOT PROGRAM**

May 17, 2019

INTRODUCTION

The Division of Rate Counsel (“Rate Counsel”) would like to thank the Board of Public Utilities (“Board” or “BPU”) for the opportunity to provide comments on the Community Solar Energy Pilot Program (“Pilot Program”) topics issued by Staff on April 11, 2019. Staff has requested comments on a number of questions relating to the issues of whether consolidated billing could be made available to community subscriber organizations, and whether the Community Pilot Program could be integrated with Government Energy Aggregation (“GEA”). The following comments are offered in response to Staff’s questions.

I. Consolidated Billing

1) Please describe the process and mechanism of consolidated billing as it would apply to community solar in New Jersey.

Rate Counsel assumes this question refers to the possibility of allowing the State’s electric distribution utilities to bill for and collect subscription fees on behalf of community solar subscriber organizations. Rate Counsel does not have sufficient information to provide the details requested in this question. If the Board decides to pursue this, it may wish to convene a technical working group to work out such details.

2) What measures would the BPU need to implement in order to establish consolidated billing?

The BPU would need to establish standards to assure that consolidated billing arrangements do not adversely affect the provision of safe, adequate and proper utility service. In addition, the costs of the consolidated billing arrangements should not be imposed on non-participating ratepayers, as billing and collection are part of the costs that would typically be incurred by subscription organizations and should not be subsidized by non-participating

ratepayers. Rate Counsel notes that N.J.A.C. 14:8-9.3(d) requires explicit Board authorization for utilities to charge fees or surcharges for community solar projects. If consolidated billing is authorized, such authorization should include the establishment of fees that fully compensate utilities for providing this service.

3) What would be the benefits of implementing consolidated billing?

Consolidated billing could result in cost savings and efficiencies for subscriber organizations, which could be reflected in the fees charged to subscribers. The technical working group suggested in Rate Counsel's response to Question 1 above could investigate the costs and benefits of consolidated billing.

4) What costs would be associated with implementing consolidated billing? How would those costs be allocated? Should community solar subscriber organizations be charged a fee for the use of consolidated billing?

Rate Counsel does not have sufficient information to provide comments on the specific costs that would be associated with consolidated billing. Those costs should be paid by the subscriber organizations using this service. As suggested in Rate Counsel's response to Question 2 above, the rates charged for consolidated billing should be sufficient to assure that no additional costs are borne by non-participating ratepayers.

5) Could consolidated billing for community solar be established using the existing New Jersey Electronic Data Interchange ("EDI") protocols? Why or why not?

Rate Counsel does not have sufficient information to provide comment to this request at the current time.

II. Government Energy Aggregation

Although not explicitly included Staff's Notice implicitly raises the issue of whether the Board should proceed with integrating the Community Solar and CEA programs. Rate Counsel assumes that the Board is considering allowing GEA providers to offer Community Solar as part

of the product offered to participants, i.e. the Community Solar subscription fee would be incorporated in the price offered to participants, and participants would be entitled to net metering bill credits associated with their proportionate share of the solar generating facility involved. Before proceeding with this concept, the Board should carefully consider the potential implications for the Board's ability to meet the State's renewable energy goals within the cost cap provided under N.J.S.A. 48:3-87 (d)(2). Under this provision, the cost of achieving the State's Class I renewable energy sources may not exceed nine percent of the total amount paid for electricity by all consumers in New Jersey through energy year 2020 and seven percent of the total amount paid for electricity by all consumers in New Jersey thereafter. As the Board is aware, the Community Solar program makes net metering credits available to large-scale solar projects that otherwise be treated as grid supply projects and not eligible to receive such credits. Since net metering provides a subsidy that is borne by other ratepayers, the costs of the net metering credits facilitated by the Community Solar program must be accommodated within the cost cap. To the extent the proposal facilitates Community Solar, it may result impede the Board's ability to allow other types of renewable energy initiatives within the cost cap.

Before proceeding with the suggested integration, the Board should determine how much solar capacity can be accommodated within the cost cap for Community Solar that is offered through GEA. This evaluation should include an assessment of whether to focus on other initiative that can incentivize renewable energy at less cost to ratepayers.

Further, the inclusion of Community Solar should not be mandatory for GEA providers. The express purpose of a GEA program is to save participants money for their energy supply. See N.J.S.A. 48:3-93.2(a), -94(b)(2) (third-party energy supplier ("TPS") contract to be awarded based on "the most advantageous proposal, price and other factors considered"). The initial rate

charged for electricity in a GEA program must be “the same as or lower than” the price of default basic generation service (“BGS”) available through the EDC serving the community. N.J.S.A. 48:3-94(b)(2); N.J.A.C. 14:4-6.9(b); see N.J.A.C. 14:4-6.9 (price may not exceed benchmark BGS or BGSS price, except under specific circumstances). Adding this or other mandatory components of the products offered by GEA providers would impede their ability to structure their products to meet the demands of the markets they are serving.

6) In what ways are the Pilot Program and existing GEA rules similar or dissimilar?

There are important operational differences between the two programs as under current regulations. Rate Counsel is not familiar with the all of the operational details of both programs, but has identified the following differences:

a) A GEA program is established by and operated on behalf of a municipal or county government. See N.J.S.A. 48:3-93.1; N.J.A.C. 14:4-6.4(g); -6.2; -6.6. Each GEA program begins with an authorizing resolution, N.J.A.C. 14:4-6.6(a), and a government entity is the lead agency, N.J.A.C. 14:4-6.2. Typically, an energy agent works on behalf of the government entity to manage the process of notifying residents of the GEA program and their right either to opt out (for residential customers) or to join (for non-residential customers), and acts as the option administrator. N.J.A.C. 14:4-6.4(g)(2) (an “Option 2” GEA program). The energy agent typically also manages selection of the TPS for the GEA program, through a request for proposals (“RFP”) process.¹ A GEA program typically operates as using “opt out” process, i.e. residents are deemed participants unless they opt out.

¹ In an “Option 1” GEA program, the EDC would manage the duties of the energy agent. N.J.A.C. 14:4-6.4(g)(1). All of the GEA programs known to Rate Counsel have been Option 2 programs.

The current regulations governing the Community Solar pilot contemplate a different process, with privately owned, for profit subscription organizations individually recruiting customers and obtaining individual “wet” or electronic signatures. N.J.A.C. 14:8-9.6 and -9.10. There is only a limited exception for the account holder of a master-metered building to subscribe on behalf of tenants. N.J.A.C. 14:8-9.6.

b) Residential customers may opt out of a GEA program at any time, and the TPS may not charge them an exit fee. N.J.A.C. 14:4-6.3(k) and (l). Moreover, Board rules prohibit any public utility, including a GEA program, from assessing a late payment charge on a residential customer. N.J.A.C. 14:3-7.1(e). The current Community Solar Pilot Program regulations require transferability, portability and buy-out provisions for participating customers. N.J.S.A. 48:3-87.11(f)(15); N.J.A.C. 14:8-9.6(f)(3) and (4). However, the project operator may charge fees to participants for transferring or canceling their participation, as well as late payment fees and interest. N.J.A.C. 14:8-9.10(b)(3)(i).

c) A GEA program must internalize its own costs. The selected TPS must earn its way by offering energy at a price that includes all its costs and is initially less than the cost of BGS. The EDC and the government entity that organizes a GEA program may recover any costs they incur, but only from the rates charged to participants, not from other ratepayers or the EDC’s shareholders. N.J.S.A. 48:3-93.2(b).² Under the Board’s existing Community Solar regulations, EDCs are guaranteed full recovery of any incremental costs they incur to implement Community Solar, and they must recover such cost from other ratepayers unless explicitly by authorized the

² The TPS also may not pay any concession fees, finders’ fees, or other direct monetary benefit to any government aggregator as a result of the supply contract. N.J.S.A. 48:3-92(c); N.J.A.C. 14:4-6.4(g)(2).

Board to implement a separate fee or surcharge to the Community Solar project. N.J.A.C. 14:8-9.3(d).

7) Are New Jersey's community solar and GEA programs compatible? If so, how should they be integrated?

As noted above, the Board's current Community Solar Pilot Program regulations contemplate a selection and enrollment processes that are incompatible with the statutory and regulatory requirements governing GEA. Since some of the differences noted above are based on statutory requirements that apply to GEA, some changes to the Community Solar regulations would be needed. There may also be other differences in the way these two programs operate on a practical level. Before the Board decides whether to implement this concept, the legal and practical implications of integrating these two programs should be carefully considered, with input from the relevant stakeholders. The Board could convene a technical working group for this purpose.

8) How would the recommendation under Question 7 be implemented? What changes would be necessary to existing rules or regulations (e.g. to the Pilot Program rules or the GEA program)?

In the response to Question 6 above Rate Counsel has identified some of the regulatory changes that would be required. Additional changes may be identified based on the more thorough investigation recommended in the response to Question 7 above.

9) How would the recommendation under Question 7 benefit ratepayers of New Jersey?

See the preliminary comments preceding Question 6 above. Subject to the potential adverse consequences discussed above, allowing GEA providers to offer Community Solar could result savings, such efficiencies from combined administration. Before proceeding with the concept, the Board should assure that ratepayers will be benefitted. Indeed, the GEA

implementing statute requires some benefit to the program participants. The investigation recommended in the response to Question 7 above should include this issue.



COALITION FOR
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TO:
Aida Camacho-Welch
Secretary
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Ph: (510) 314-8384
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May 17, 2019

RE: Comments on Consolidated Billing and Government Energy Aggregation

Dear Secretary Camacho-Welch,

Enclosed please find the comments of the Coalition for Community Solar Access on Consolidated Billing and Government Energy Aggregation requested in the April 23, 2019 Notice in Docket QO18060646.

/s/ Laurel Passera
Coalition for Community Solar Access (CCSA)

I. Introduction

The Coalition for Community Solar Access (CCSA) appreciates the opportunity to provide comment on the concepts of Utility Consolidated Billing (UCB) and Government Energy Aggregation (GEA) in the context of the Community Solar Energy Pilot Program, as Noticed on April 11, 2019, in Docket No. QO18060646. The following list includes responses to the questions presented in the Notice.

CCSA is supportive of implementing Utility Consolidated Billing with Purchase of Receivables (UCB-POR), which could provide many benefits to community solar customers. It is a familiar concept to the retail supply arena, and several states, including New York, are in the process of implementing consolidated billing for community solar. There is general agreement among community solar providers that UCB-POR could provide many benefits for customers and de-risk projects focused on low-to-moderate income (LMI) subscribers, making LMI projects much more cost effective and feasible to implement. By implementing UCB-POR, New Jersey would be showing its leadership in community solar.

Consolidated billing fundamentally changes the relationship between the community solar subscriber and a community solar subscriber organization. Therefore, UCB-POR has implications for what providers sell to their customers and how they sell it. To be most effective from a customer perspective, UCB-POR should provide for a clear and precise accounting of subscriber bill credits, accurate descriptions to help them understand where and when their credits were generated, and who is delivering those bill credits to them. If the outcome is transparent and easy to understand, UCB-POR would have benefits for both customers and community solar providers. CCSA urges the Board to move quickly to implement COB-POR. Creating this option will enhance the financing and development of LMI projects.

Government Energy Aggregation (GEA) is a model for commodity energy procurement in New Jersey. However, community solar is fundamentally different from commodity energy procurement in many ways. While GEA and community solar are compatible, they do not require formal integration and no special arrangements are required for government aggregators at this time.

II. Consolidated Billing

1) Please describe the process and mechanism of consolidated billing as it would apply to community solar in New Jersey.

UCB-POR for community solar providers could be implemented in a similar way as that used for retail energy supply charges in New Jersey. Community solar providers must provide utilities with information about the electricity generated by a community solar farm in a particular bill cycle, in addition to information about what portion of that generation should be allocated to a particular subscription. By incorporating UCB-POR, a community solar provider would

additionally provide the utility with a subscription rate or a total subscription charge to the utility. In turn, the utility would either add the total subscription charge or will multiply the generation allocation by the subscription rate and will add that figure to customers' bills as a line item for "community solar charges." For community solar providers, UCB-POR can enable a more positive customer experience because customers do not receive two separate bills.

2) What measures would the BPU need to implement in order to establish consolidated billing?

The process above is similar to the existing process for third-party supplier billing in New Jersey. It is important to note that there are significant differences between retail suppliers and community solar providers. To most accurately and effectively execute UCB-POR, the BPU should set up a Customer Account Services working group in much the same way that it did for retail supply¹. It will be essential to set up a clear and efficient process for community solar providers to provide utilities with information on the amount to charge community solar subscribers for the credits they receive as well as a process to update that information on a monthly basis.

Once it has the necessary information from the working group, the BPU would need to direct utilities to offer the UCB-POR option to community solar providers in a clear and prescriptive manner. UCB-POR only works if the bill credit presentment allows subscribers to realize the value of their subscription in real-time. Because typical subscribers only interact with their project when they receive their credits, it is important to ensure that those credits are presented in a way that allows subscribers to understand the source of the credits (i.e., who is providing them), and how those credits translate to a savings on their electricity bills.

In our members' experience, both the type of bill credit administered and the way utilities apply those bill credits to customer's energy charges can determine the success of a community solar program. Where the Governor and Board of Public Utilities have rightfully placed a significant focus on ensuring community solar access to LMI households, it's essential to creating a billing structure that works to provide meaningful benefits to LMI families.

3) What would be the benefits of implementing consolidated billing?

In general, UCB-POR enables a more positive customer experience and therefore improves the overall value proposition that providers are able to offer. UCB-POR would reduce the risk associated with bad debt and therefore would potentially allow financiers to become more comfortable with supporting residential subscriptions without minimum credit (FICO score)

¹ Docket Nos. EX99090676 and EX94120585Y: In the Matter of Electric Discount and Energy Competition Act of 1999 Customer Account Services Proceeding – Consolidated Billing, Customer Data Card & Competitive Metering, Energy Consultant – Amendment to Customer Usage Information Process, Order 6-23-04-2A (Issued June 24, 2004).

requirements. This in turn would open up community solar participation to more customers, and would particularly ease some of the perceived risk of serving non-credit qualified customers, including low- and moderate-income customers.

From the customer's perspective, UCB-POR would much more easily allow the customer to understand and compare their energy usage to the generation of their solar farm in a particular month. If all of this information were presented on one bill, it would also allow customers to ensure that their subscription size and bill credits are accurately calculated.

4) What costs would be associated with implementing consolidated billing? How would those costs be allocated? Should community solar subscriber organizations be charged a fee for the use of consolidated billing?

Providers would receive compensation for the community solar subscription through the purchase of receivables. Utilities generally recover the administrative costs of billing customers by purchasing the receivables at a slight discount.

5) Could consolidated billing for community solar be established using the existing New Jersey Electronic Data Interchange ("EDI") protocols? Why or why not?

Most of CCSA's member companies do not have experience with EDI protocols as this data exchange methodology is unique to energy commodity suppliers. CCSA suggests that the issue of potential and preferred methods for data exchange be considered in a working group, but would caution against a requirement that EDI be used for community solar providers at this time.

III. Government Energy Aggregation

6) In what ways are the Pilot Program and existing GEA rules similar or dissimilar?

The Pilot Program and the existing GEA program have fundamentally different structures and therefore the rules, particularly regarding consumer protections, are different.

7) Are New Jersey's community solar and GEA programs compatible? If so, how should they be integrated?

Yes, community solar and GEA are potentially compatible but there are a number of notable differences that would make integration challenging. Community solar is designed to allow customers to support the development of a community solar farm in their utility territory. In exchange for their participation through a subscription, the customer receives a right to receive bill credits on their utility bill based on how much electricity was generated by the solar farm in a particular month. GEA is designed to offer customers a preferred competitive electric retail provider who will procure, schedule and provide their electric (or natural gas) supply (i.e. commodity service). Community solar does not change the source of the customer's electricity

supply—customers who want to participate in community solar can do so regardless of whether they receive supply service from their utility, from a GEA supplier, or from another supplier they have chosen outside of a GEA program.

GEA often works on an opt-out basis, whereas community solar requires an active purchasing decision, rather than a passive acceptance of a subscription. It is important for customers to understand the terms of their CS agreement.

Furthermore, community solar subscriptions may be dependent on a subscriber’s location, credit score, household usage, and other customer-specific factors, so everyone involved in a GEA arrangement may not be eligible to participate.

While these programs are “compatible” it is not clear to CCSA that they should be integrated or that customers would experience incremental benefits from integration of these models. In other words, both GEAs and community solar each present unique benefits to customers and CCSA believes that communities and customers should have discretion as to whether they adopt one program or a combination of the two.

8) How would the recommendation under Question 7 be implemented? What changes would be necessary to existing rules or regulations (e.g. to the Pilot Program rules or the GEA program)?

CCSA does not believe these programs should be integrated at this time for the reasons stated above. However, given the nature of GEA as an “opt-out” structure and the nature of community solar as an affirmative purchasing decision, CCSA does believe that additional review and modification of enrollment and consumer protection rules would be required to integrate these business models.

9) How would the recommendation under Question 7 benefit ratepayers of New Jersey?

CCSA does not believe these programs should be integrated at this time for the reasons stated above. If the BPU would like to experiment with an integral GEA-community solar program, CCSA recommends that the BPU allocate an additional bucket of capacity in Year 2 of the program, in addition to the base capacity allowed for the community solar pilot.